

ANGLO EUROPEAN ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr K Hoyle Mr P Mason Mrs H Gulowsen
Trustees/Governors	Mrs H Gulowsen, Chair of Governors Mr M Frost, Chair of Finance Committee Mr K Hoyle, Vice Chair of Finance Committee Mr R Franklin Mr P Mason Mrs C Penn Mr N Richards (resigned 16 March 2020) Mr D Barrs Mrs J Gee Mrs N Maher, Vice Chair Mrs A Willis (resigned 1 September 2019) Mr P Clark (resigned 18 September 2019) Mrs N Chatha Mrs M Fairfield (resigned 10 January 2020) Miss C Jones Mr N Wanags Livingstone Mr O Young Mrs Y Lawrence (appointed 18 November 2019) Dr M Welton (appointed 10 February 2020) Mrs B Adesina (appointed 10 February 2020) Mrs J Griffin (appointed 10 February 2020) Mrs M Hedges (appointed 10 February 2020)
Company registered number	07846848
Company name	Anglo European Academy Trust
Registered and principal office	Willow Green Ingatestone Essex CM4 0DJ
Accounting Officer	Mr D Barrs
Chief Executive Officers	Mr D Barrs & Mrs J Gee

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

**Senior management
team**

Mr D Barrs, Head Teacher and Accounting Officer
Mrs J Gee, Head Teacher
Mr M Seager, Deputy Head Teacher
Mr D Priestly, Assistant Head Teacher
Mr G Headley, Assistant Head Teacher
Mr S Newton, Assistant Head Teacher
Mrs V Miller, Director of Finance
Mrs R Wootton, Assistant Head Teacher

Independent Auditors

Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers

Lloyds TSB
77-81 High Street
Chelmsford
Essex
CM1 1DU

Barclays
69 High Street
Billericay
Essex
CM12 9AU

National Savings & Investments
Glasgow
G58 1SB

ANGLO EUROPEAN ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their Annual Report together with the financial statements and Auditor's Report of Anglo European Academy Trust (the Academy) for the year ended 31 August 2020. The Annual Report serves the purposes of both a Governors' Report, and a Directors' Report under company law.

The Academy operates as a school for pupils aged 11-19 serving a catchment area of children permanently residing in the priority admission area of the parishes of Ingatestone, Mountnessing and Margaretting or children attending Ingatestone and Fryerning Junior School, Margaretting Primary School or Mountnessing Primary School and on roll for Year 6.

Structure, Governance and Management

The Academy is a Company limited by guarantee and an exempt charity. The Academy's Memorandum and Articles of Association are its primary governing documents. The Governors of The Academy are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Academy is commonly known as Anglo European School (the School). Details of the Governors who served during the year are included in the Reference and Administrative Details section.

Members' Liability

Each Member of the Academy undertakes to contribute to the assets of the Academy 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.

Governors and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Governors

The arrangements are as set out in the Articles and Funding Agreement.

Governors are appointed for a fixed term. The Headteachers are full members of the Governing Body (the Board). Parent Governors and the Staff Governors are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for a minimum of four Staff Governors comprising of at least one professional support staff (we have 4 Staff Governors), a minimum of four Parent Governors; (we have 4 Parent Governors), a minimum of one Community Governor; (we have 2 Community Governors), the LA Governor if appointed under Article 64; (we have 1 LA Governor), a minimum of one Governor appointed by the Schools Co-operative Society; (we have 2 Co-operative Trust Governors), if the Forum so requests and the Governors agree a Governor or Governors appointed by Partner Organisations; (we have none), two Governors appointed by Anglo European Co-operative Trust which shall be a Partner Organisation; (we have none), the Principal; (we have 2 Headteachers), 3 co-opted Governors (we have 3 co-opted Governors)

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy is committed to providing adequate opportunities for all new Governors who are required to attend a training programme appropriate to their background and experience. The induction programme would involve a briefing by the Chair of Governors and the Headteachers, followed by a tour of the School, meetings with students and staff and provision of handbook, policy and procedures documents supplied by the Headteachers and Clerk that are appropriate to the role they undertake as Governors. Each Governor is automatically a member of all committees, but will be asked to indicate a specific committee of which they would prefer to be a member to ensure that each committee has a regular core membership.

Organisational Structure

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FOR THE YEAR ENDED 31 AUGUST 2020

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board, which meets on 4 occasions per year, the Finance & Resources Committee meets 4 times a year and other committees 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

One Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Academy. The Headteachers have delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteachers manage the School on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets weekly to discuss emerging matters and to help to develop strategies for future development to be put to the Headteachers and the Board as required for approval. Each member of the SLT has specific responsibilities to assist the Headteachers to manage certain aspects of the Academy. The SLT consists of the following members of staff up until August 2020.

Mr David Barrs – Headteacher and Accounting Officer
Mrs Jody Gee – Headteacher
Mr Mike Seager – Deputy Headteacher
Mrs Vivienne Miller – Director of Finance- Business Manager
Mr Darren Priestley – Assistant Headteacher – Assistant Designated Safeguarding Lead
Mrs Ruth Wootton – Assistant Headteacher – Designated Safeguarding Lead
Mr Graham Headley – Assistant Headteacher
Mr Stuart Newton – Director of Sixth Form

There are three additional members of staff who form part of an extended Leadership Team as part of their professional development for a two year period giving 11 members in total until August 2020.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel include Staff Governors and those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the School.

