

Company registration number 06731593 (England and Wales)

ESSA FOUNDATION ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023



ESSA FOUNDATION ACADEMIES TRUST

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ESSA FOUNDATION ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members:

Mr Y Patel
Mr A Umarji
Mr I Bobat

Directors:

Mr M Hackett
Mr I Ross – resigned 19 January 2023
Ms K Longworth
Mr N Whittle
Ms A Casey – appointed 1 September 2022
Ms L Williams

Governors:

Essa Academy:

Sponsor Governors:

Mr N Ford – Chair of Governors
Mr P Davidson
Mr F Atcha
Mr Mohammad Kola
Ms A Casey – appointed 1 September 2022
Mr P Stewart – appointed 1 January 2023
Ms A Appleyard – appointed 22 March 2023
Mr I Wadeson – resigned 21 March 2023
Ms J Atherton – resigned 31 December 2022
Mr M Barnes – appointed 14 March 2023

Parent Governor:

Mr S Kala
Mr I Niazi – resigned 21 February 2023

Staff Governor:

Mr J Turner

Essa Primary Academy:

Sponsor Governors:

Mr N Whittle – Chair of Governors
Ms A Casey – appointed 1 September 2022
Mr I Ross – resigned 19 January 2023
Mr M Knowles
Mr M Barnes
Mr P Stewart – appointed 1 January 2023

Parent Governors:

Mrs M Khan – resigned 31 August 2023

Staff Governor:

Mrs L Banks – resigned 16 April 2023

ESSA FOUNDATION ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Leadership and Management Team:

Ms A Casey – Chief Executive Officer and Accounting Officer – appointed 1 September 2022

Mr M Knowles - Principal Essa Academy

Ms J Atherton - Principal Essa Primary Academy – resigned 31 December 2022

Ms S Smith – Chief Financial Officer

Mr P Stewart – Principal Essa Primary Academy – appointed 1 January 2023

Company registration number 06731593 (England and Wales)

Principal and Registered office Lever Edge Lane
Bolton
Lancs
BL3 3HH

Independent auditor DJH Mitten Clarke Audit Limited
Bridge House
Ashley Road
Hale
Altrincham WA14 2UT

Bankers Lloyds Bank Plc
Hotel Street
Bolton
BL1 1DB

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors/trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Essa Foundation Academies Trust aims to improve educational opportunity and secure high standards and achievement for children in the trust's academies. The trust's vision is "All Will Succeed".

The academy trust operates one primary and one secondary academies in Bolton. Its academies have a combined pupil capacity of 1,470 and had a roll of 1,530 in the school census in October 2023.

Structure, governance, and management

Constitution

The academy trust 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 academy trust. The trustees of Essa Foundation Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Essa Academy and Essa Primary. Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

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

Method of recruitment and appointment or election of directors/trustees

The chair will make a recommendation, for or against, a prospective academy director/committee member appointment to the board, or committee as appropriate. The board of directors approves all appointments and arranges induction.

Procedure for recruiting and appointing/electing chairs of local governing bodies (LGBs) as academy directors:

- Two chairs of LGBs of open EFAT (Essa Foundation Academies Trust) academies may be appointed/elected to the EFAT board of directors as academy directors.
- Two other suitably qualified individuals may be appointed/elected to the EFAT board of directors as academy directors.
- All directors must be 18 or over.
- The appointment of an academy director is for 4 years.
- Academy directors may be re-appointed.

The chairs of LGBs of the first 2 EFAT academies will be appointed as academy directors.

Thereafter, if there are more than 2 academies in the trust and a vacancy has arisen for an academy director who is a chair of an LGB the process of election of these academy directors will be as follows:

The clerk will notify the board, at each meeting, of academy director vacancies, and upcoming ends of terms of office.

Chairs of LGBs are eligible for election/appointment if their academy is open and:

- the chair is not already a serving academy director;
- the chair is an academy director seeking re-election/re-appointment on completion of a term of office; and
- the clerk will organise a secret ballot with each chair having a single vote.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Local governing bodies (LGBs):

The board determines the composition of LGBs:

- Sponsor governors – majority - at least 5 - appointed by the board of directors.
- Parent governors - 2 for Essa Academy; up to 4 for Essa Primary Academy - elected by parents/appointed by the LGB.
- Staff governor - 1 - elected by staff/appointed by the LGB.
- Principal - ex officer - appointed by the board of directors.
- Co-opted governors - as required, appointed by the LGB (no voting rights).

The term of office for sponsor governors is 4 years.

Sponsor governors may be re-appointed.

All governors must be 18 or over.

Process for recruiting and appointing sponsor governors to local governing bodies:

The board of directors will routinely seek expressions of interest from appropriately skilled and experienced persons in becoming sponsor governors of the trust.

In seeking to recruit new sponsor governors the board will:

- Seek assistance from governor recruitment organisations.
- Seek interest from local companies and organisations.
- Advertise in local media and on the trust's website.
- Seek recommendations from current directors and governors.
- Seek interest from the sponsor's partner organisations.

Where an existing sponsor governor, at the end of his/her term of office, wishes to continue as a sponsor governor:

- The chair of the board will seek the views of the chair of the LGB; and will then make a recommendation for/against re-appointment to the board.
- The board must approve all re-appointments and notify the existing sponsor governor of the outcome.

Where a decision has been taken to fill vacant sponsor director posts, the CEO will make arrangements for the recruitment of new sponsor governors.

The chair will make a recommendation, for or against, a prospective sponsor governor appointment to the board. The board of directors approves all appointments: LGBs arrange induction.

Process for appointing parents to local governing bodies:

- The composition of an EFAT academy local governing body (LGB) includes 2 parent governors for Essa Academy and up to 4 parent governors for Essa Primary Academy.
- A parent with a child attending an EFAT academy is eligible for election as a parent governor at that academy.
- Parents with a child attending the academy are eligible to vote. One vote per family.
- Once elected/appointed a parent governor can continue to serve as a governor until the end of his/her term of office even if his/her child leaves the academy during this period.
- All governors must be 18 or over.
- The term of office for parent governors is 4 years.
- A person appointed as a parent governor may stand for re-election as long as they are still eligible.

In the case of one or more vacancies for a parent governor, the principal of the academy will notify all eligible parents of the vacancy or vacancies and the application process and invite expressions of interest in becoming a parent governor.

If there are more completed expression of interest forms than vacancies the principal will arrange for an election to take place.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The principal will report the outcome to the next meeting of the LGB.

The LGB will formally appoint the elected parent as a parent governor.

The principal will report the outcome to all parents.

Where it is not reasonably practical to appoint/elect a parent of a child at the academy the LGB may appoint a parent of a child of compulsory school age to be a parent governor following the procedure for co-opted governors.

Process for appointing staff governors to local governing bodies:

The composition of an EFAT academy LGB includes 1 staff governor.

Arrangements for the election and appointment of staff governors follow the same procedure as for parent governors - but from the staff group.

Policies and procedures adopted for the induction and training of directors/trustees.

EFAT is committed to ensuring that directors and governors have access to, and take up, a wide range of training and support to develop their skills and expertise as directors and governors. The board of directors and each local governing body arrange an annual programme of training, visits, and briefings for directors and governors at convenient dates and times. Training costs are met by the trust. Governance Handbooks have been written for directors and governors that explain the trust's legal status, the trust's governance roles, responsibilities, and accountabilities; its structures, ways of working, and decision making; and the distinctive but complementary responsibilities of each level of governance within the trust.

Organisational structure

Members, directors, and governors:

Its members and the board of directors lead the trust. The founding members of the trust are the organisation and the individuals who established the trust. These founding members appointed the first directors of the trust.

The board of directors delegates some of its functions to standing committees - currently Audit and Risk Committee, Remuneration Committee and ad-hoc committees for hearings and appeals.

The board of directors delegates much of the day-to-day governance of each academy in the trust to each local governing body, which are committees of the board of directors.

The directors who were in office on 31 August 2023 and served during the year are listed on page 1

The trust's members and directors have and accept ultimate responsibility for directing the affairs of the trust as a charity, ensuring it is solvent, well run, and meeting the needs for which it has been set up. They also have duties under company law to only act in accordance with the company's constitution and its powers, promote the success of the company, exercise independent judgement, reasonable care, skill, and diligence, avoid and declare conflicts of interest, and not accept benefits from third parties.

The board of directors is also responsible for establishing the trust's overall governance arrangements and working practices; ensuring all employees, directors and governors have the skills, knowledge, and experience to carry out their functions; establishing a scheme of delegation and challenging local governing bodies on standards and attainment and outcomes for pupils and students in each academy.

Local governing bodies:

Local governing bodies are the local leaders of the trust. The board of directors has established a local governing body for each academy.

A local governing body acts as a committee of the board - its role is to exercise leadership on behalf of the trust in the running of each individual academy and to be accountable to the board of directors for the operation and performance of their academy.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

In line with the overall vision, strategy, ethos, and broad policy framework of the trust the local governing body sets the direction for each academy, monitors and evaluates its performance, acts as a critical friend and holds leaders to account for the pace and rate of improvement and the achievement of all pupils, ensures compliance with all financial, statutory and regulatory requirements, and helps the academy respond to, and meet the needs of, parents and the wider local community.

The directors of the trust appoint the majority of governors and the chair of each local governing body. Parents elect parent governors and the staff in each academy elects staff governors. A few governors may also be directors of the trust.

Operational leadership and management of the trust and of individual academies

The Chief Executive Officer (CEO) is the executive director of the trust, the accounting officer, and a member of the board of directors. The current CEO is due to retire from the trust in December 2023. At this point, the executive director and accounting officer roles will be undertaken by a member of staff from Northern Education Trust via an off payroll arrangement. These arrangements have been approved by the ESFA.

