

Company Registration Number: 09013070 (England & Wales)

EDISON TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23 - 24
Balance Sheet	25 - 26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 50

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jasbir Sihota Kamaljit Kainth Sarah Hanan-Bajwa
Trustees	Kamaljit Kainth, Chairman Jasbir Sihota, Vice Chair and Responsible Officer ¹ Amritpal Dokal, Headteacher and Accounting Officer ¹ Jasminder Grewal (appointed 8 October 2020, resigned 5 July 2021) Michael Steel (appointed 8 October 2020) ¹ John Rowney (appointed 8 October 2020, resigned 15 October 2021) ¹ Jasmin Athwal (resigned 15 October 2021) ¹ Maninder Panesar (resigned 8 March 2021) Suvir Rai Susan Gipson Dashwinder Achkar (appointed 8 October 2021) Harmanjit Kaur Dothar (appointed 8 October 2021) ¹ Finance committee
Company registered number	09013070
Company name	Edison Trust Limited
Principal and registered office	Edison Primary School Vicarage Farm Road Hounslow TW5 0AQ
Company secretary	Suvir Rai
Chief executive officer	Amritpal Dokal
Senior management team	Amritpal Dokal, Headteacher Hardeep Rupra, Deputy Headteacher Deepika Rahman Harmanjit Dhothar
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Statutory Auditor Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Bankers	Barclays Bank 210 High Street Hounslow TW3 1DL
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EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The School operates an academy for pupils aged 4 to 11 serving a catchment area in Hounslow. It has a pupil capacity of 420 and had a roll of 281 in the school census on May 2021.

Structure, governance and management**a. Constitution**

The School is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of Edison Trust Limited are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Edison Trust Limited.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The liability of the Members will be limited to contributing the nominal sum of £10 on dissolution of the School as detailed in the Articles of Association.

Trustees cannot personally be held responsible for the debts of the School that have been properly incurred. However, Trustees can be held liable for debts incurred through actions in breach of their duties or statutory obligations.

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School. The cost of this insurance is included within the overall PIPA scheme cost.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Structure, governance and management (continued)**d. Method of recruitment and appointment or election of Trustees**

The management of the School is the responsibility of the Trustees who are elected and co-opted under the terms of the Funding Agreement. Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the School's development. The Parent Trustees are elected by parents or carers of registered pupils and must be such parents or carers at the time of their election. Staff Trustees are candidates who must be working at the School at the time of the election.

It is important that all Trustees declare any financial interests they have in companies/individuals from which the School may purchase goods or services. These disclosures should also include the business interests of any relatives or business partners, where influence could be exerted over a Trustee by that person. This does not detract from the duties of trustees to declare interests whenever they are relevant to matters being discussed by the Governing Body or a Committee. Where an interest has been declared, Trustees should not attend that part of any committee or other meeting.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their previous experience. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

The Chair maintained fortnightly contact with the Headteacher throughout the lockdown period. Full Governing Body and Sub-committee meetings were held have held virtually via zoom.

f. Organisational structure

The organisational structure consists of three levels; the Members, the Trustees and the Senior Leadership Team (SLT). The Senior Leadership consists of the Headteacher and Deputy Headteacher.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trustees are responsible for setting general policies, adopting an annual plan and budget and monitoring the School's capital expenditure, staff appointments and major decisions about the School.

The Trustees have devolved responsibility for day to day management of the School to the Headteacher and SLT. The SLT implement the policies laid down by the Trustees and report back to them on performance.

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

All Trustees give their time freely and no Trustee received remuneration in the year to 31 August 2021. The pay of Senior Leaders is determined by the pay policy and reviewed annually by the Trustees.

h. Related parties and other connected charities and organisations

The School does not have any formal relationships with other schools in the geographical area or any other area but will seek to build relationships as it evolves. There are no connected organisations at the present time.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives and activities**a. Objects and aims**

The principal object and activity of the School is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, managing and developing a school and offering a broad range curriculum for pupils of different abilities between the ages of 4 and 11.

b. Objectives, strategies and activities

Our motto – Igniting young minds today, for a brighter tomorrow

Through partnership between Trustees, staff, parents, pupils, external partners and the local community, the School will provide the facilities, resources and vision to enable the School to flourish and provide pupils with the best possible education.