Pay and remuneration of Key Management Personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the School's appointment and pay policies.

All amendments to Key Management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board.

Trade Unions

The Academy had 2 employees who were relevant union officials during the year.

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FOR THE YEAR ENDED 31 AUGUST 2020

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Board being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Academy cooperated with the following organisations during the academic year in pursuit of its charitable activities: Anglia Ruskin University and Chelmsford Star Co-operative.

The Academy does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Academy is the operation of Anglo European School to provide free education and care for pupils of different abilities between the ages of 11 and 19.

Objectives, Strategies and Activities

The Academy follows its development plan as below:

Strategic Aims

- To ensure continued school improvement by further developing its international ethos, a challenging, international, diverse, baccalaureate curriculum and the strengthening of international partnerships.
- To secure outstanding progress for all students through an outstanding curriculum and personalisation of the learning experience for key groups, notably boys, SEND & Disadvantaged and a strategic approach to narrowing gaps in their progress.
- To ensure the consistency of the quality of provision for teaching, learning and assessment across all departments
- To ensure financial stability, which facilitates future growth and improvement

Quality of Curriculum

1. Develop an ambitious recovery curriculum which includes enhanced safety, health and well-being content.
2. Ensure our curriculum is international, diverse and representative in its content and allows all students to thrive equally.
3. Embed CIAG and the Gatsby Standards are embedded in the wider subject curriculum.
4. Develop the Anglo Reading Curriculum (ARC).
5. Further develop STEAM provision and outcomes and the Business Academy.
6. Implementation of the RSE curriculum, developing pupils' age-appropriate understanding of healthy relationships and respect for each other.
7. Embed the Learning profile across the curriculum.

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Leadership and Management

1. Improve community and parental engagement: Improve impact of forums, questionnaires, assessment information, response to concerns/complaints.
2. Raise ambition, level of inclusion and aspiration for disadvantaged and SEND students strengthening provision, QA, progress checks and parental engagement.
3. To reduce the gap between disadvantaged and non-disadvantaged student progress.
4. Reduce the progress gap between boys and girls.
5. Expand distributed leadership and provide bespoke training at all levels.
6. To develop IT infrastructure, provision and staff capability.

Behaviour and Attendance

1. Further improve attendance, punctuality and reduce incidents of lateness and persistent absence
2. Enhance and clarify the role of the tutor and improve home liaison, strengthening the partnership between home and School.
3. Develop student leadership who are a tangible, positive and persistent force for change and actively support the well-being of others.
4. To embed an environment where difference and diversity is a core strength; valued, nurtured and appreciated. Bullying, violence, derogatory language and discrimination are actively challenged and dealt with effectively.
5. Ensure a consistent response to low level disruption, ensuring follow through.

Personal Development

1. Further developing Mental Health Strategy & plan for student well-being "Let's Talk Recovery", developing pupils' confidence, resilience and knowledge so that they can keep themselves mentally healthy.
2. SWERL: Identifying interventions for positive participation for young people at risk of exclusion in School & avoiding "risky" behaviours.
3. SMSC audit: To secure a willingness of all students to participate in and respond positively to international, artistic, musical, sporting and cultural opportunities.
4. To ensure a challenging, extended curriculum for AMA students by teaching to the top and providing aspirational opportunities such as Brilliant Club.

Quality of Teaching, Learning and Assessment

1. Write and implement Teaching and Learning Policy.
2. Pedagogical Foci: Assessment, Independence, Differentiation.
3. Further enhance on-line teaching and learning opportunities through digital technologies to support the blended learning programme.
4. Ensure CPD is aligned with the refined curriculum, and develops teachers' content knowledge, supported by effective resources, twilights, TLGs and coaching.
5. Plan and Implement new NQT/Early Years Framework for 2020/21

Sixth Form

1. High expectations: Raise aspirations and ensure early, targeted monitoring and intervention for those not meeting expectations.
2. Curriculum Planning – Ensure the quality of student programmes, ensuring ambitious goals are set, coherent planning and sequencing and specific, targeted assessment is shared.
3. Improve progress outcomes – evaluate and improve level of challenge in A Level lessons through teaching to the top and personalised learning strategies.
4. To secure a commitment to independent study, reading and research.

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Public Benefit

The Governors believe that by working towards the objects and aims of the Academy as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

	Results 2020
Sixth Form	
Destinations: % Russell Group University	39%
% First choice University	87%
Average total point score +	141.26
IB Diploma average point score	35
Average point score per entry – A Level only	39.5
Average total point score – A Level only	140.6
Average total point score – IBDP	197.3
Average total point score – AIB	122.4
Average total point score – IBCP	85.0
% A*/B (A levels) / 7-5 (IB grades)	68.0
Number entered : A Level only Route	69
Number entered : IBDP Route	27
Number entered : AIB Route	54
Number entered : IBCP Route	8
 GCSE	
Average Attainment 8 score	5.81
Estimated Progress 8 (P8)	NA
Overall % pass rate 9-7	32.2%
Overall % pass rate 9-4	87.2%
Overall % pass rate 9-1	99.9%
% gaining 9-4 one or more languages	76.1%
% gaining 9-4 two languages or more	58.7%
% gaining English Baccalaureate	46.3%
Number of students in year group	218
Number of students taking examinations	218