The CEO is responsible for the overall operation and control of the trust and principals are responsible for the internal organisation, management, and control of their particular academy. Each principal also has trust-wide responsibilities as determined by the board of directors.

The local governing body delegates some of its responsibilities to the principal. The principal is responsible for the day-to-day leadership, management, and control of the academy and for the achievement of all key performance indicators and/or targets within the remit of the local governing body.

Scheme of delegation

The separate and collective responsibilities, the decision making process, and the actions to be taken by individuals, local governing bodies, and the board of directors, for all the key strategic and operational functions of the trust are set out in the remit and terms of reference of the board of directors and its standing and ad-hoc committees, in the remit and terms of reference of local governing bodies and its ad-hoc working groups, and in the overall scheme of delegation.

Subsidiary

The trust has a subsidiary company named Essa Education Limited, company number 07644762. The trust owns 100% of the issued share capital and exerts control over the entity by virtue of this shareholding. Essa Education Limited provides community lettings of our sports facilities outside of school hours, supporting our public benefit offerings to the local community.

The trust intends to wind up the subsidiary company. The year-end has been changed to 30 November 2023. After this date, wind up proceedings will commence.

Arrangements for setting pay and remuneration of key management personnel.

The board of directors approves pay policies for all employees annually. The board of directors establishes a remuneration committee of 3 directors to review the performance and pay of the CEO and a remuneration committee of up to 3 directors and the chair of the LGB, advised by the CEO, to review the performance and pay of principals.

The key leadership and management personnel of the trust comprise the leadership and management posts as set out on page 2.

The remuneration policy, setting the terms and conditions for the key leadership and management personnel, was developed, and approved by the board of directors, after taking advice from the CEO and following guidance from the relevant professional pay review bodies. The CEO was not involved in setting their own remuneration package.

The board of directors has delegated responsibility for reviewing the performance and pay of employees based in academies, other than principals, to the LGBs and principals.

The CEO reviews the performance of senior managers in the central services team.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Non-executive directors and governors, other than principals and staff governors, are not remunerated. Remuneration of these individuals is in respect of their contracts of employment with the trust only; no payment is made in respect of their trustee or governor roles. Specific disclosures concerning remuneration of senior staff are included in note 10.

The policy and procedures to be followed for reviewing the pay and remuneration of key leadership and management personnel are set out in the trust's pay policies and appraisal policy, which are reviewed annually by the board of directors.

The remuneration of key leadership and management personnel is set at an individual level, and where possible the trust has taken external professional advice, which includes benchmarking, market trends and advice on structuring of incentives. Senior leadership and management salaries are linked closely to pay spines, helping directors to determine that each post is remunerated at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board of directors always bears in mind the charitable status of the trust and recognises the fact that the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensures the remuneration paid to senior leadership and management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on an annual basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 10.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.08 FTE

Percentage of time spent on facility time.

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

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Percentage of pay bill spent on facility time.

Total cost of facility time	£4k
Total pay bill	£8m
Percentage of the total pay bill spent on facility time	0.05%

Related parties and other connected charities and organisations

Essa Foundation is the sponsor of Essa Foundation Academies Trust. Essa Foundation is an educational charity set up to encourage research, development, and the introduction of best practice across schools and curriculums. Essa Foundation is under the control of the trust's members. There is no regular funding paid to the trust by the sponsor. The sponsor makes ad hoc donations to the trust. Essa Foundation made a donation to the trust in the prior year amounting to £10,000. This donation was made in recognition of the Essa Academy's 'Good' OFSTED grading.

The trust has a subsidiary company named Essa Education Limited, company number 07644762. The Trust owns 100% of the issued share capital and exerts control over the entity by virtue of this shareholding. Essa Education Limited provides community lettings of our sports facilities outside of school hours, supporting our public benefit offerings to the local community.

The trust intends to wind up the subsidiary company. The year-end has been changed to 30 November 2023. After this date, wind up proceedings will commence.

Objectives and aims

The academy trust's objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, science and language underpinned by enterprise.

The Essa Foundation Academies Trust aims to improve educational opportunity and secure high standards and achievement for children in the trust's academies. The trust's vision is "All Will Succeed".

We believe that effort is a key component to success and achievement. To be able to be resilient and overcome adversity enables students and staff to exceed expectations and overcome any challenges they may face in their academic, personal, and professional journey.

There are currently two academies in the trust Essa Academy, an 11-16 school, which opened in January 2009, and Essa Primary Academy, a free school for primary aged children, which opened in September 2014. Both academies are in Bolton. The academies are non-selective and have a combined pupil capacity of 1,470 and had a combined roll of 1,530 as of 12 October 2023.

The trust's sponsor is the Essa Foundation, which is an educational charity set up by the Patel family, owners of a leading pharmacy chain in the Northwest of England, to encourage research, development, and the introduction of best practice across schools and curriculums.

The main objectives and performance of the trust during the year ended 31 August 2023 are summarised below.

Objectives, strategies, and activities

- Quality of education
- Leadership and Governance
- Raising Standards
- Developing Capacity

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Quality of education

We want to have stewardship of a trust which values what pupils learn, how they are taught it, and how their teachers are supported and developed to provide the strong instruction and robust curriculum that enable pupils to be successful.

Trust leaders understand that of all the variables we can control, the quality of teaching has the most impact on how strong pupil outcomes are.

Teachers and leaders across the trust have a shared understanding of curriculum and understand that what is important is the content which children will learn.

Leadership and governance

All trustees and governors have the knowledge and understanding to enable them to hold schools to account for the outcomes achieved by all groups of children.

Governance has been strengthened with additional trustees, the establishment of a Finance Audit and Risk Committee (FAR) and additional Governors on the Academy Local Governing Body with education and governance experience and the primary with significant education experience. Reporting processes to the Board have improved and are data driven leading to more in depth discussion of standards an increasing accountability. The Scheme of Delegation has been updated and the management of risk has been given priority at FAR and Board meetings.

Raising standards

All schools strive for excellence, with above the national average progress in Good Level of Development in the EYFS.

All schools strive for excellence, with above the national average for expected progress in Reading, Writing and Maths in KS1 and KS2.

The primary academy has continued to work well to achieve its goals and aims. The SLT have a much clearer purpose and focus. Leadership has been changed with a new Principal and Deputy and the strengthening of the senior leadership team with an additional interim Assistant Principal for SEND. Additional time has been allocated to enable the phonics lead to monitor the effectiveness of the phonics programme and the percentage of children passing the phonics screening check rose from 48% in 2022 to 65% in 2023, with a target of 85% in 2024. A catch-up programme has been implemented in Years 2-6 with the aim of ensuring all children are fluent readers by the end of the year. The English and Maths curricular have been redesigned and they are now sequenced and progressive with clear objectives and outcomes. The English curriculum takes into account the diversity and context of the school, and a representative book spine has been developed. Learning in English is now centred around a key text and children are given the punctuation and grammar building blocks they need to become successful writers, with frequent opportunities for writing practice. English and Mathematics are underpinned by accurate data predictions, with a clear assessment policy, assessment grids and regular data collection points. Attendance remains higher than the national average at 96.4%.

In mathematics, to ensure consistent progress for all, we have introduced weekly arithmetic tests for pupils in Year 1 to Year 6. Through the year we will nurture strong mathematical foundations, so pupils have basic fluency skills in mathematics to succeed. We have further improved the maths learning environment by implementing 'working wall' guidelines and examples to ensure staff effectively display and develop mathematical concepts during lessons for all pupils.

This year, we will also collaborate with other schools, through the Maths HUB program, where we will develop the 'maths mastery approach' to our mathematics curriculum.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A great focus has been on curriculum intent and the curriculum sequencing once completed will give teachers a clear understanding of what to teach and when. The curriculum in all foundation subjects has been structured with an understanding of how pupils learn, with opportunities to retrieve previously taught content, to build authentic connections between material, and an understanding of the strategies most likely to mitigate the fact that forgetting is an inevitable part of learning over time. The curriculum is broad, rigorous and knowledge rich, enabling the children to know more, and with the aim of closing the gap for those children in receipt of pupil premium funding. Subject leadership has been strengthened with a lead member of staff for the arts and another for understanding the world, and a programme of continued professional development to promote leadership at all levels has been implemented. The learning environment has been improved with displays that communicate the vision and diversity of the school, and a new community hub and library, which puts reading at the heart of the school, has been developed.

The priority for inclusion in January 2023, was to ensure that there was a systematic approach developed and embedded across the school that ensured effective use of policy, processes, and procedures to impact on outcomes.

For Disadvantaged Pupils

We have enhanced the number of pupil premium recipients, working to ensure that all eligible children have applied. Our efforts have yielded a notable result, with the current pupil premium numbers in school now standing at 38.2% from 27% at the beginning of the year. Furthermore, we have streamlined the process for collecting data related to pupil premium grant eligibility for parents, making it more accessible and comprehensible.

Continuing professional development (CPD) has been focused towards improving the quality of teaching and learning, both in core subjects and foundation subjects. In preparation for the upcoming academic year, we have been developing a new pupil premium strategy for 2023-2024.

Expectations for Learning (Behaviour)

The school's Expectations for Learning policy has been a pivotal aspect of our ongoing development. The policy has been updated, ratified and is available on our school website. The development of a systematic approach to tracking behaviour incidents across the school has also been developed.

All schools strive for excellence, with above the national average for expected progress and attainment at KS4.

The curriculum is broader, offering a wider range of subjects, experiences, and a variety of knowledge and skills to enable the development of well-rounded young people. Increased time has been allocated to EBACC subjects which are being supported and line managed by senior staff. Attendance is above national averages, and the school is oversubscribed. There has been a sharp focus on the use of data to drive outcomes.