Improvement focusses identified for this year included:

- Reading;
- PSHE and Well-being due to Covid;
- Catch up and Intervention programme for pupils due to Covid; and
- Relationship Education.

The strategic goals of the academy trust are:

High Expectations

Our pupils will make outstanding progress during their time at the School, both academically and socially. The norm will be to continually strive for academic excellence and achievement above national expectations.

Broad Curriculum

Our curriculum is broad, balanced, and extends beyond the classroom. It promotes meaningful learning and skills for life, an enquiry led and practical based curriculum encourages children to find solutions, promote collaborative learning, be active learners, encourage them to persevere and face challenges. Our rationale highlights the current issues being faced by school children in Hounslow. Our vision is a response to the growing concerns around health and achievement in the area whilst creating responsible citizens of the future.

Science and Practical Learning

The School is the first science specialist school to be established in West London pioneering a renewed focus on science. This will be achieved through a rigorous new curriculum, which has a far stronger emphasis on practical work and therefore bring added vibrancy to learning activities.

Strong Parent Partnership

The School will celebrate its diversity and has high and equal expectations of all pupils, regardless of social, cultural, linguistic or ethnic background. As you walk through the school its inclusive nature will be evident in its environment and ethos. Parents and carers will be actively encouraged to be fully involved in their children's learning and in the life of the school. Children attach greater value and respect to their school life when this is modelled by their parents and teachers.

Equal Opportunity Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The School aims to establish equal opportunity in all areas of its activities including creating a working environment in which everyone feels fully valued.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives and activities (continued)**Disabled Persons**

The School complies with the requirements of The Disability Discrimination Act and ensures that students with a disability have full access to school facilities.

c. Public benefit**Public Benefit**

The trustees confirm that they have complied with the duty to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties.

The School aims to be an outstanding and inclusive school for the local community, specifically those who attend the School but also the wider community. The priority is providing a high quality education for its pupils in a safe and caring environment.

In setting our objective and planning out activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report**Achievements and performance**

The School completed its fifth school year in July 2021 during a national pandemic. By the end of the academic year we had 60 pupils in Year 4, 57 pupils in Year 3, Year 2 had 55 pupils, Year 1 had 55 pupils on roll and Reception had 59 on roll.

286 pupils on roll.

Edison remains a Good School

Leadership and Management remains strong

- Strong leadership from the Headteacher, working together with senior leaders and Trustees, has successfully driven improvements since the previous inspection, despite a change in personnel to strategic roles (Deputy Headteacher, Chair of Trustees and Covid 19).
- Establish and monitoring a system of governance through effective committees.
- Building capacity by creating a robust leadership structure and delegating subject leadership.
- Staffing for September 2020 - Appointed 3 teachers – 2 experienced teachers and 1 agency teacher and 2 support staff.
- Outstanding teachers/Deputy Headteacher and Headteacher mentoring those that require support.
- Ofsted - Good rating.
- Dfe Advisor and LA visits.
- External consultant – Martin Burford supporting subject leaders and new leaders.

Quality of teaching, learning and assessment

- Teaching has improved over the year and standards in teaching and learning remain good.
- Collaboratively sharing and supporting best practice.
- Developing, monitoring and evaluating strategies and procedures that will drive school improvement.
- Providing intervention to support school improvement.
- Reviewing schemes of work – Inspire Maths, Numicon and RWI.
- Classroom Monitor Assessment program used for timely tracking, analysing and planning for appropriate support and challenge for all pupils.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

- Internal book looks and pupil progress meetings for all Year groups.
- Contributions sought from parents across the curriculum to identify the breadth of children's learning outside school is excellent.

Personal development, behaviour and welfare

- Introduction to 'When adults change everything changes'.
- Continue to ensure that all pupils have good attitudes to their learning.
- Behaviour for learning improving.
- Well-being committee established.

Marketing

- Developing a systematic marketing strategy.
- Working with local stakeholders.
- Regularly update.

Continued drive on Pupil Recruitment

- Reception parent induction meetings.
- Held one to one meetings with parents to discuss vision and expectations.
- Used website and promotional materials to engage with potential new parents.