+ QCA Points Guide: A Level A*=60, A=50, B=40, C=30, D=20, E=10

IB Higher 7=60, 6=48, 5=36, 4=24, 3=12

IB Standard 7=25, 6=20, 5=15, 4=10, 3=5

A-Level only – Students take 4 A Level courses

AIB – Combination of A Level & IB Standard courses. Students typically take 3 A Levels and 1 IB Standard course

BDP – International Baccalaureate Diploma Programme (an academic post-16 qualification recognised by universities throughout the world for its academic rigour)

BCP – International Baccalaureate Career Programme (a career-related post-16 programme of study)

2020 results are a combination of Centre Assessed Grades (CAG) & Ofqual algorithm.

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Data correct as at 23/9/20

Specific achievements were as follows:

- Installation of food outlets (Covid 19)
- 30 new Smart boards and projectors installed
- Community lectures established
- Detailed and continuously updated Covid 19 risk assessment implemented
- Introduction of Instagram platform
- Successful development of remote learning at short notice
- continuing to manage an inadequate budget without making redundancies

Key Performance Indicators

The Board receive regular information at each committee meeting allowing them to monitor the performance of the Academy compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2019 were 1,455 against a forecast of 1,465.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2019/20 this was 81.1%. The Board is confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures all approved by them.

The Finance and Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

Going Concern

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

In making this statement the Board of Governors has taken into due consideration the effects upon the Academy of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Academy's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

Financial Review

The principal source of funding for the Academy is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2020 the Academy received £8,278,796 of GAG and other funding (excluding capital grants). A high percentage of this income is spent on salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy spent £8,722,156 on general running costs. The Academy brought forward from 18/19, £NIL restricted funds and £957,958 unrestricted funding. The carry forward for 19/20 is £NIL restricted general funding and £790,598 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £4,452,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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Reserves Policy

The Governors are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Governors monitor estimated year-end carry forward figures via the monthly reports from the Director of Finance/Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £790,598.

The Academy's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £790,598.

The cash balance of the Academy has been healthy all year, ending the year with a balance of £1,669,027. The Governors monitor cash flow as part of the committees Director of Finance/ Business Manager reports.

Investment Policy

An Investment Policy was approved by the Board as part of the Financial Regulations policy March 2014.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Academy maintains a risk register identifying the major risks to which it is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Governors at each Finance meeting. The principal risks facing the Academy are outlined below; those facing it at an operational level are addressed by its systems and by internal financial and other controls.

The Governors report that the Academy's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is medium. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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Principal Risks and Uncertainties (Continued)

The Governors assess the other principal risks and uncertainties facing the Academy as follows:

- the Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors, ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the School is reliant on the quality of its staff and the Governors monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Governors take these payments into account when setting the annual budget plan.
- COVID 19 presents significant financial risk with no guarantee of reimbursement from central Government.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

- Three-year plan to bring finances in balance.
- Continue to secure funds from other sources to support Government funding.
- Embed National Baccalaureate for England.

Funds Held as Custodian Trustee on Behalf of Others

No funds held on behalf of other organisations

Fundraising

The Academy only held small fundraising events during the year including non-uniform days, Christmas shows, theatrical productions, film nights, cake sales and quiz nights. The Academy does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of the fundraising events. Works in partnership with its school association to raise funds to supplement Government funding.

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GOVERNORS' REPORT (CONTINUED)
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Auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the Academy's Auditor is unaware, and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and resolution to appoint them will be proposed at the Annual General Meeting.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 17 December 2020 and signed on its behalf by:

Mrs H Gulowsen
Chair of Governors

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to the one of the Headteachers who is the designated 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 Anglo European School and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' Responsibilities. The Board has formally met four times during the year, which is fewer than the recommended six times but is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of one such sub-committee is noted further below.

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

Governor	Meetings attended	Out of a possible
Mrs H Gulowsen, Chair of Governors	4	4
Mr M Frost, Chair of Finance Committee	2	4
Mr K Hoyle, Vice Chair of Finance Committee	2	4
Mr R Franklin	3	4
Mr P Mason	4	4
Mrs C Penn	4	4
Mr N Richards	1	3
Mr D Barrs	4	4
Mrs J Gee	4	4
Mrs N Maher, Vice Chair	3	4
Mrs A Willis	0	0
Mr P Clark	0	0
Mrs N Chatha	4	4
Mrs M Fairfield	2	2
Miss C Jones	4	4
Mr N Wanags Livingstone	4	4
Mr O Young	3	4
Mrs Y Lawrence	3	3
Dr M Welton	2	2
Mrs B Adesina	2	2
Mrs J Griffin	2	2
Mrs M Hedges	2	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Review of year:

There are no key changes in the composition of the Board of Governors.

Particular challenges the Board has dealt with this year are:

- Adjusting to the current situation and a different way of working in order to provide adequate support to the School in dealing with COVID-19 related issues.
- Providing support and advice to the School in its work to achieve a secure financial future which enables development.
- Developing Governors' analytical ability to evaluate school performance and student outcomes more effectively.
- Supporting and monitoring the implementation of the School Development Plan with particular emphasis on the IB and the School's international ethos.