The curriculum has been structured with an understanding of how pupils learn, with opportunities to retrieve previously taught content, to build authentic connections between material, and an understanding of the strategies most likely to mitigate the fact that forgetting is an inevitable part of learning over time.

The academy was inspected in October 2021 and was judged Good in all areas.

[50173456 \(ofsted.gov.uk\)](https://www.ofsted.gov.uk)

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Provisional results for the year 2023 include:

Headline Measures	Number	Basics				EBACC			Attainment				
		Basics 5+		Basics 4+		EBACC Entry		EBACC Average Point Score	Attainment 8	Eng Attainment Score	Mat Attainment Score	EBacc Attainment Score	Open Attainment Score
Summer 2019 Results	167	68	40.7%	100	59.9%	58	35%	3.72	44.39	9.45	8.49	12.74	13.71
Provisional Summer 2023 Results	211		41.2%		61.0%		28%	3.90	45.64	9.13	8.95	13.62	13.94

Attainment 8 has increased, and Progress 8 has remained above the national average.

The table below shows the academy's academic performance against the 2019 national averages:

Comparative Subject Attainment - All Students								
COMPARISON TO SUMMER 2019 RESULTS								
Subject	2019		2020		2021		Average Attainment Score	
	Summer 2019	Results	Summer 2019	Results	Summer 2019	Results	Summer 2019	Results
English Language	7%	9%	41%	40%	61%	59%	4.20	4.22
English Literature	18%	9%	52%	46%	75%	69%	4.79	4.37
Maths	19%	19%	46%	51%	64%	68%	4.43	4.54
Geography	9%	14%	38%	44%	64%	61%	4.20	4.27
History	8%	18%	16%	30%	29%	69%	2.97	4.56
Computer Science	28%	16%	78%	62%	89%	72%	5.76	4.72
Combined Science	8%	17%	35%	49%	49%	61%	4.00	4.59
Biology	52%	65%	96%	100%	100%	100%	6.72	7.35
Chemistry	56%	82%	92%	100%	100%	100%	6.60	7.53
Physics	52%	71%	92%	100%	100%	100%	6.64	7.18
French	4%	8%	16%	25%	23%	38%	2.61	3.87
Urdu	39%	39%	68%	77%	87%	87%	5.50	6.00
Art	6%	16%	25%	54%	54%	93%	3.97	5.09
Business	7%	4%	43%	20%	57%	36%	4.00	3.40
Drama/Voc	18%	17%	56%	49%	92%	74%	5.11	4.69
Graphics		30%		77%		93%		5.86
Music	6%	0%	29%	7%	35%	36%	3.82	3.08
PE/Voc	32%	18%	66%	48%	86%	86%	5.41	4.83
RE	32%	19%	66%	50%	74%	62%	5.36	4.42
PI/GOSE	0%	0%	0%	19%	0%	44%	3.00	3.56
Photography	16%	14%	34%	65%	66%	95%	4.50	5.19
iMedia		0%		5%		18%		2.68
Food	20%	23%	54%	40%	66%	74%	5.10	4.99
Spanish	13%	26%	43%	39%	43%	52%	3.83	4.52
Dance/BTEC		0%		17%		50%		3.21

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Attendance

Attendance is currently at 95.69% This is significantly above the FFT (Fischer Family Trust) National Average of 92.4%. Attendance is also above the FFT National Average across all groups of students.

Curriculum

Essa academy curriculum is knowledge rich and interleaved over 5 years. Subjects revisit and deepen knowledge.

Essa Academy provides a broad and balanced curriculum. All students study all national curriculum areas until the end of Year 9. Students then opt for Ebacc subjects and a compulsory creative art subject. Areas of strength include mathematics, science, and the arts.

Augmenting the core curriculum offer is the following:

Essa Experience – 60 experiences over 5 years enhancing learning outside of the classroom and providing enriching experiences and curriculum reference points.

Character Development – All Year 9 students participate in the Character Development Programme. Examples include Duke of Edinburgh, Army Cadets, Young Leaders, and Sports Leaders

Music in Schools Secondary Trust (MiSST) - From 2023 all Year 7 students receive a free musical instrument along with free tuition.

There is a strong co-curricular offer.

Developing Capacity

The overall operation and control of the trust continues to be a priority. The central trust team has been strengthened and provides effective, financial and HR support for both schools, playing a key role in ensuring that EFAT is operating effectively as a multi-academy trust. The Head of HR is CIPD trained, and the CFO has been an auditor prior to this role.

Supporting sustained improvement in each academy continues to be important: recruiting and retaining high quality staff is therefore a major feature of our future plans.

EFAT provides opportunities for all learners to access high quality learning programmes through the development of a wider range of contextualised provision. EFAT MAT continue to have a positive effect on the young people in the geographical area of Bolton and their neighbours, through the development of a family of provision, from age 4 to 16, aimed at providing outstanding education and training, within an engaged community. The needs of disadvantaged learners are addressed to improve engagement, aspirations, and social mobility. All schools facilitate character development and children develop an understanding of their own personal identity, their role, and responsibilities in the world.

We want to develop our schools to perform well and to be seen in the system as a 'capacity giver', not a 'capacity taker'. We want to ensure inter-trust collaboration through an open-source and out-bound approach to sharing practice. Trustees carried out a detailed option appraisal on the future of the trust and agreed a merger with a larger strong trust (as defined by DFE) would be the best option. The rationale for a merger was to ensure economic sustainability and economies of scale, sharing educational excellence, ensuring leadership succession planning, improving governance through greater strategic oversight and greater community influence. The trustees wish to ensure that the merger benefits the pupils and staff. They reviewed all potential Bolton trusts and carried out extensive due diligence on governance, finance, and educational outcomes.

In consultation with the DFE Trustees identified Northern Education Trust (NET) as the ideal trust to voluntarily transfer the schools. This proposal was supported by all trustees unanimously and all members want EFAT to be part of the NET MAT and share its vision, values and commitments and are prepared to live them out in practice. They expect school leaders to lead within their local context in order to fulfil those shared values and commitment. ESSA Academy is Currently "Good" and Essa Primary was good in 2019, the pandemic had a significant negative impact on pupil outcomes and the school is in need of strong support to bring about rapid improvement. In 2023 the trust appointed a new principal and vice principal at Essa Primary and has support of an executive principal from NET. The support from NET is already driving up standards.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A merger with NET will give us:

- Immediate support for the primary school.
- Immediate support for middle leader development (NET have significant capacity with specialist directors of subject in the secondary phase and directors of primary learning in the primary phase who coach and mentor middle leaders, providing learning resources and proven tools to improve teaching and learning)
- Secondary and primary expertise to the trust and thus open the possibility of
- future collaborative working in terms of staffing, CPD and infrastructure.
- Strengthening cross phase and specialist support for individual pupils within a larger trust.
- Schools share practices that make a difference to the quality of teaching and pedagogic high-quality skills.
- Structured career pathways for teachers, supported by high-quality professional development so teachers and leaders learn together.
- Wider expertise in business infrastructure - (NET have a proven track record of rigorous and robust financial management, with an established COO, CFO, and experienced corporate directors)
- Reduced costs derived from economies of scale.

We will maintain and further develop an environment that is safe, that promotes and celebrates positive behaviour and attitudes for learning and upholds the ethos of the trust.

Finance

We want to have stewardship of a trust which is solvent, which has the necessary reserves to enable us to approve spending on the resources and estates of the trust where necessary, in order that those who lead our schools are able to focus their attentions on quality of education.

Financial management - the board of directors is responsible for the overall financial performance of the trust and for ensuring that its money is well spent. Day-to-day management and control of each academy's budget is delegated to local governing bodies and principals who must ensure that they comply with the principles of regularity, propriety, and value for money in their use of delegated revenue budgets and any delegated capital funding, monitor their budgets properly throughout the year, and ensure that the trust's financial procedures, as set out in EFAT's Financial Handbook, are being followed.

People

We want to have stewardship of a trust which is an employer of choice, where we have recruited the right people to the right roles in which they are able to have impact, and where we retain high-quality staff by offering attractive employment conditions and interesting, valuable work.

We have developed a highly skilled workforce who support the growth of the trust.

Our performance management is fair, not overly complex, and holds people to account whilst helping the managers and the trust, as an employer, understand their development needs and career aspirations. We have reviewed our pay and appraisal policies and introduced an online appraisal system for 2022-2023.

- We were able to recruit to posts because our offer is attractive.
- We were able to retain high-quality staff, and whilst recruitment and retention is a national issue, our staff attrition rate is below local and national averages.
- Staff attendance is high.
- Staff morale is high and monitored through wellbeing surveys.

Growth and sustainability

We want to have stewardship of a trust which is sustainable in the long run – parents want their children educated here, and so pupil roll is filled, we are financially solvent, and we are able to maintain the staffing commensurate with our pupil roll.

We want to be seen in the system as a 'capacity giver', not a 'capacity taker'. This means we want to be part of a trust which those who commission school pupil places, school expansions, and school sponsorships, have faith in. This is important not because we want to expand for the sake of it, or because we have ambitions to be a school of any specific size, but because in a future where trusts will grow and merge, we want to be in control over our destiny. The Trust Board have considered the implications of the White Paper have considered all possible options for the future and have identified NET as the preferred option. This has been approved by the DFE and by the NET Board.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Risk management

The trust can be held liable for decisions made by both the board of directors and local governing bodies. There is an Audit and Risk committee and a revised scheme of delegation. Risks are captured at trust and academy level.