Curriculum Documentation

- Curriculum induction meetings for all year groups.
- Completed parents' guide for Reception school year and Year 1.
- Termly overviews.
- Reviewed statutory policies.
- DfE Education Advisor and LA visits completed each term.

Finance

- Completed budget forecast form for ESFA and regularly reviewed as pupils were enrolled.
- Successful Finance audit.
- Reconciled cashbook with funding agreement.
- Reviewed finance policies.

Governance

- Good attendance at meetings.
- Trustees provide a good balance of support and challenge.
- Finance committee internal process audit.

The Year 1 phonics and KS1 tests were carried out internally in the summer of 2021 due to the coronavirus (COVID-19) pandemic. We did request a moderation to ensure teacher judgements in Year 2 were accurate.

The following table shows our final Reception, Year 1, Year 2, Year 3 and Year 4 data.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Strategic report (continued)**Achievements and performance (continued)****a. Key performance indicators**

The Year 1 phonics and KS1 tests were carried out internally in the summer of 2021 due to the coronavirus (COVID-19) pandemic. We did request a moderation to ensure teacher judgements in Year 2 were accurate.

The COVID-19 control measures have been significant and wide-ranging and have, to date, been highly successful in minimising the spread of the virus within the school. Positive cases have been relatively low and only small numbers of pupils have been required to self-isolate. There is a robust risk assessment in place which has been updated on numerous occasions. Operationally we have carefully monitored any suspected or actual case of COVID-19 within the school. Where we have the information, we also use this to inform year group bubbles.

We work closely with the Public Health team in Hounslow and, where appropriate, have sought further advice. Staff and pupils adapted well to the first and second period of lockdown, although the workload for staff was immense and should not be underestimated. The fact that the school was already using Seesaw and Zoom blended learning, we were able to switch to remote lessons moderately easily. Pupil engagement was good during the first and second period of lockdown. This improved further once we were able to offer DfE laptops and school stationery and photocopies where necessary. Subsequent periods of self-isolation for individual pupils have seen a better engagement as we deliver blended learning. We have provided resources for pupils and staff to help maintain wellbeing. These resources are on the school website and regularly signposted and updated. The overall impact of periods of remote working and potential isolation and maybe even dealing with loss, should not be underestimated. Similarly, returning to working on-site has also been a real worry for staff, parents and pupils. We invest in looking after our staff by ensuring that communications are frequent, transparent and by providing individual support when required. The Trustees and leadership team would wish to be able to increase the support given, but this would require additional funding from Government.

b. Going concern

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

Financial review

The majority of the School's income is obtained from the DfE via the EFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period to 31 August 2021 and the associated expenditure is shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE, the amounts are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the School's accounting policies.

The Trustees examine the financial health of the School every term, reviewing performance against budgets and overall expenditure, by means of regular update reports at all full Trustees' and Finance Committee meetings. The trustees also regularly review cash flow to ensure sufficient funds are held to cover all known and

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Strategic report (continued)

anticipated commitments. At the period end, the School had no significant liabilities arising from trade creditors which could significantly effect on liquidity.

a. Reserves policy

The Trustees annually review the reserve levels of the School. The Trustees feel it is important that funding received during a financial year is spent for the benefit of the pupils on roll at that time: whilst recognising the need for prudent accounting. The Board of Trustees aims to set a year end reserve of between £20,000 to £30,000 to meet running costs to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent unforeseen maintenance.

At 31 August 2021 the total funds comprised:

Unrestricted		58,355
Restricted:	Fixed asset funds	3,314,600
	Pension reserve	(38,000)
	Other	548,426

		3,883,381
		=====

b. Investment policy

It should be noted that the Academy Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at Trust level. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. At 31 August 2021, no investments were held.

c. Principal risks and uncertainties

The School'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 reporting, reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- staff and pupil well-being during Covid 19;
- lower pupil numbers than anticipated; and
- recruitment of high calibre staff.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Fundraising

Throughout the school year, pupils are encouraged to fundraise to support a number of charities and organisations as part of their interest and involvement in the local and wider community. In 2020/2021 pupils have raised money through cake sales, sponsored events, mufti days to support organisations including Children in Need and Sports Relief.