The Board has monitored and supported the School's provision of remote learning and student support throughout the lockdown period. A risk assessment for reopening has been conducted, and the Board continues to oversee the implementation of effective risk management practices.

The in-year budget and 3-year plan, with particular focus on the impact of COVID-19, are monitored through the Board's Finance Committee and meetings between the Chair of Finance and SLT / Finance Team.

Comprehensive data on curriculum & assessment and student outcomes are available to Governors, and are provided at committee meetings and in the Headteachers' report. Comprehensive reports on student and staff well-being have been delivered.

Governor conference days have proven successful and will continue online. Individual visits / online meetings are carried out by Governors with designated responsibility such as Safeguarding and SEND. Governor training this year has covered the quality of teaching & learning and how this is assessed and monitored, the gender gap and how to make our curriculum work for all, safeguarding, and statutory changes to policy and practice relating to relationships and sex education.

Committee agendas are informed by the SDP, and the SDP is presented and discussed at FGB meetings.

Governance reviews:

Due to the current situation, the self-evaluation planned for Spring 2020 has been postponed. Measures implemented based on action points from our previous self-evaluation:

- A skills audit has been completed and used as basis for trustee appointment.
- Induction of new Governors has improved, but further work is required for a more streamlined process.
- External training is now offered to both new and existing Governors, including to those with designated responsibility.

The next self-evaluation is planned for spring 2021, and an external governance review will be discussed

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

The Finance and General Purposes Committee is a sub-committee of the Board. Its purpose is to:

- Address financial matters, set and agree a budget which is sustainable; and
- Monitor the 3-year budget plan.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
K Hoyle	3	4
P Clark	0	0
H Gulowsen	3	4
M Frost	2	4
P Mason	1	4
N Wanags Livingston	3	4
N Richards	1	2
D Barrs	3	4
N Maher	2	2
Mr O Young	3	4
B Adesina	0	0
J Griffin	1	1
C Penn	2	3
J Gee	3	4

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the Anglo European School 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 School's use of its resources has provided good value for money during each academic year, and reports to the Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Continuous monitoring of staffing costs
- Promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic efficient and effective way
- Monitor outcomes and compare performance with similar academies and within the Academy.

Achieving value for money this year has been compromised by significant additional expenditure incurred because of the need to mitigate the impact of Covid 19.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Anglo European School 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 Anglo European School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

ANGLO EUROPEAN ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board
- regular reviews by the finance and general purposes 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

Internal Scrutiny/Audit

The Governing Body has considered the need for a specific Internal Audit function and has decided that Paul Mason should continue as Responsible Officer.

The School received a visit from our School Resource Management Advisor who reviewed all matters relating to finances and resources and produced a summary report of her analysis which has been shared with the Governors. The report was reassuring and endorsed our approach to financial management.

Visits from the Responsible Officer were restricted due to COVID school closures but during a recent visit was undertaken that reviewed transactions in the year under review. The Internal Auditor reports to the governing body, through the Finance and General Purposes Committee, on the operation of the systems of control and on the discharge of the Governors' financial responsibilities and prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer the Headteacher 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 Responsible Officer
- the work of the School Resource Management Adviser;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the School resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 17 December 2020 and signed on their behalf by:

Mrs H Gulowsen
Chair of Governors

Mr D Barrs
Accounting Officer

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Anglo European Academy Trust I have considered my responsibility to notify the Academy Board of Governors 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Trust Board and ESFA. If any instances are identified after the date of this, these will be notified to the board of Trustees and ESFA:

Financial issues:

The Academy received services at arms' length from IBSCA Limited, a company of which one of the Trustees is a Director. These transactions were undertaken in accordance with our normal procurement procedures on the basis of achieving value for money for the Academy, but were not disclosed to the ESFA in advance of the transaction as required by paragraph 5.40 of the Academies Financial Handbook 2019. These transactions have since been disclosed retrospectively to the ESFA. The Academy intends to continue using the supplier. The total amount paid in the year was £2,805.

The Academy received services at arms' length from Bradford Building (Essex) Limited, a company of which the spouse of one of the Academy's senior leadership team is a Director with responsibility for the management of Bradford Building (Essex) Limited's business. These transactions were undertaken in accordance with our normal procurement procedures on the basis of achieving value for money for the Academy, but were not disclosed to the ESFA in advance of the transaction as required by paragraph 5.40 of the Academies Financial Handbook 2019. These transactions have since been disclosed retrospectively to the ESFA. The Academy intends to continue using the supplier. The total amount paid in the year was £6,570.

Mr D Barrs
Accounting Officer
Date: 18 December 2020

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the Governors to prepare financial statements for each financial. Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors 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 Governors 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 Governors 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 Governors on 17 December 2020 and signed on its behalf by:

Mrs H Gulowsen
Chair of Governors

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ANGLO
EUROPEAN ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Academy 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ANGLO EUROPEAN ACADEMY TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ANGLO
EUROPEAN ACADEMY TRUST (CONTINUED)**

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the Directors of the Charitable Company 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 Governors 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 Governors 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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our Report

This Report is made solely to the 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.