The main areas of risk are:

- Health and safety/safeguarding
- Human resources
- SEND
- Build programme.

Health and safety - the trust has a responsibility to ensure that neither pupils/students nor employees are put at unnecessary risk whilst at an academy, or on trust-wide or individual academy business and has developed policies and procedures covering all aspects of health and safety.

Safeguarding - academy trusts are required to have arrangements in place, in line with statutory guidance, to ensure that they safeguard and promote the welfare of children. The board has appointed a safeguarding trustee. EFAT has developed policies and procedures for safeguarding children and for ensuring safer recruitment practices, aimed at preventing unsuitable staff and volunteers from working with children, are followed.

In addition, educational settings have a central role to play in the early identification of any welfare concerns about an individual child, additional needs he/she might have, and indicators of possible abuse and neglect. Staff in the trust's academies and staff with trust-wide positions work with other organisations to share information about individual children in order to protect them from harm. Directors and governors ensure that all academies and central staff adhere to these arrangements and complete safeguarding training.

Human resources - the trust is the employer of all staff working in its academies and in any trust-wide capacity and has responsibilities as an employer. A scheme of delegation is in place to ensure that EFAT's HR policies and procedures and the requirements of equalities legislation and best employment practices are followed in appointments and in all work-related matters for staff working for the trust. Staff well-being and staff satisfaction are carefully monitored by the trust board. The trust remains an employer of choice.

Special educational needs and disability - the SEN Code of Practice sets out what the trust's responsibilities are for children with special educational needs and/or disabilities. This role is delegated to local governing bodies.

Equality, SEND and Accessibility

EFAT is also subject to equalities and disabilities legislation, through its funding agreement, as an employer and by the distinct public equality duty.

Each local governing body has plans in place and is responsible for ensuring that their academy strives to:

- Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under these Acts.
- Advance the equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it (i.e., tackle prejudice and promote understanding).
- Increase the extent to which disabled pupils can participate in the curriculum.
- Improve the physical environment of the academy to increase the extent to which pupils can take advantage of education and associated services.
- Improve the delivery to disabled pupils of information, which is provided in writing for pupils who are not disabled.

The newly decorated classrooms have been designed to not be overstimulating for children with SEND, they are also consistently decorated to support with transition between them. Throughout the school, identical labels and fonts are used both to be SEND (dyslexic) and EAL friendly as they use visuals to support. All staff now use Century Gothic which is a dyslexia friendly font.

We have developed the SEND sensory room which contains resources to support our most vulnerable children to regulate themselves throughout the day.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

We have recently introduced a new way to assess children's progress within their area of SEND which allows us to measure small steps of progress as necessary. This then feeds into children's ISP targets. Once staff really grasp these targets and are able to use them well, they should inform Wave 1 and 2 strategies, allowing for children to have gaps in learning closed. Our Primary SEND Cohort is below.

	Male	Female	K	EHCP	CL	CI	PSM	SEMH	Total on Register
Total	36	29	54	11	47	48	11	9	65
Percentage of Register	55.4%	44.6%	83.1%	16.9%	72.3%	73.8%	16.9%	13.8%	
Percentage of Whole School			13.2%	2.7%					15.9%

Academy SEND

16/10/2023	K	E	TOTAL (on SEN Reg)	SEMH	C&L	C&I	PSM	Male	Female	PP Y	PP N
7	32	2	34	5	18	8	3	18	16	0	34
8	36	6	42	5	28	3	6	27	15	16	26
9	41	6	47	2	38	3	4	34	13	22	25
10	29	5	34	7	23	4	0	26	8	18	16
11	38	4	42	5	30	2	5	33	9	24	18
Total	176	23	199	24	137	20	18	138	61	80	119
Percentage (based on the total number of students ON ROLL)	15.87%	2.07%	17.94% Total Students on Roll: 1,109 (as of 16/10/2023)	2.16%	12.35%	1.80%	1.62%	12.44%	5.50%	7.21%	10.73%

Public benefit

The directors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's aims and objectives.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance, including KPIs.

2022/2023 Statutory Outcomes

	All	Pupil Premium	SEND	Boys	Girls
% of GLD	62%	44%	20%	68%	53%

Year 1 Phonics Screening	All	Pupil Premium	SEND	Boys	Girls
% Pass	65%	77%	30%	68%	63%

By end of Year 2 Phonics	All	Pupil Premium	SEND	Boys	Girls
% Pass	80%	83%	40%	70%	89%

ARE End of Key Stage 1	All	Pupil Premium	SEND	Boys	Girls
Reading	63%	57%	10%	63%	63%
Writing	44%	39%	0%	29%	54%
Maths	56%	57%	0%	58%	54%

ARE end of Key Stage 2	All	Pupil Premium	SEND	Boys	Girls
Reading	58%	58%	0%	52%	81%
Writing	43%	33%	0%	22%	43%
Maths	55%	50%	0%	52%	74%
GPS	66%	63%	9%	52%	77%

Provisional results for the year 2023 include:

Provisional Results for the year 2023 include.													
Headline Measures	Number	Basics				EBACC		Attainment					
		Basics 5+		Basics 4+		EBACC Entry		EBACC Average Point Score		Attainment 8	Eng Attainment Score	Mat Attainment Score	EBacc Attainment Score
Summer 2019 Results	167	68	40.7%	100	59.9%	58	35%	3.72	44.39	9.45	8.49	12.74	13.71
Provisional Summer 2023 Results	211		41.2%		61.0%		28%	3.90	45.64	9.13	8.95	13.62	13.94

Attainment 8 has increased, and Progress 8 has remained above the national average.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The table below shows the academy's academic performance against the 2019 national averages:

Comparative Subject Attainment - All Students								
COMPARISON TO SUMMER 2019 RESULTS								
Subject	% 7-9		% 5-9		% 4-9		Average Attainment Score	
	Summer 2019	Results	Summer 2019	Results	Summer 2019	Results	Summer 2019	Results
English Language	7%	9%	41%	40%	61%	60%	4.20	4.23
English Literature	18%	10%	52%	46%	75%	69%	4.79	4.39
Maths	19%	19%	46%	51%	64%	68%	4.43	4.55
Geography	9%	15%	38%	44%	64%	61%	4.20	4.28
History	8%	21%	16%	50%	29%	69%	2.97	4.59
Computer Science	28%	16%	78%	62%	89%	74%	5.76	4.76
Combined Science	8%	17%	35%	44%	49%	61%	4.00	4.60
Biology	52%	65%	96%	100%	100%	100%	6.72	7.35
Chemistry	56%	82%	92%	100%	100%	100%	6.60	7.53
Physics	52%	71%	92%	100%	100%	100%	6.64	7.18
French	4%	8%	16%	25%	23%	38%	2.61	3.91
Urdu	39%	39%	68%	77%	87%	87%	5.50	6.00
Art	6%	17%	25%	50%	54%	92%	3.97	5.06
Business	7%	4%	43%	21%	57%	37%	4.00	3.42
Drama Voc	18%	17%	56%	43%	92%	74%	5.11	4.69
Graphics		28%		79%		94%		5.83
Music	6%	0%	29%	7%	35%	36%	3.82	3.08
PE Voc	32%	18%	66%	48%	86%	86%	5.41	4.83
RE	32%	19%	66%	50%	74%	62%	5.36	4.42
PE GCSE	0%	0%	0%	19%	0%	44%	3.00	3.56
Photography	16%	14%	34%	65%	66%	95%	4.50	5.19
iMedia		0%		5%		18%		2.68
Food	20%	23%	54%	40%	66%	74%	5.10	4.99
Spanish	13%	26%	43%	39%	43%	52%	3.83	4.52
Dance BTEC		0%		17%		50%		3.21

Going concern

The trust intends to merge with Northern Education Trust Limited (NET). The decision has been approved by the boards of each trust and the DfE. The provision merger date is 1 June 2024.

Financial review

The majority of the trust's income is obtained from the Education & Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2023, total resources expended of £11,451k (2022 - £11,492k) exceeded recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted endowment and fixed asset funds) was £716k (2022 - £8k deficit).

On 31 August 2023 the net book value of fixed assets was £21,246k (2022 - £21,266k) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the two academies in the Trust.

The Local Government Pension valuations for both schools this year are restricted to nil for accounting purposes. (2022 – asset £1,639k). Further details about the pension balances are included in note 22.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The board of directors reviews the reserve levels of the multi-academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The board of directors has determined that the appropriate level of free reserves should be equivalent to one twelfth of ongoing annual income. The reason for this is 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 maintenance. We currently hold free reserves (being restricted general fund, excluding pension, and unrestricted funds) equal to approximately 15% of our ongoing annual income. Some of the excess funds are held in contingency for the build project, should costs exceed the associated grant funding. Funds will also be utilised in meeting some of the conditions set out by Northern Education Trust before the merger can be completed. Further, capital works may be required to ensure fire safety compliance, as described in more detail in the risks section below.

Investment policy

The board of directors has delegated authority, through the CEO, to the chief financial officer to utilise the term deposit arrangements with Lloyds in order that interest receipts are maximised in a low-risk investment. Unless authorised by the board of directors, term deposits will not exceed 12 months and the projected current account balance will not be allowed to fall below £150,000 at any point.

The trust's endowment fund is in the form of an investment portfolio. The purpose of the endowment is to provide income to advance education for the benefit of the community of Bolton. The investment portfolio is structured with a primary purpose to generate income, and a secondary purpose of capital growth. The investment is Shariah compliant. The risk profile of the portfolio is 7 out of 9 on the scale set out by the Investment fund managers. It is the trust's intention to liquidate the shares in the coming months.

Principal risks and uncertainties

The trust has continued to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the organisation's assets and reputation. The Audit and Risk Committee oversees a programme of risk review.