The Parent Teacher Association raise funds at events during the year, however due to Covid fundraising with large groups of parents and pupils was possible.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

- The School will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels;
- Continue setting challenging targets for those not meeting age related expectations through quality support and interventions;
- The School will continue to aim to attract a high calibre of senior leaders, teachers and support staff in order to deliver its objectives;
- Trustees will monitor the progress of pupils and outcomes;
- Reach full capacity of 420 pupils by 2022.

Funds held as custodian on behalf of others

No such funds are held by Edison Trust Limited.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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



.....
Kamaljit Kainth
Chair of Trustees

Date: 20/12/2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Trustees has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Edison Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
Kamaljit Kainth, Chairman	4	4
Jasbir Sihota, Vice Chair and Responsible Officer	3	4
Amritpal Dokal, Headteacher and Accounting Officer	4	4
Jasminder Grewal (appointed 8 October 2020, resigned 5 July 2021)	0	4
Michael Steel (appointed 8 October 2020)	4	4
John Rowney (appointed 8 October 2020, resigned 15 October 2021)	4	4
Jasmin Athwal (resigned 15 October 2021)	2	4
Maninder Panesar (resigned 8 March 2021)	3	4
Suvir Rai	3	4

The Full GB and Standards Committee core purpose to review:

- Safeguarding procedures;
- Data on attainment and progress for all of the Trust's academies;
- School Improvement Plan and School Evaluation Form;
- Intervention strategies and plans Special Educational Needs, Disability (SEND) and inclusion Disadvantaged pupils;
- Admissions arrangements;
- Leadership and management;
- Overall performance of each of the academies against the Ofsted framework;
- Standards of Teaching and Learning including;
- CPD training; and
- Relevant statutory required policies: Relationships & Sex Education; Personal, Social Health and Economics Education (PSHE); Child Protection and Safeguarding; Admissions; Parental Complaints; SEND; Charging and Remissions etc.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The finance committee is a sub-committee of the main board of Trustees. Its purpose is to:

- Review management accounts, cash flow and budget;
- monitor the integrity of the financial statements and audit findings;
- review internal financial controls and review the Academy's internal control and risk management systems;
- make recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- review the auditor's independence and objectivity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Amritpal Dokal	3	3
Jasbir Sihota	2	3
Suvir Rai	3	3
John Rowney (appointed 8 October 2020, resigned 15 October 2021)	3	3
Michael Steel (appointed 8 October 2020)	3	3
Kamaljit Kainth	2	3

Review of value for money

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

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

- Reviewing contracts which included cleaning and utility services;
- Ensuring competitive quotes for large purchases were sought; and
- Consolidating suppliers across other schools and using online purchasing portals.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Edison Trust Limited for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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;
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Hillier Hopkins LLP.

Further guidance on the internal scrutiny arrangements is available in the Academies Financial Handbook and in ESFA's good practice guide.

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

- testing of payroll systems and recruitment processes;
- testing of purchase systems, fixed asset purchases and creditors;
- testing of balance sheet control accounts/ bank reconciliations;
- testing of income, debtors, capital claims and VAT returns.

On a biannual basis, auditor reports to the board of trustees, through the Finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually 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.

EDISON TRUST LIMITED

(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 external auditors;
- the financial management and governance self-assessment process;
- the work of the internal auditor;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

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



.....
Kamaljit Kainth
Chair of Trustees



.....
Amritpal Dokal
Accounting Officer

Date: 20/12/2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Edison Trust Limited I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

Matter 1 External audit

During the year, the Academy Trust failed to comply with section 4.17 of the Academies Financial Handbook in respect of minuting the consideration of reappointment of the auditors along with the basis of the decision made. While the reappointment may have been adequately discussed, the documentation and control process was not in line with the Trust's Finance Manual.

Matter 2 – Monitoring the budget

During the year, the Academy Trust failed to comply with section 2.19 of the Academies Financial Handbook in respect of sharing the monthly management accounts with the chair of Trustees every month. Management accounts had not been completed until January 2021 for the months September 2020 until January 2021; hence there was a delay in circulating these accounts. Management accounts have been prepared and circulated on a monthly basis throughout 2021. The Academy Trust also failed to comply with section 2.19 of the Academies Financial Handbook in respect of consideration and minuting of the review of the management accounts at each Trustee Board meeting. It is noted that the management accounts had been reviewed at the meetings of the Finance Committee.