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House

1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

18 December 2020

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ANGLO
EUROPEAN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Anglo European Academy Trust during the year to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Anglo European Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Anglo European Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Matter 1:

The Academy received services at arms' length from IBSCA Limited, a company of which one of the Trustees is a Director. These transactions were undertaken in accordance with normal procurement procedures on the basis of achieving value for money for the Academy, but were not disclosed to the ESFA in advance of the transaction as required by paragraph 5.40 of the Academies Financial Handbook 2019. These transactions have since been disclosed retrospectively to the ESFA. The Academy intends to continue using the supplier. The total amount paid in the year was £2,805.

Matter 2:

The Academy received services at arms' length from Bradford Building Limited, a company of which the spouse of one of the Academy's senior leadership team is a Director with responsibility for the management of Bradford Building Limited's business. These transactions were undertaken in accordance with normal procurement procedures on the basis of achieving value for money for the Academy, but were not disclosed to the ESFA in advance of the transaction as required by paragraph 5.40 of the Academies Financial Handbook 2019. These transactions have since been disclosed retrospectively to the ESFA. The Academy intends to continue using the supplier. The total amount paid in the year was £6,570.

Reporting Accountant
Price Bailey LLP
Chartered Accountants

Date: 18 December 2020

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	13,513	105,295	517,155	635,963	951,965
Charitable activities	4	333,976	7,676,318	-	8,010,294	7,640,967
Other trading activities	5	147,378	-	-	147,378	220,659
Investments	6	2,316	-	-	2,316	3,562
Total income		497,183	7,781,613	517,155	8,795,951	8,817,153
Expenditure on:						
Charitable activities	15	664,543	8,057,613	308,769	9,030,925	9,029,622
Total expenditure	7	664,543	8,057,613	308,769	9,030,925	9,029,622
Net movement in funds before other recognised gains/(losses)	9	(167,360)	(276,000)	208,386	(234,974)	(212,469)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(357,000)	-	(357,000)	(412,000)
Net movement in funds		(167,360)	(633,000)	208,386	(591,974)	(624,469)
Reconciliation of funds:						
Total funds brought forward		957,958	(3,909,000)	14,379,927	11,428,885	12,053,354
Net movement in funds		(167,360)	(633,000)	208,386	(591,974)	(624,469)
Total funds carried forward		790,598	(4,542,000)	14,588,313	10,836,911	11,428,885

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 51 form part of these financial statements.

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07846848

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	13	13,505,838	13,694,677
Current assets			
Stocks	14	4,428	2,924
Debtors	15	804,647	231,610
Cash at bank and in hand		1,669,027	2,115,981
		2,478,102	2,350,515
Creditors: amounts falling due within one year	16	(605,029)	(707,307)
Net current assets		1,873,073	1,643,208
Net assets excluding pension liability		15,378,911	15,337,885
Defined benefit pension scheme liability	25	(4,542,000)	(3,909,000)
Total net assets		10,836,911	11,428,885
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	14,588,313	14,379,927
Restricted funds excluding pension liability	18	14,588,313	14,379,927
Pension reserve	18	(4,542,000)	(3,909,000)
Total restricted funds	18	10,046,313	10,470,927
Unrestricted income funds	18	790,598	957,958
Total funds		10,836,911	11,428,885

The financial statements on pages 24 to 51 were approved by the Governors, and authorised for issue on 17 December 2020 and are signed on their behalf, by:

Mrs H Gulowsen
Chair of Governors

The notes on pages 27 to 51 form part of these financial statements.

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(462,756)	325,238
Cash flows from investing activities	21	15,802	44,639
Change in cash and cash equivalents in the year		(446,954)	369,877
Cash and cash equivalents at the beginning of the year		2,115,981	1,746,104
Cash and cash equivalents at the end of the year	22, 23	<u>1,669,027</u>	<u>2,115,981</u>

The notes on pages 27 to 51 from part of these financial statements

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

The Academy is a company limited by guarantee. Its Members are noted on on page 1. The registered office is Willow Green, Ingatestone, Essex, CM4 0DJ.

1.1 Basis of preparation of financial statements

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

Anglo European Academy Trust meets the definition of a public benefit entity under FRS 102.

The functional and presentational currency is Pounds Sterling.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Taxation

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

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

1.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long term leasehold land & buildings	- 125 years straight line
Long term leasehold improvements	- 35 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 10 years straight line

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

1.9 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.

1.10 Debtors

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

ANGLO EUROPEAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 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.

1.12 Liabilities

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

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

1.15 Agency arrangements

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Academy does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

1.16 Fund accounting

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

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

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

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

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	13,513	105,295	-	118,808	476,918
Capital grants	-	-	517,155	517,155	475,047
	<u>13,513</u>	<u>105,295</u>	<u>517,155</u>	<u>635,963</u>	<u>951,965</u>
Total 2019	<u>23,638</u>	<u>453,280</u>	<u>475,047</u>	<u>951,965</u>	

In 2019, income from donations was £476,918 of which £23,638 was unrestricted and £453,280 restricted.

In 2019, capital grants of £475,047 were in relation to restricted fixed assets.