A risk register is maintained which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the trust and its academies and the actions being taken to reduce and mitigate the risks. The risk register has had an in-depth review and format overhaul lead by the CEO. In addition, an estates specific risk register has been developed which feeds into the main register.

Below is a summary of the principal risks and uncertainties faced by the trust at the time of writing this report:

- **Health and safety/safeguarding**

- Directors, governors, and all staff are highly focused on the need to ensure risks of damage to property and persons are minimised by adhering to a robust Health and Safety Policy and by calling on expert advice in this area where required. A Health and Safety Group is established, with responsibility for overseeing health and safety compliance. The Group monitors outcomes of health and safety related audits and inspections and progress against the recommendations arising from such reviews. Accidents and near misses are discussed and mitigating strategies and policies established as appropriate to prevent future repeats of similar incidents. The Health and Safety Group provides regular updates to the Finance Audit and Risk Committee. All members of the senior leadership team, principals and CFO have had in depth health and safety training. Our estates manager has training in Institute of Occupational Safety and Health - Managing Safely.
- Institute of Leadership & Management Level 4 Diploma in School Business Management.
- Legionella Awareness & Duty Holder/Responsible Persons Training.
- Asbestos Awareness for Premises Officer.
- Fire Safety Training in Schools for Premises Officers.
- Manual Handling.
- Control of Infections.
- RIDDOR reporting.
- Electrical Safety for Premises Officers.
- Risk Assessments – Premises Officers.
- Working at Height (Basics).
- KCSIE 2023 Update for Business Managers.
- NPQSL.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- Human resources

- Recruiting and retaining high calibre staff is an ongoing challenge to any organisation. Principals, supported by the HR manager monitor this and report to the board on a regular basis. External recruiters are used to support recruitment of senior level positions in the trust. Staff wellbeing often goes hand in hand with staff retention. Wellbeing committees are established in each academy and are largely staff driven with a view to empowering staff. There has been minimum attrition at the Academy and the Primary staff performance is measured informally throughout the year via line management arrangements. Formal appraisals take place annually, with a half year review point to review progress and support staff with meeting their targets. A solid, well planned Continuing Professional Development programme is set at each academy, at least a term in advance. Delivery of the CPD programme helps ensure staff skills remain up to date and relevant.

- Special educational needs and disability (SEND)

- The SEN Code of Practice sets out what the trust's responsibilities are for children with special educational needs and/or disabilities. This role is delegated to local governing bodies.

- Financial management

- The trust has considerable reliance on continued government funding through the ESFA and this level of requirement is expected to continue. This is consistent with other academy trusts. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Student numbers are the key driver of ESFA funding, and every effort is made to ensure our current stable main school student numbers are protected.
- Protecting the trust from reputational damage is a key component of our risk strategy and this includes an ongoing focus on achieving outstanding performance and excellent examination results.

Despite mitigations around reputation, the population demographics in the catchment areas of our academies is beyond our control. We are currently seeing reduced population of Reception and Key Stage 1 pupils in the catchment area of our primary school, Essa Primary Academy. As the Trust's main income stream is linked to pupil numbers, this reduction in pupil numbers on roll is having a financial impact currently, and demographic projections suggest the reduction continues for a number of years. The situation and financial impact are being monitored closely. Strategic choices will be made based on this evidence.

The new build extension at the academy has had significant delays due to ground issues. The CEO has worked closely with contractors and the LA to secure additional funding and to mitigate risks.

RAAC – Essa Primary School

Walter Carefoot & Sons Ltd have undertaken a visual inspection of the roof and upper floors within the primary school to identify the existing roof and upper floor construction types and in particular identify any areas which may have been constructed using Reinforced Autoclaved Aerated Concrete (RAAC) Panels. Following known RAAC roof panel failures, the Department for Education recommended that all schools be inspected in order to confirm or eliminate the possible presence of RAAC construction especially where the buildings were constructed between the 1950's and 1990's. Our primary school was constructed in 1955. Four visits were undertaken and although the construction of internal and external walls could not be confirmed in all cases due to internal finishes and the disruption that would be caused by intrusive investigation, no evidence of RAAC panels were evident within the walls which were visible for inspection.

ESSA FOUNDATION ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Fire Strategy – Essa Academy

In February 2023 Fire Safety Services were instructed to prepare a new fire strategy in support of our ongoing operations, building refurbishments and increased student numbers. Maximum occupancy numbers have been highlighted as a concern, in particular, for the second floor where the horizontal exit capacities do not allow for the occupancy figures currently in place and is highlighted as a critical risk and that we need to ensure the top floor does not exceed 240 people at all times. We have considered the operational risks and have carried out a fire drill using only the external fire exits, simulating a fire in the heart of the school. This was very successful, and the building was clear in under eight minutes. The academic timetable each year needs to address this risk and ensure contingency measures are in place to reduce impact.

Fire Doors and Fire Stopping – Essa Academy

In March 2023 we employed Leyland Forest to conduct a fire door inspection and a fire stopping survey. These both had been raised as a concern on the annual fire risk assessment due to the condition noted during their visit. Both reports were extensive and highlighted a vast amount of work required to be brought into compliance.

Asbestos – Essa Primary School

Essa Primary School occupied a previous school building when it opened in 2015. It had extensive refurbishment works carried out and as part of these works there was asbestos removal. However, between the hall and two KS1 classrooms there was asbestos found in a large moveable wall. This remained as part of the refurbishment works and was encapsulated creating a fixed wall. An asbestos file is in place detailing the location and encapsulation materials and this is shared with the relevant people where required. This risk is controlled with actions to minimise the likelihood of anybody coming into contact with it.

Fundraising

Any fundraising the trust undertakes for the benefit of national charities, or the school fund is completely optional. This is always shared with the school community through letters and other forms of social media. The trust has not received any complaints relating to this fundraising over the 2022-23 period, and through to the date of this report.

The trust, through the governing board, has agreed only to support legally recognised charities locally and/or nationally.

The trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for future periods

The trust intends to merge with Northern Education Trust Limited (NET). The decision has been approved by the boards of each trust and the DfE. The provision merger date is 1 June 2024.

Prior to that date, the trust is working in partnership with NET to continue to raise standards.

Auditor

The board of directors has confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors/trustees have confirmed that they have taken all the steps that they ought to have taken as directors/trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The directors'/trustees' annual report was approved by order of the board of directors and the strategic report (included therein) was approved by the board of directors in their capacity as directors at a meeting on 27 November 2023 and signed on its behalf by:



.....
Mr M Hackett
Chair of trustees

ESSA FOUNDATION ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

The board of directors has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform to 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 Essa Foundation Academies Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the directors'/trustees' report and in the statement of trustees' responsibilities. Changes to the board membership are detailed in the trustees' report. The board of directors has formally met ten times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr M Hackett	10	10
Ms A Casey	10	10
Mr N Whittle	9	10
Ms K Longworth	9	10
Ms L Williams	8	10

Where trustees have been absent, apologies have been received and accepted,

Finance, Audit and Risk Committee

The Finance Audit and Risk Committee (FAR) is a committee of the board of directors. The FAR's terms of reference are as follows:

The specific duties of the Committee shall be to:

- To advise the trust board on the adequacy and effectiveness of the academy's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency, and effectiveness (value for money) These were carried out with the ethical principles adopted by the academy.
- To agree the extent of the Internal Audit Plan with the specific reference to the seeking of assurance with regard to the level of development and improvement since the previous visit and to ensure that this complies with identified risks and external audit findings.
- To advise the trust board on the appointment, re-appointment, dismissal and remuneration of the external auditor and the Internal Audit Services (IAS).
- Review the trusts internal and external financial statements and reports to ensure that they reflect best practice.
- Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- Receive all relevant reports, including reports on the trust board's accounts, achievement of value for money and managements response to any external audit management letters.
- To advise the trust board on internal audit assignment reports and to monitor, within an agreed time scale, the implementations of the agreed recommendations arising from those reports.
- Recommend the annual financial statements to the trust board for approval.
- Review the committee's membership and effectiveness on an annual basis to ensure it has the relevant skills and experience.
- To monitor the proper management of the trust's risk assessment process including the quality of education, health and safety and the DBS/Safeguarding process.

ESSA FOUNDATION ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- To advise the trust board on levels of financial delegation.
- To advise the trust board on LGB delegation.
- Consider and advise the trust board on the audit strategy and annual and long-term audit programme.
- Review the operation of the trust's code of practice for members of the trust board and local governing bodies and the code of conduct for staff.
- Review the operation of the trust's Whistle Blowing Policy and policy on Gifts and Hospitality offered and received.
- To ensure that all allegations of fraud and irregularity are investigated appropriately.
- Consider any other matters when requested to do so by the trust board and report at least once a year to the trust board on the discharge of the above duties.
- The FAR exists to ensure that any risks are addressed/mitigated. The CEO AND CFO will bring school-based reports identifying any risks to the FAR but will also ensure the local governing board is kept informed. The CFO will ensure that all financial reports are available to the FAR in good time.

Attendance at meetings in the year was as follows:

Board members	Meetings attended	Out of possible
Ms L Williams Chair	4	4
Ms K Longworth	3	4
Ms A Casey	4	4
Mr M Hackett	2	4
Mr N Whittle	4	4

Review of value for money

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

The accounting officer considers how the trust's use of its resources had provided good value for money during each academic year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where appropriate. A Head of Business has been appointed to manage the estate and ensure value for money on all capital works and planned works. The CEO has worked with Bolton LA to ensure contingency for build costs against an increase in market cost post pandemic and uncertainty over build costs on site due to a mine shaft on site which needed identifying and capping. This led to an increase in the funding agreement and an additional £120k contingency. There is a planned scope of works to ensure a rolling programme of repair and replacement of capital items and a robust IT strategy in place quality assured by an external organisation. Decisions on expenditure related to the trust estate are taken to the FAR committee for recommendation to the board. External scrutiny is provided by Judicium. We have engaged with the Manchester Metropolitan police on fire strategy and safety by design related to security of the site.