.....
Amritpal Dokal
Accounting Officer

Date: 20/12/2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Kamaljit Kainth
Chair of Trustees

Date: 20/12/2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EDISON TRUST LIMITED**

Opinion

We have audited the financial statements of Edison Trust Limited (the 'School') for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDISON TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDISON TRUST LIMITED (CONTINUED)

Responsibilities of Trustees

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.


EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EDISON TRUST LIMITED (CONTINUED)**

Use of our report

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



Atul Kariya FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditor

Milton Keynes

Date: 21 December 2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDISON TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 November 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Edison Trust Limited during the year 1 September 2020 to 31 August 2021 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 Edison Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Edison Trust Limited 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 Edison Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Edison Trust Limited's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Edison Trust Limited's funding agreement with the Secretary of State for Education dated 27 April 2016 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

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

- reviewing the minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the School, with reference to the income streams and other information available to us as auditors of the School;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- consideration of governance issues;
- evaluating the internal control procedures and reporting lines and testing as appropriate; and
- making enquiries of the Accounting Officer.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1 External audit

During the year, the Academy Trust failed to comply with section 4.17 of the Academies Financial Handbook in respect of minuting the consideration of reappointment of the auditors along with the basis of the decision made. While the reappointment may have been adequately discussed, the documentation and control process was not in line with the Trust's Finance Manual.

Matter 2 – Monitoring the budget

During the year, the Academy Trust failed to comply with section 2.19 of the Academies Financial Handbook in respect of sharing the monthly management accounts with the chair of Trustees every month. Management accounts had not been completed until January 2021 for the months September 2020 until January 2021; hence there was a delay in circulating these accounts. Management accounts have been prepared and circulated on a monthly basis throughout 2021. The Academy Trust also failed to comply with section 2.19 of the Academies Financial Handbook in respect of consideration and minuting of the review of the management accounts at each Trustee Board meeting. It is noted that the management accounts had been reviewed at the meetings of the Finance Committee.



MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Milton Keynes

Date: 21 December 2021

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	1,219	7,186	6,599	15,004	13,929
Charitable activities	4	-	1,723,137	-	1,723,137	1,295,901
Other trading activities	5	33,658	-	-	33,658	23,741
Investments		-	4,000	-	4,000	-
Total income		34,877	1,734,323	6,599	1,775,799	1,333,571
Expenditure on:						
Raising funds		34,567	-	-	34,567	5,519
Charitable activities		3,629	1,540,237	144,106	1,687,972	1,334,877
Total expenditure	6	38,196	1,540,237	144,106	1,722,539	1,340,396
Net income/ expenditure		(3,319)	194,086	(137,507)	53,260	(6,825)
Transfers between funds	15	-	(11,047)	11,047	-	-
Net movement in funds before other recognised losses		(3,319)	183,039	(126,460)	53,260	(6,825)
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	21	-	(16,000)	-	(16,000)	-
Net movement in funds		(3,319)	167,039	(126,460)	37,260	(6,825)

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	61,674	343,387	3,441,060	3,846,121	3,852,946
Net movement in funds	(3,319)	167,039	(126,460)	37,260	(6,825)
Total funds carried forward	<u>58,355</u>	<u>510,426</u>	<u>3,314,600</u>	<u>3,883,381</u>	<u>3,846,121</u>

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

The notes on pages 28 to 50 form part of these financial statements.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 09013070

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,314,600	3,441,060
Current assets			
Debtors	13	133,509	102,209
Cash at bank and in hand	19	654,554	432,493
		<u>788,063</u>	<u>534,702</u>
Creditors: amounts falling due within one year	14	(181,282)	(129,641)
Net current assets		606,781	405,061
Total assets less current liabilities		3,921,381	3,846,121
Defined benefit pension scheme liability / asset	21	(38,000)	-
Total net assets		3,883,381	3,846,121
Funds of the Academy			
Restricted funds:			
Fixed asset funds	15	3,314,600	3,441,060
Restricted income funds	15	548,426	343,387
		<u>3,863,026</u>	<u>3,784,447</u>
Restricted funds excluding pension asset	15	3,863,026	3,784,447
Pension reserve	15	(38,000)	-
Total restricted funds	15	3,825,026	3,784,447
Unrestricted income funds	15	58,355	61,674
Total funds		3,883,381	3,846,121