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4. Funding for the Academy's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,014,252	7,014,252	6,807,559
Other DfE / EFA grants	-	574,040	574,040	251,089
	-	7,588,292	7,588,292	7,058,648
Other Government grants				
Local Authority grants	-	5,120	5,120	10,803
Special educational projects	-	26,689	26,689	35,605
	-	31,809	31,809	46,408
Other funding				
Catering income	333,976	-	333,976	491,651
Other income	-	56,217	56,217	44,260
	333,976	56,217	390,193	535,911
	333,976	7,676,318	8,010,294	7,640,967
Total 2019	491,651	7,149,316	7,640,967	

In 2019, income from DfE/ESFA grants was £7,058,648, all of which was restricted.

In 2019, income from other Government grants was £46,408, all of which was restricted.

In 2019, income from catering was £491,651, all of which was unrestricted.

In 2019, other income was £44,260, all of which was restricted.

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5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	18,687	18,687	36,311
Other income	102,716	102,716	162,572
Music income	25,975	25,975	21,776
	147,378	147,378	220,659
	220,659	220,659	
Total 2019			

In 2019, hire of facilities income was £36,311, all of which was unrestricted.

In 2019, other income was £162,572, all of which was unrestricted.

In 2019, music tuition income was £21,776, all of which was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest received	2,316	2,316	3,562
	3,562	3,562	
Total 2019			

In 2019, all investment income was in relation to unrestricted funds.

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	5,410,182	-	495,619	5,905,801	5,644,563
Support costs	1,719,344	783,253	622,527	3,125,124	3,385,059
	<u>7,129,526</u>	<u>783,253</u>	<u>1,118,146</u>	<u>9,030,925</u>	<u>9,029,622</u>
	<u>6,409,574</u>	<u>1,080,891</u>	<u>1,539,157</u>	<u>9,029,622</u>	
Total 2019					

In 2019, of total expenditure, £546,027 was from unrestricted funds, £7,835,790 was from restricted funds and £647,805 was from restricted fixed asset funds.

In 2019, direct expenditure consisted of £4,855,056 staff costs and £789,507 other costs.

In 2019, support expenditure consisted of £1,554,518 staff costs, £1,080,891 premises costs and £749,650 other costs.

8. Charitable activities

	2020 £	2019 £
Direct costs	5,905,801	5,644,563
Support costs	3,125,124	3,385,059
	<u>9,030,925</u>	<u>9,029,622</u>

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7. Charitable activities (Continued)

	2020	2019
	£	£
Analysis of support costs		
Staff costs	1,719,344	1,554,518
Depreciation	215,644	239,235
Technology costs	86,716	58,546
Premises costs (excluding depreciation)	474,484	433,086
Capital grant costs	93,125	408,570
Other costs	517,111	677,278
Governance costs	16,859	13,826
Legal costs	1,841	-
	<u>3,125,124</u>	<u>3,385,059</u>
	<u>3,125,124</u>	<u>3,385,059</u>

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

Net (expenditure)/income for the year includes:

	2020	2019
	£	£
Operating lease rentals	17,600	21,100
Depreciation of tangible fixed assets	215,644	239,235
Fees paid to Auditors for:		
- audit	7,350	7,100
- other services	6,090	4,555
	<u>6,090</u>	<u>4,555</u>
	<u>6,090</u>	<u>4,555</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,194,719	4,849,670
Social security costs	518,518	476,956
Pension costs	1,360,568	991,638
	<u>7,073,805</u>	<u>6,318,264</u>
Agency staff costs	27,343	91,310
Staff restructuring costs	28,378	-
	<u><u>7,129,526</u></u>	<u><u>6,409,574</u></u>

Staff restructuring costs comprise:

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

Included in staff restructuring costs is non-statutory/non-contractual severance payment totalling £1,108 (2019: £nil).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	94	89
Administration and support	8	85
Management	86	9
	<u>188</u>	<u>183</u>

d. Higher paid staff

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

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10. Staff (continued)

d. Higher paid staff (continued)

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	2	1
	<u> </u>	<u> </u>

e. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £955,608 (2019 £955,638).

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11. Governors' remuneration and expenses

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

		2020	2019
		£	£
Mr D Barrs	Remuneration	100,000 - 105,000	100,000 - 105,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Mrs J Gee	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Mrs A Willis (resigned 1 September 2019)	Remuneration	Nil	25,000 - 30,000
	Pension contributions paid	Nil	0 - 5,000
Mrs C Penn	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mr N Richards (resigned 16 March 2020)	Remuneration	25,000 - 30,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Miss C Jones	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs Y Lawrence (appointed 18 November 2019)	Remuneration	30,000 - 35,000	Nil
	Pension contributions paid	5,000 - 10,000	Nil

During the year ended 31 August 2020, expenses related to travel costs totalling £206 were reimbursed or paid directly to 2 Governors (2019 - £115 to 1 Governor).