We have reviewed our telephone contracts during the year. Across the trust we have replaced traditional landlines with more cost-effective online telephone services. We have reviewed our mobile phone contracts and replaced with best value option.

We have commissioned heating for the Academy to reduce condensation and risk of accident.

We outsourced the day-to-day management of our Sports Centre lettings in 2023 (undertaken through Essa Education Limited, our subsidiary). This outsourcing has the primary goal of reducing management time invested in this activity, allowing trust leaders to focus more fully on the teaching and learning of students within the Trust. This arrangement commenced from September 2022.

The purpose of the system of internal control

The system of internal financial and other controls is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve the trust's aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

ESSA FOUNDATION ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 22 to 31 August 2023 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors and also monitored by individual local governing bodies.
- Regular reviews by the ARC and board of directors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The board has decided to appoint Willie Bisset as the independent internal auditor.

The internal auditor's role is to provide independent assurance that the trust's risk management, governance and internal control processes are operating effectively. The internal auditor reviews the effectiveness and scope of the Scheme of Delegation and reviews and evaluates the approach to risk management, including the identification of risks, mitigating actions and their execution. It reviews the internal control environment and tests their effectiveness. The internal auditor reports to the Audit and Risk Committee on its conclusions and recommendations. Its reports are made available to external auditors to inform their assessment of the control environment.

The Finance Audit and Risk Committee establishes an annual internal audit work programme each year. During the year the internal auditor reviewed:

- Estates Management.
- Academies Financial Handbook compliance.
- Follow up review.

No significant control weaknesses were identified.

On an annual basis the internal auditor report to the board of trustees, through the ARC on the operating of the system of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis, the internal auditor prepares a summary report to the committee outlining the areas reviewed and key findings, recommendations, and conclusions to help the committee to consider actions and assess year on year progress.

Further, the ARC receives a regular update from the chief financial officer on progress against internal and external audit recommendations for improvements in the system of financial control.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

ESSA FOUNDATION ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of effectiveness

The CEO, as accounting officer, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

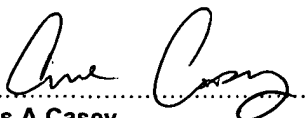
- the work of the internal auditor;
- the school resource management self-assessment tool;
- the work of the Audit and Risk Committee;
- the work of the external auditor; and
- the work of the executive managers within the multi-academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the ARC and a plan to address continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 27 November 2023 and signed on its behalf by:



.....
Mr M Hackett
Chair of trustees



.....
Ms A Casey
Chief executive officer and accounting officer

ESSA FOUNDATION ACADEMIES TRUST

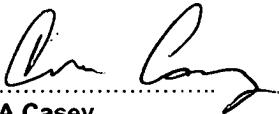
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Essa Foundation Academies Trust, 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 all funding, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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



Ms A Casey
Accounting officer

Date: 27 November 2023

ESSA FOUNDATION ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Essa Foundation Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 27 November 2023 and signed on its behalf by:



.....
Mr M Hackett
Chair of trustees

ESSA FOUNDATION ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSA FOUNDATION ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Essa Foundation Academies Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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

As described in note 1, the trustees have prepared the financial statements on a basis other than going concern. The academy trust will cease operating on 1 June 2024 and all assets, liabilities and operations will be transferred to the Northern Education Trust (NET) for £nil consideration. Following the transfer, it is the intention of the trustees to dissolve the academy trust. In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 of the financial statements. We have nothing further to report in this regard.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

ESSA FOUNDATION ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSA FOUNDATION ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's or the parent charitable company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.

ESSA FOUNDATION ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSA FOUNDATION ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Candice Beynon FCCA (Senior Statutory Auditor)
for and on behalf of DJH Mitten Clarke Audit Limited
Chartered Accountants
Statutory Auditor

Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: 27/11/23

ESSA FOUNDATION ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ESSA FOUNDATION ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 2 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Essa Foundation Academies Trust during the period 1 September 2022 to 31 August 2023 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 Essa Foundation Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Essa Foundation Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Essa Foundation Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Essa Foundation Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Essa Foundation Academies Trust's funding agreement with the Secretary of State for Education dated 1 March 2018 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 period 1 September 2022 to 31 August 2023 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 trust's income and expenditure.

ESSA FOUNDATION ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ESSA FOUNDATION ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



DJH Mitten Clarke Audit Limited
Reporting Accountant

Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: 27/11/23

ESSA FOUNDATION ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds	Restricted funds: Endowment		Total 2023	Total 2022 as restated
	Notes	£(000)	General	Fixed asset	£(000)	£(000)
Income and endowments from:						
Donations and capital grants	3	65	1	632	-	698
Charitable activities:						
- Funding for educational operations	4	-	10,990	-	-	10,990
Other trading activities	5	340	43	-	-	383
Notional income	5	-	13	-	-	13
Investments	6	20	-	-	-	20
Total		<u>425</u>	<u>11,047</u>	<u>632</u>	<u>-</u>	<u>12,104</u>
Expenditure on:						
Raising funds	7	37	-	-	-	37
Charitable activities:						
- Educational operations	9	545	10,161	695	-	11,401
- Notional expenditure	5	-	13	-	-	13
Total	7	<u>582</u>	<u>10,174</u>	<u>695</u>	<u>-</u>	<u>11,451</u>
Gains on endowment investments		-	-	-	20	20
Net income/(expenditure)		<u>(157)</u>	<u>873</u>	<u>(63)</u>	<u>20</u>	<u>673</u>
Transfers between funds	20	-	(43)	43	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(1,620)	-	-	(1,620)
Net movement in funds		<u>(157)</u>	<u>(790)</u>	<u>(20)</u>	<u>20</u>	<u>6,490</u>
Reconciliation of funds						
Total funds brought forward		<u>282</u>	<u>2,165</u>	<u>21,266</u>	<u>451</u>	<u>24,164</u>
Total funds carried forward		<u>125</u>	<u>1,375</u>	<u>21,246</u>	<u>471</u>	<u>24,164</u>

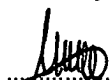
ESSA FOUNDATION ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023	2022
	Notes	£(000)	as restated £(000)
Fixed assets			
Tangible assets	14	21,246	21,266
Investments	15	471	451
		<u>21,717</u>	<u>21,717</u>
Current assets			
Debtors	16	637	520
Cash at bank and in hand		2,038	1,020
		<u>2,675</u>	<u>1,540</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,152)	(732)
		<u></u>	<u></u>
Net current assets		1,523	808
Total assets less current liabilities		<u>23,240</u>	<u>22,525</u>
Creditors: amounts falling due after more than one year	18	(23)	-
		<u></u>	<u></u>
Net assets excluding pension asset		23,217	22,525
Defined benefit pension scheme asset	22	-	1,639
		<u></u>	<u></u>
Total net assets		<u>23,217</u>	<u>24,164</u>
Funds of the academy trust:			
Restricted funds	20		
- Fixed asset funds		21,246	21,266
- Restricted income funds		1,375	526
- Pension reserve		-	1,639
- Endowment funds		471	451
		<u>23,092</u>	<u>23,882</u>
Total restricted funds		23,092	23,882
Unrestricted income funds	20	125	282
		<u></u>	<u></u>
Total funds		<u>23,217</u>	<u>24,164</u>

The accounts were approved by the trustees and authorised for issue on 27 November 2023 and are signed on their behalf by:



Mr M Hackett
Chair of trustees

Company registration number 06731593 (England and Wales)

ESSA FOUNDATION ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023	2022
	Notes	£(000)	as restated £(000)
Cash flows from operating activities			
Net cash provided by operating activities	23	1,041	892
Cash flows from investing activities			
Dividends, interest and rents from investments		20	20
Capital grants from DfE Group		90	30
Capital funding received from sponsors and others		542	-
Purchase of tangible fixed assets		(675)	(327)
Net cash used in investing activities		(23)	(277)
Net increase in cash and cash equivalents in the reporting period		1,018	615
Cash and cash equivalents at beginning of the year		1,020	405
Cash and cash equivalents at end of the year		<u>2,038</u>	<u>1,020</u>

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Essa Foundation Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations is set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees have been working with The Northern Education Trust (NET) to transfer the academy trust and all staff to their trust on 1 June 2024. All assets, liabilities and operations of the Essa Foundation Academies Trust will be transferred to The Northern Education Trust (NET) for £nil consideration. From 1 June 2024, The Essa Foundation Academies Trust will cease operating. Following the completion of the transfer, the trustees of The Essa Foundation Academies Trust intend to dissolve the company. For this reason, the financial statements have been prepared on a basis other than going concern.

1.3 Basis of consolidation

The financial statements present information about the academy trust as an individual entity and not about its group. The academy trust has taken advantage of exemption not to prepare group accounts, as the subsidiary company is immaterial to the group, as per the Charities SORP (FRS 102), line 24.13A and the Academies Accounts Direction 2022 to 2023, paragraph 3.108.

1.4 Income

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

Grants

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

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

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

Donations

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

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Other income

Other income is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 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. This includes redundancy and severance payments.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Long leasehold land	0.8% straight line
Long leasehold buildings	2% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	12.5% - 33% straight line

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 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged on a straight-line basis over the period of the lease.