EDISON TRUST LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 09013070

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

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



.....
Kamaljit Kainth
Chair of Trustees

Date: 20/12/2021

The notes on pages 28 to 50 form part of these financial statements.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	233,108	83,868
Cash flows from investing activities	18	(11,047)	6,880
Change in cash and cash equivalents in the year		222,061	90,748
Cash and cash equivalents at the beginning of the year		432,493	341,745
Cash and cash equivalents at the end of the year	19	<u>654,554</u>	<u>432,493</u>

The notes on pages 28 to 50 form part of these financial statements

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Edison Trust Limited meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, the functional currency, rounded to the nearest £1.

It is a company limited by guarantee, incorporated in England. The address of the registered office and principle place of operation are detailed on page 1. The nature of the Academy's operation and principal activity are detailed in the Trustee's report.

1.2 Going concern

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

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**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 Income (continued)

asset on which they are expended.

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

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

Donated services have been valued using deemed commercial rates applicable for the service provided. Income is recognised as a donation with a corresponding cost in other expenditure. These are treated as unrestricted funds.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)**1.4 Expenditure (continued)**

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Long-term Leasehold property	-	2% straight-line on cost
Furniture and fixtures	-	25% straight-line on cost
Computer equipment	-	33% straight-line on cost

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

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

1.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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 13. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Operating leases

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

1.12 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme.

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.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)**1.13 Fund accounting**

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgments that have had a significant effect on amounts recognised in the Financial Statements are those concerning the choice of depreciation policies and asset lives.

EDISON TRUST LIMITED**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	1,219	7,186	-	8,405	4,150
Capital Grants	-	-	6,599	6,599	9,779
	<u>1,219</u>	<u>7,186</u>	<u>6,599</u>	<u>15,004</u>	<u>13,929</u>

4. Funding for the academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,391,613	1,391,613	1,094,836
Other DfE/ESFA grants			
Pupil Premium	122,283	122,283	75,774
Other DfE/ESFA grants	62,305	62,305	23,402
UIFSM	54,137	54,137	62,046
Teachers' pension grant	54,043	54,043	32,166
	<u>1,684,381</u>	<u>1,684,381</u>	<u>1,288,224</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	21,840	21,840	-
	<u>21,840</u>	<u>21,840</u>	<u>-</u>
Other funding			
Other income	16,916	16,916	7,677
	<u>16,916</u>	<u>16,916</u>	<u>7,677</u>
	<u>1,723,137</u>	<u>1,723,137</u>	<u>1,295,901</u>

EDISON TRUST LIMITED**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the academy's educational operations (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals Pupil Premium and Teachers pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £21,840 of funding for catch-up premium and costs incurred in respect of this funding totalled £21,840, with no remaining amount to be spent.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School trips	3,657	3,657	862
Breakfast and after school clubs	30,001	30,001	22,879
	<u>33,658</u>	<u>33,658</u>	<u>23,741</u>

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	19,256	-	15,311	34,567	5,519
School's educational operations:					
Direct costs	1,052,918	-	53,222	1,106,140	846,013
Allocated support costs	157,593	209,596	214,643	581,832	488,864
	<u>1,229,767</u>	<u>209,596</u>	<u>283,176</u>	<u>1,722,539</u>	<u>1,340,396</u>

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	1,106,140	581,832	1,687,972	1,334,877

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	1,052,918	765,043
Educational supplies	33,165	78,132
Staff development	9,700	1,945
Staff expenses	6,728	136
School trips	3,629	757
	1,106,140	846,013

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Total funds 2021 £	Total funds 2020 £
Staff costs	183,593	118,340
Depreciation	144,106	149,312
Maintenance of premises and equipment	31,609	17,907
Rent and rates	12,076	4,564
Light and heat	21,805	21,142
Other support costs	54,918	50,582
Catering	84,185	74,249
Bank charges	168	200
Technology costs	14,532	11,512
Other professional fees	2,540	1,100
Governance costs	32,300	39,956
	581,832	488,864