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was included in the total insurance cost.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2019	14,433,783	1,148,410	8,925	15,591,118
Additions	-	26,805	-	26,805
At 31 August 2020	<u>14,433,783</u>	<u>1,175,215</u>	<u>8,925</u>	<u>15,617,923</u>
Depreciation				
At 1 September 2019	1,089,432	798,084	8,925	1,896,441
Charge for the year	116,855	98,789	-	215,644
At 31 August 2020	<u>1,206,287</u>	<u>896,873</u>	<u>8,925</u>	<u>2,112,085</u>
Net book value				
At 31 August 2020	<u>13,227,496</u>	<u>278,342</u>	-	<u>13,505,838</u>
At 31 August 2019	<u>13,344,351</u>	<u>350,326</u>	-	<u>13,694,677</u>

14. Stocks

	2020 £	2019 £
Raw materials and consumables	<u>4,428</u>	<u>2,924</u>

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	3,206	10,739
Other debtors	122,646	59,919
Prepayments and accrued income	678,795	160,952
	<u>804,647</u>	<u>231,610</u>

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	44,879	29,734
Other taxation and social security	126,730	119,174
Other creditors	135,617	102,122
Accruals and deferred income	297,803	456,277
	605,029	707,307
	605,029	707,307
	2020 £	2019 £
Deferred income at 1 September 2019	121,426	80,542
Resources deferred during the year	139,335	121,426
Amounts released from previous periods	(121,426)	(80,542)
	139,335	121,426
	139,335	121,426

Resources deferred at the year end relate mainly to rates relief income and school trips.

17. Prior year adjustments

The balance of unrestricted funds as at 1 September 2018 has been decreased by £600,000 and the balance of the capital income fund within restricted fixed assets funds has been increased by £600,000. This amount represents the amount received from the Anglo European Co-Operative Trust in respect of income to be used against the cost of future capital projects.

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18. Statement of funds

	As restated balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	957,958	497,183	(664,543)	-	-	790,598
Restricted general funds						
GAG	-	7,014,252	(7,014,252)	-	-	-
Other DfE/ESFA grants	-	574,040	(574,040)	-	-	-
Other Government grants	-	31,809	(31,809)	-	-	-
Other restricted funds	-	56,217	(56,217)	-	-	-
Restricted trip donations	-	105,295	(105,295)	-	-	-
Pension reserve	(3,909,000)	-	(276,000)	-	(357,000)	(4,542,000)
	<u>(3,909,000)</u>	<u>7,781,613</u>	<u>(8,057,613)</u>	<u>-</u>	<u>(357,000)</u>	<u>(4,542,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	13,694,677	-	(215,644)	26,805	-	13,505,838
Capital income	685,250	517,155	(93,125)	(26,805)	-	1,082,475
	<u>14,379,927</u>	<u>517,155</u>	<u>(308,769)</u>	<u>-</u>	<u>-</u>	<u>14,588,313</u>
Total Restricted funds	<u>10,470,927</u>	<u>8,298,768</u>	<u>(8,366,382)</u>	<u>-</u>	<u>(357,000)</u>	<u>10,046,313</u>
Total funds	<u><u>11,428,885</u></u>	<u><u>8,795,951</u></u>	<u><u>(9,030,925)</u></u>	<u><u>-</u></u>	<u><u>(357,000)</u></u>	<u><u>10,836,911</u></u>

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

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Other DfE/ESFA grants

Other DfE/ESFA grants relate to the restricted income received from both the Department for Education and the Education and Skills Funding Agency to assist with the costs of the Academy in relation to specific activities.

Other Government grants

This represents allocated funding for special educational needs pupils and various other small grants from local and national Government bodies for the provision of specific services to pupils of the Academy.

Restricted donations

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips as well as other small donations for the provision of specific services to pupils of the Academy.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Academy and the associated costs.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred on conversion from a state controlled school.

Restricted fixed asset fund

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Academy. The transfer between funds represents additions purchased through GAG funding.

Capital income

This represents funding from the DfE, ESFA or other sources for specific capital projects.

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18. Statement of funds (continued)

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

	As restated balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	783,132	739,510	(546,027)	(18,657)	-	957,958
	<u>783,132</u>	<u>739,510</u>	<u>(546,027)</u>	<u>(18,657)</u>	<u>-</u>	<u>957,958</u>
Restricted general funds						
GAG	-	6,807,559	(6,762,753)	(44,806)	-	-
Other DfE/ESFA grants	-	251,089	(251,089)	-	-	-
Other Government grants	-	39,042	(39,042)	-	-	-
Other restricted funds	-	61,553	(61,553)	-	-	-
Restricted trip donations	-	443,353	(443,353)	-	-	-
Pension reserve	(3,219,000)	-	(278,000)	-	(412,000)	(3,909,000)
	<u>(3,219,000)</u>	<u>7,602,596</u>	<u>(7,835,790)</u>	<u>(44,806)</u>	<u>(412,000)</u>	<u>(3,909,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	13,868,211	-	(239,235)	65,701	-	13,694,677
Capital income	621,011	475,047	(408,570)	(2,238)	-	685,250
	<u>14,489,222</u>	<u>475,047</u>	<u>(647,805)</u>	<u>63,463</u>	<u>-</u>	<u>14,379,927</u>
Total Restricted funds	<u>11,270,222</u>	<u>8,077,643</u>	<u>(8,483,595)</u>	<u>18,657</u>	<u>(412,000)</u>	<u>10,470,927</u>
Total funds	<u><u>12,053,354</u></u>	<u><u>8,817,153</u></u>	<u><u>(9,029,622)</u></u>	<u><u>-</u></u>	<u><u>(412,000)</u></u>	<u><u>11,428,885</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	13,505,838	13,505,838
Current assets	790,598	585,486	1,102,018	2,478,102
Creditors due within one year	-	(585,486)	(19,543)	(605,029)
Provisions for liabilities and charges	-	(4,542,000)	-	(4,542,000)
Total	<u>790,598</u>	<u>(4,542,000)</u>	<u>14,588,313</u>	<u>10,836,911</u>