1.9 Investments

The academy's shareholding in the wholly owned subsidiary, ESSA Education Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.10 Financial instruments

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

Financial assets

The Trust holds an investment portfolio made up of listed shares. The portfolio is held at market value and accounted for at fair value through the statement of financial activities.

Trade and other debtors, including amounts recoverable from HMRC, are basic financial instruments and are debt instruments measured at amortised cost. Prepayments and accrued income are not financial instruments. Amounts owed by the charity'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. Taxation and social security are not included in the financial instruments disclosure definition. amounts due to the charity's wholly owned subsidiary are held at face value less impairment.

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.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.11 Taxation

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

1.12 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

1.13 Fund accounting

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

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

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

The purpose of the endowment is to provide income to advance education for the benefit of the community of Bolton.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

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 22, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Maternity Insurance Reimbursement	65	-	65	33
Capital grants	-	632	632	30
Other donations	-	1	1	13
	<u>65</u>	<u>633</u>	<u>698</u>	<u>76</u>

Capital grants for the year ended 31 August 2023 consist of £542,000 from the local authority in respect of a building expansion project at the Secondary School and £90,000 devolved formula capital from ESFA.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
DfE/ESFA grants				
General annual grant (GAG)	-	9,089	9,089	8,760
Other DfE/ESFA grants:				
- UIFSM	-	46	46	50
- Pupil premium	-	603	603	595
- National Tutoring	-	59	59	-
- Supplementary grant	-	403	403	-
- Others	-	176	176	377
	<u>-</u>	<u>10,376</u>	<u>10,376</u>	<u>9,782</u>
Other government grants				
Local authority grants	-	614	614	476
	<u>-</u>	<u>614</u>	<u>614</u>	<u>476</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	34
	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>
Total funding	<u>-</u>	<u>10,990</u>	<u>10,990</u>	<u>10,292</u>

The academy trust received £614,000 (2022: £476,000) from the local authority in the year, being £223,000 (2022: £185,000) high needs funding, £192,000 (2022: £111,000) growth funding and £199,000 (2022: £180,000) of other government grants.

The academy trust received £nil (2022: £34,000) of other COVID-19 funding.

In the year ended 31 August 2022 the Trust received £82,000 of Covid-19 recovery premium and this is included within the DfE/ESFA grants.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Hire of facilities	37	-	37	-
Catering income	214	-	214	230
Trip income	-	43	43	21
Other income	89	-	89	89
	<u>340</u>	<u>43</u>	<u>383</u>	<u>340</u>

Notional income

The academy trust received notional income of £13,000 in respect of apprenticeship levy funded training. This notional income is matched by £13,000 of notional expenditure that is included within the other direct costs.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Other investment income	20	-	20	20

7 Expenditure

	Staff costs £(000)	Non-pay expenditure Premises £(000)	Other £(000)	Total 2023 £(000)	Total 2022 £(000)
Expenditure on raising funds					
- Direct costs	-	-	37	37	-
Academy's educational operations					
- Direct costs	5,879	625	998	7,502	7,221
- Allocated support costs	2,259	848	805	3,912	4,272
	<u>8,138</u>	<u>1,473</u>	<u>1,840</u>	<u>11,451</u>	<u>11,493</u>

Net income/(expenditure) for the year includes:

	2023 £(000)	2022 £(000)
Fees payable to auditor for:		
- Audit	14	13
- Other services	2	2
Operating lease rentals	41	47
Depreciation of tangible fixed assets	695	731
Amortisation of intangible fixed assets	-	1
Loss on disposal of fixed assets	-	53
Net interest on defined benefit pension liability	(68)	84

Included within expenditure are the following transactions:

	2023 £(000)
- Items over £5,000: Related party unrecoverable debt	<u>192</u>

On the 5 October 2023, the ESFA granted permission for the write off of the intercompany debt with Essa Education Limited, in line with paragraph 5.19 of the Academy Trust Handbook. This debt has been provided for via a bad debt provision within these financial statements.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Central services

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

- human resources;
- financial services;
- ICT services
- clerking services;
- educational advisor support
- trust management and development

The charges are based on direct allocation of costs (where appropriate) and apportionment by on a standard proportion allocation basis.

The amounts charged during the year were as follows:

	2023 £(000)	2022 £(000)
Essa Academy	360	300
Essa Primary	102	92
Central Services	-	-
	<u>462</u>	<u>392</u>

9 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Direct costs				
Educational operations	68	7,434	7,502	7,221
Support costs				
Educational operations	477	3,435	3,912	4,272
	<u>545</u>	<u>10,869</u>	<u>11,414</u>	<u>11,493</u>

	2023 £(000)	2022 £(000)
Analysis of costs		
Direct costs		
Teaching and educational support staff costs	5,977	5,930
Staff development	71	56
Depreciation and amortisation	625	729
Educational supplies and services	436	250
Examination fees	127	79
Educational consultancy	162	49
Other direct costs	104	128
	<u>7,502</u>	<u>7,221</u>

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

(Continued)

	2023	2022
	£(000)	£(000)
Support costs		
Support staff costs	2,293	2,811
Depreciation and amortisation	70	57
Technology costs	187	153
Recruitment and support	19	-
Maintenance of premises and equipment	334	186
Cleaning	28	29
Energy costs	319	162
Rent, rates and other occupancy costs	65	74
Insurance	32	31
Catering	284	330
Interest on defined benefit pensions scheme	(68)	84
Other support costs	322	335
Governance costs	27	20
	<u>3,912</u>	<u>4,272</u>

10 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£(000)	£(000)
Wages and salaries	5,884	5,757
Social security costs	569	581
Pension costs	1,300	1,941
	<u>7,765</u>	<u>8,279</u>
Staff costs - employees	7,765	8,279
Agency staff costs	373	324
Staff restructuring costs	-	51
	<u>8,138</u>	<u>8,654</u>
Staff development and other staff costs	203	143
	<u>8,341</u>	<u>8,797</u>

Staff restructuring costs comprise:

Redundancy payments	-	30
Severance payments	-	21
	<u>-</u>	<u>51</u>

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £nil (2022: £20,817).

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

Staff numbers

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

	2023 Number	2022 Number
Teachers	86	89
Administration and support	119	129
Management	4	7
	<u>209</u>	<u>225</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2023 Number	2022 Number
Teachers	80	86
Administration and support	81	82
Management	3	7
	<u>164</u>	<u>175</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	3	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£120,001 - £130,000	1	1
	<u>5</u>	<u>3</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £464,000 (2022: £426,000).

11 Trustees' remuneration and expenses

None of the trustees have been paid remuneration or have received other benefits from an employment with the academy trust.

During the year, travel and subsistence payments totalling £nil (2022: £nil) were reimbursed or paid directly to trustees.

Other related party transactions involving the trustees are set out within the related parties note.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Trustees' and officers' insurance

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

13 Intangible fixed assets

	Computer software £(000)
Cost	
At 1 September 2022 and at 31 August 2023	74
Amortisation	
At 1 September 2022 and at 31 August 2023	74
Carrying amount	
At 31 August 2023	-
At 31 August 2022	-

14 Tangible fixed assets

	Leasehold land and buildings £(000)	Assets under construction £(000)	Computer equipment £(000)	Fixtures fittings & equipment £(000)	Total £(000)
Cost					
At 1 September 2022 (as previously stated)	25,353	260	1,588	656	27,857
Prior year adjustment	(928)	-	-	-	(928)
As at 1 September 2022 restated	24,425	260	1,588	656	26,929
Additions	26	419	17	213	675
Disposals	-	-	(1)	-	(1)
At 31 August 2023	24,451	679	1,604	869	27,603
Depreciation					
At 1 September 2022 (as previously stated)	4,044	-	1,292	485	5,821
Prior year adjustment	(158)	-	-	-	(158)
As at 1 September 2022 (as restated)	3,886	-	1,292	485	5,663
Charge for the year	499	-	143	53	695
On disposals	-	-	(1)	-	(1)
At 31 August 2023	4,385	-	1,434	538	6,357
Net book value					
At 31 August 2023	20,066	679	170	331	21,246
At 31 August 2022 (as restated)	20,539	260	296	171	21,266

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets (Continued)

The net book value of land and buildings comprises:

	2023 £(000)	2022 £(000)
Long leaseholds (over 50 years)	20,066	20,539

The prior year adjustment relates to some land and buildings which had been disposed of in a prior period but which had not been reflected in the financial statements. This has had the effect of reducing the opening reserves and net book value of fixed assets by £770,000. See note 31 for further details.

15 Fixed asset investments

	2023 £(000)	2022 £(000)
Market value		
At 1 September 2022	451	-
Reclassify from current assets	-	413
Change in value in the year	20	38
At 31 August 2023	471	451
Historical cost	518	518

The academy owns 100% of the ordinary share capital of Essa Education Limited (Company number: 07644762); a company incorporated in England & Wales. The shares are held at their cost of £1.

Essa Education Limited primarily provides leisure facilities to the public. As at the date of signing these accounts, the Essa Education Limited results for the year to 31 August 2023 had not been finalised.

The academy trust has not prepared group financial statements for the year ended 31 August 2023 because the consolidation of the subsidiary is not material for the purposes of giving a true and fair view of the group. This exclusion of the subsidiary from consolidation is in line with 3.108 of the latest Academies Accounts Direction.