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	144,106	149,312
Fees paid to auditors for:		
- audit	7,650	7,650
- other services	2,140	2,140

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Staff**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	710,754	607,376
Social security costs	68,677	54,199
Pension costs	134,592	89,112
	<u>914,023</u>	<u>750,687</u>
Agency staff costs	341,744	136,206
	<u><u>1,255,767</u></u>	<u><u>886,893</u></u>

b. Staff numbers

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

	2021 No.	2020 No.
Teaching	9	7
Administration and support	15	14
Management	4	2
	<u>28</u>	<u>23</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff members amounted to £35,377 (2020: £34,370).

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Staff (continued)**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £321,770 (2020: £197,144).

10. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Amritpal Dokal, Headteacher and Accounting Officer	Remuneration	80,000 -	80,000 -
		85,000	85,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

11. Trustees' and Officers' insurance

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

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	3,500,000	43,752	290,185	3,833,937
Additions	9,340	1,120	7,186	17,646
At 31 August 2021	<u>3,509,340</u>	<u>44,872</u>	<u>297,371</u>	<u>3,851,583</u>
Depreciation				
At 1 September 2020	140,000	33,453	219,424	392,877
Charge for the year	70,000	6,307	67,799	144,106
At 31 August 2021	<u>210,000</u>	<u>39,760</u>	<u>287,223</u>	<u>536,983</u>
Net book value				
At 31 August 2021	<u>3,299,340</u>	<u>5,112</u>	<u>10,148</u>	<u>3,314,600</u>
At 31 August 2020	<u>3,360,000</u>	<u>10,299</u>	<u>70,761</u>	<u>3,441,060</u>

The leasehold is held on a 125 year lease by the London Borough of Hounslow and provided to the Academy without charge and is not depreciated. No rent is charged on this lease.

13. Debtors

	2021 £	2020 £
Other debtors	34,407	69,376
Prepayments and accrued income	99,102	32,833
	<u>133,509</u>	<u>102,209</u>

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	95,196	57,012
Other creditors	29,449	26,811
Accruals and deferred income	56,637	45,818
	<u>181,282</u>	<u>129,641</u>
	2021 £	2020 £
Deferred income at 1 September	31,252	30,395
Resources deferred during the year	29,016	31,252
Amounts released from previous periods	(31,252)	(30,395)
Deferred income at 31 August	<u>29,016</u>	<u>31,252</u>

At the balance sheet date the School was holding funds received in advance for the following purposes:
Universal Free School Meals funding of £29,016 (2020: £31,252).

EDISON TRUST LIMITED**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	<u>61,674</u>	<u>34,877</u>	<u>(38,196)</u>	<u>-</u>	<u>-</u>	<u>58,355</u>
Restricted general funds						
General Annual Grant (GAG)	308,143	1,391,613	(1,147,469)	(3,861)	-	548,426
Pupil Premium	35,244	122,283	(157,527)	-	-	-
Other DfE/ESFA grants	-	170,485	(170,485)	-	-	-
Catch-up premium	-	21,840	(21,840)	-	-	-
Miscellaneous	-	24,102	(16,916)	(7,186)	-	-
Pension reserve	-	4,000	(26,000)	-	(16,000)	(38,000)
	<u>343,387</u>	<u>1,734,323</u>	<u>(1,540,237)</u>	<u>(11,047)</u>	<u>(16,000)</u>	<u>510,426</u>
Restricted fixed asset funds						
Fixed asset funds	<u>3,441,060</u>	<u>6,599</u>	<u>(144,106)</u>	<u>11,047</u>	<u>-</u>	<u>3,314,600</u>
Total Restricted funds	<u>3,784,447</u>	<u>1,740,922</u>	<u>(1,684,343)</u>	<u>-</u>	<u>(16,000)</u>	<u>3,825,026</u>
Total funds	<u><u>3,846,121</u></u>	<u><u>1,775,799</u></u>	<u><u>(1,722,539)</u></u>	<u><u>-</u></u>	<u><u>(16,000)</u></u>	<u><u>3,883,381</u></u>

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Statement of funds (continued)

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

The unrestricted General Fund is used for educational expenditure at the discretion of the Trustees.