Analysis of net assets between fund - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,694,677	13,694,677
Current assets	957,958	707,307	685,250	2,350,515
Creditors due within one year	-	(707,307)	-	(707,307)
Provisions for liabilities and charges	-	(3,909,000)	-	(3,909,000)
Total	<u>957,958</u>	<u>(3,909,000)</u>	<u>14,379,927</u>	<u>11,428,885</u>

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(234,974)	(212,469)
Adjustments for:		
Depreciation	215,644	239,235
Capital grants from DfE and other capital income	(40,291)	(106,778)
Interest received	(2,316)	(3,562)
Defined benefit pension scheme cost	276,000	278,000
Increase in stocks	(1,504)	(2,450)
(Increase)/decrease in debtors	(573,037)	41,380
(Decrease)/increase in creditors	(102,278)	91,882
Net cash (used in)/provided by operating activities	(462,756)	325,238

21. Cash flows from investing activities

	2020 £	2019 £
Interest received	2,316	3,562
Purchase of tangible fixed assets	(26,805)	(65,701)
Capital grants	40,291	106,778
Net cash provided by investing activities	15,802	44,639

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,669,027	2,115,981

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,115,981	(446,954)	1,669,027

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

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Capital funded projects	474,704	85,250
	474,704	85,250

25. Pension commitments

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

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

Contributions amounting to £135,534 were payable to the schemes at 31 August 2020 (2019 - £102,122) and are included within creditors.

Teachers' Pension Scheme

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

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

The Teachers' Pension Budgeting and Valuation Account

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

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

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

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £896,260 (2019 - £580,380).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £3,250,000 (2019 - £278,000), of which employer's contributions totalled £259,000 (2019 - £219,000) and employees' contributions totalled £ 66,000 (2019 - £59,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 6.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.3	3.7
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	1.6	1.85
Inflation assumption (CPI)	2.3	2.2
RPI	3.3	3.7

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

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

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25. Pension commitments (continued)

As at the 31 August 2020 the Academy had a pension liability £4,542,000 (2019 - £3,909,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(180,000)	(145,000)
Discount rate -0.1%	184,000	148,000
Mortality assumption - 1 year increase	318,000	272,000
Mortality assumption - 1 year decrease	(306,000)	(262,000)
CPI rate +0.1%	169,000	134,000
CPI rate -0.1%	(166,000)	(131,000)

Share of scheme assets

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

	2020 £	2019 £
Equities	2,363,000	1,860,000
Gilts	163,000	162,000
Other bonds	213,000	166,000
Property	296,000	236,000
Cash and other liquid assets	104,000	86,000
Alternative assets	443,000	289,000
Other managed funds	231,000	151,000
Total market value of assets	3,813,000	2,950,000

The actual return on scheme assets was £82,000 (2019 - £219,000).

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

	2020 £	2019 £
Current service cost	463,000	365,000
Past service cost	-	49,000
Interest income	(57,000)	(70,000)
Interest cost	127,000	152,000
Administrative expenses	2,000	1,000
Total amount recognised in the Statement of Financial Activities	535,000	497,000

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25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	6,859,000	5,736,000
Interest cost	127,000	152,000
Employee contributions	66,000	59,000
Actuarial losses	931,000	561,000
Benefits paid	(91,000)	(63,000)
Past service costs	-	49,000
Current service costs	463,000	365,000
At 31 August	<u>8,355,000</u>	<u>6,859,000</u>

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

	2020 £	2019 £
At 1 September	2,950,000	2,517,000
Interest income	57,000	70,000
Actuarial gains	574,000	149,000
Employer contributions	259,000	219,000
Employee contributions	66,000	59,000
Benefits paid	(91,000)	(63,000)
Administration expenses	(2,000)	(1,000)
At 31 August	<u>3,813,000</u>	<u>2,950,000</u>

26. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	17,600	-
Later than 1 year and not later than 5 years	29,333	-
	<u>46,933</u>	<u>-</u>

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27. 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.

28. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. Except for the matter noted in the Statement on Regularity, Propriety and Compliance, all transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

IBSCA Limited – a company in which Mr D Barrs (a Governor) has significant influence:

- The Academy purchased services from IBSCA Limited totalling £2,805 (2019: £1,605) during the period. There were no amounts outstanding at 31 August 2020 (2019: £nil)
- The Academy followed a competitive tendering exercise in accordance with its financial regulations, which Mr D Barrs neither participated in, nor influenced.

Bradford Building (Essex) Limited – a company which Mrs V Miller's (a member of the Senior management team) close family member controls:

- The Academy purchased services from Bradford Building (Essex) Limited totalling £6,570 (2019: £6,570) during the period. There were no amounts outstanding at 31 August 2020 (2019: £nil)
- The Academy followed a competitive tendering exercise in accordance with its financial regulations, which Mrs V Miller neither participated in, nor influenced.

No other related party transactions occurred during the period other than Governors remuneration.

29. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2020 the Academy received £14,964 (2019 - £15,445) and disbursed all of this (2019 - £15,445) from the fund. An amount of £4,185 (2019 - £4,185) is included in other creditors relating to undistributed funds that is repayable to the ESFA.