The General Annual Grant (GAG) must be used for the normal running costs of the school.

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

The restricted asset fund represents leasehold land and buildings donated by the ESFA for the new school development, and other ESFA capital grants.

Restricted fixed asset funds amounting to £3,314,600 will be reserved against future depreciation charges.

The transfer between the restricted fixed asset fund and restricted fixed assets funds of £11,047 represent amounts which were not capitalised.

EDISON TRUST LIMITED**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
Unrestricted funds	47,712	27,891	(13,929)	-	61,674
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
General Annual Grant (GAG)	217,761	1,150,404	(1,066,902)	6,880	308,143
Pupil Premium	-	75,774	(40,530)	-	35,244
Other DfE/ESFA grants	-	69,723	(69,723)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	217,761	1,295,901	(1,177,155)	6,880	343,387
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds					
Fixed asset funds	3,587,473	9,779	(149,312)	(6,880)	3,441,060
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted funds	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,805,234	1,305,680	(1,326,467)	-	3,784,447
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,852,946	1,333,571	(1,340,396)	-	3,846,121
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,314,600	3,314,600
Current assets	58,355	729,708	-	788,063
Creditors due within one year	-	(181,282)	-	(181,282)
Provisions for liabilities and charges	-	(38,000)	-	(38,000)
Total	58,355	510,426	3,314,600	3,883,381

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,441,060	3,441,060
Current assets	61,674	473,028	-	534,702
Creditors due within one year	-	(129,641)	-	(129,641)
Total	61,674	343,387	3,441,060	3,846,121

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	53,260	(6,825)
Adjustments for:		
Depreciation	144,106	149,312
Capital grants from DfE and other capital income	(6,599)	(9,779)
Defined benefit pension scheme cost less contributions payable	26,000	-
Defined benefit pension scheme finance cost	(4,000)	-
Increase in debtors	(31,300)	(49,081)
Increase in creditors	51,641	241
Net cash provided by operating activities	233,108	83,868

18. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible assets	(17,646)	(2,899)
Capital grants from DfE Group	6,599	9,779
Net cash (used in)/provided by investing activities	(11,047)	6,880

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	654,554	432,493
Total cash and cash equivalents	654,554	432,493

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	432,493	222,061	654,554
	<u>432,493</u>	<u>222,061</u>	<u>654,554</u>

21. Pension commitments

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

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

Contributions amounting to £11,026 were payable to the schemes at 31 August 2021 (2020 - £8,313) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Pension commitments (continued)

service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £103,592 (2020 - £68,112).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £20,000 (2020 - £14,000), of which employer's contributions totalled £16,000 (2020 - £10,000) and employees' contributions totalled £ 4,000 (2020 - £4,000). The agreed contribution rates for future years are 5.5 per cent for employers and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Commutation of pensions to lump sums	50.00	50.00

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Pension commitments (continued)

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.3
Females	23.8	23.9
<i>Retiring in 20 years</i>		
Males	22.4	22.8
Females	25.4	25.5

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

	At 31	At 31 August
	August 2021	2020
	£	£
Equities	25,000	8,000
Gilts	2,000	1,000
Other bonds	4,000	2,000
Property	2,000	1,000
Abosolute return portfolio	6,000	3,000
Total market value of assets	39,000	15,000

The actual return on scheme assets was £4,000 (2020 - £1,000).

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

	2021	2020
	£	£
Interest income	5,000	-
Interest cost	(1,000)	-
Total amount recognised in the Statement of Financial Activities	4,000	-

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	52,000	-
Interest cost	1,000	-
Employee contributions	8,000	-
Actuarial losses/(gains)	16,000	-
At 31 August	77,000	-

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

	2021 £	2020 £
Expected return on assets	5,000	-
Employer contributions	26,000	-
Employee contributions	8,000	-
At 31 August	39,000	-

22. Operating lease commitments

The Academy had no commitments under non-cancellable operating leases at 31 August 2021.

23. 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.

EDISON TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Related party transactions

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

No related party transactions took place in the year, other than certain Trustees' remuneration and expenses already disclosed in note 10.