Except for the investment in Essa Education Limited, the fixed asset investments consist entirely of shares in UK listed companies and are stated at their market valuation at the year end date.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Essa Education Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activities	Capital & reserves £(000)	Profit/(loss) for the year £(000)
Essa Education Limited	Provision of sports facilities	(104,975)	(19,372)

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Debtors

	2023 £(000)	2022 £(000)
Trade debtors	24	76
Amounts owed by group undertakings	-	94
VAT recoverable	57	58
Prepayments and accrued income	556	292
	<u>637</u>	<u>520</u>

17 Creditors: amounts falling due within one year

	2023 £(000)	2022 £(000)
Trade creditors	358	196
Other taxation and social security	135	144
ESFA creditors	29	4
Other creditors	125	133
Accruals and deferred income	505	255
	<u>1,152</u>	<u>732</u>

18 Creditors: amounts falling due after more than one year

	2023 £(000)	2022 £(000)
Other creditors	<u>23</u>	<u>-</u>

The creditor due after more than one year at 31 August 2023 is a retention related to the capital project that is on-going at the year end. This retention is due to be paid one year after the work on the project has been completed.

19 Deferred income

	2023 £(000)	2022 £(000)
Deferred income is included within:		
Creditors due within one year	<u>30</u>	<u>95</u>
Deferred income at 1 September 2022	95	61
Released from previous years	(95)	(61)
Resources deferred in the year	<u>30</u>	<u>95</u>
Deferred income at 31 August 2023	<u>30</u>	<u>95</u>

Deferred income as at 31 August 2023 is in relation to universal infant free school meals £30,000 (2022: £30,000) and growth funding £nil (2022: £65,000).

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

	Balance at 1 September 2022 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2023 £(000)
Restricted general funds					
General Annual Grant (GAG)	519	9,089	(8,197)	(43)	1,368
UIFSM	-	46	(46)	-	-
Pupil premium	-	603	(603)	-	-
Other DfE/ESFA grants	7	92	(92)	-	7
Other government grants	-	566	(566)	-	-
Recovery premium	-	133	(133)	-	-
National tutoring	-	59	(59)	-	-
Supplementary grant	-	402	(402)	-	-
Other restricted funds	-	57	(57)	-	-
Pension reserve	1,639	-	(19)	(1,620)	-
	<u>2,165</u>	<u>11,047</u>	<u>(10,174)</u>	<u>(1,663)</u>	<u>1,375</u>
Restricted fixed asset funds					
Inherited on conversion	19,762	-	(481)	-	19,281
DfE group capital grants	559	90	(154)	-	495
Capital expenditure from GAG	945	-	(60)	43	928
Local Authority capital grant	-	542	-	-	542
	<u>21,266</u>	<u>632</u>	<u>(695)</u>	<u>43</u>	<u>21,246</u>
 Restricted endowment fund	 451	 -	 -	 20	 471
 Total restricted funds	 23,882	 11,679	 (10,869)	 (1,600)	 23,092
Unrestricted funds					
General funds	282	425	(582)	-	125
 Total funds	 24,164	 12,104	 (11,451)	 (1,600)	 23,217

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

£43,000 has been transferred from GAG restricted general funds to the restricted fixed asset fund to cover costs of capital additions in the year for which capital funding was not received.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Endowment funds are those funds related to monies received from the sponsor for investment according to their wishes.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The pension values as at 31 August 2023 have been determined by the actuary which is showing the following pension assets within the academy trust as at the balance sheet date:

Essa Academy – pension asset of £2,558,000

Essa Primary – pension asset of £70,000

This results in the academy trust's consolidated position as showing a pension asset and pension fund surplus. In accordance with applicable accounting standards, the asset values in the academy trust have been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. This has reduced the pension asset/liability and pension fund to nil accordingly.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

(Continued)

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

	Balance at 1 September 2021 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2022 £(000)
Restricted general funds					
General Annual Grant (GAG)	-	8,760	(7,943)	(298)	519
UIFSM	-	50	(50)	-	-
Pupil premium	-	595	(595)	-	-
Other DfE/ESFA COVID-19 funding	-	34	(34)	-	-
Other DfE/ESFA grants	-	377	(370)	-	7
Other government grants	-	476	(476)	-	-
Other restricted funds	-	24	(24)	-	-
Pension reserve	(4,693)	-	(885)	7,217	1,639
	<u>(4,693)</u>	<u>10,316</u>	<u>(10,377)</u>	<u>6,919</u>	<u>2,165</u>
Restricted fixed asset funds					
Inherited on conversion	20,243	-	(481)	-	19,762
DfE group capital grants	769	30	(240)	-	559
Capital expenditure from GAG	712	-	(65)	298	945
	<u>21,724</u>	<u>30</u>	<u>(786)</u>	<u>298</u>	<u>21,266</u>
 Restricted endowment fund	 413	 -	 -	 38	 451
 Total restricted funds	 17,444	 10,346	 (11,163)	 7,255	 23,882
Unrestricted funds					
General funds	230	382	(330)	-	282
 Total funds	 17,674	 10,728	 (11,493)	 7,255	 24,164

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

(Continued)

Total funds analysis by academy

	2023 £(000)	2022 £(000)
Fund balances at 31 August 2023 were allocated as follows:		
Essa Academy	1,514	622
Essa Primary	62	174
Central Services	(76)	12
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,500	808
Restricted fixed asset fund	21,246	21,266
Pension reserve	-	1,639
Endowment funds	471	451
	<hr/>	<hr/>
Total funds	23,217	24,164
	<hr/>	<hr/>

The trustees are aware that the central services fund has fallen into a deficit carry forward position. Actions are being taken and budgets have been set to return the central fund to a neutral position.

Total cost analysis by academy

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

	Teaching and educational support staff £(000)	Other support staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total 2023 £(000)	Total 2022 £(000)
Essa Academy	4,301	1,487	611	1,217	7,616	7,713
Essa Primary	1,646	465	207	260	2,578	2,584
Central Services	101	341	1	119	562	409
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,048	2,293	819	1,596	10,756	10,706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Endowment Funds £(000)	Total Funds £(000)
Fund balances at 31 August 2023 are represented by:					
Tangible fixed assets	-	-	21,246	-	21,246
Fixed asset investments	-	-	-	471	471
Current assets	125	2,550	-	-	2,675
Current liabilities	-	(1,152)	-	-	(1,152)
Non-current liabilities	-	(23)	-	-	(23)
Total net assets	125	1,375	21,246	471	23,217

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Endowment Funds £(000)	Total Funds £(000)
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	-	-	21,266	-	21,266
Fixed asset investments	-	-	-	451	451
Current assets	282	1,258	-	-	1,540
Current liabilities	-	(732)	-	-	(732)
Pension scheme asset	-	1,639	-	-	1,639
Total net assets	282	2,165	21,266	451	24,164

22 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £135,000 (2022: £129,000) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme Introduction

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

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

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £812,000 (2022: £795,000).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.3 - 19.4% for employers and 5.5% - 12.5% for employees. The estimated value of employer's contributions for the period to 31 August 2023 will be approximately £383,000.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £(000)	2022 £(000)
Employer's contributions	369	338
Employees' contributions	120	109
Total contributions	489	447

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.75	3.80
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023 Years	2022 Years
Retiring today		
- Males	13.9 - 21.0	20.3
- Females	23.3 - 23.5	23.2
Retiring in 20 years		
- Males	20.0 - 20.2	21.6
- Females	24.2 - 24.5	25.1

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2023	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2% - 3%	28 - 148
0.1% increase in the Pension Increase Rate	2% - 3%	27 - 141
0.1% increase in the Salary Increase Rate	0%	1 - 10
1 year increase in member life expectancy	4%	34 - 246

The academy trust's share of the assets in the scheme

	2023 Fair value £(000)	2022 Fair value £(000)
Equities	6,743	6,494
Bonds	1,349	1,318
Cash	771	753
Property	771	847
Total market value of assets	9,634	9,412

The actual return on scheme assets was £(156,000) (2022: £121,000).

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £(000)	2022 £(000)
Current service cost	456	1,139
Interest income	(408)	(150)
Interest cost	340	234
Total operating charge	388	1,223
Changes in the present value of defined benefit obligations	2023 £(000)	2022 £(000)
At 1 September 2022	7,773	13,616
Current service cost	456	1,139
Interest cost	340	234
Employee contributions	120	109
Actuarial loss/(gain)	1,056	(7,246)
Benefits paid	(111)	(79)
At 31 August 2023	9,634	7,773
Changes in the fair value of the academy trust's share of scheme assets	2023 £(000)	2022 £(000)
At 1 September 2022	9,412	8,923
Interest income	408	150
Actuarial loss	(564)	(29)
Employer contributions	369	338
Employee contributions	120	109
Benefits paid	(111)	(79)
At 31 August 2023	9,634	9,412

The pension values as at 31 August 2023 have been determined by the actuary which is showing the following pension assets within the academy trust as at the balance sheet date:

Essa Academy – pension asset of £2,558,000
Essa Primary – pension asset of £70,000

This results in the academy trust's consolidated position as showing a pension asset and pension fund surplus. In accordance with applicable accounting standards, the asset values in the academy trust have been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. This has reduced the pension asset/liability and pension fund to nil accordingly.

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

	Notes	2023 £(000)	2022 £(000)
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		653	(764)
Adjusted for:			
Capital grants from DfE and other capital income		(632)	(30)
Investment income receivable	6	(20)	(20)
Defined benefit pension costs less contributions payable	22	87	801
Defined benefit pension scheme finance (income)/cost	22	(68)	84
Depreciation of tangible fixed assets		695	732
Amortisation of intangible fixed assets	13	-	1
Loss on disposal of fixed assets		-	53
(Increase) in debtors		(117)	(59)
Increase in creditors		443	94
Net cash provided by operating activities		1,041	892

24 Analysis of changes in net funds

	1 September 2022 £(000)	Cash flows £(000)	31 August 2023 £(000)
Cash	1,020	1,018	2,038

25 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £(000)	2022 £(000)
Amounts due within one year	93	98
Amounts due in two and five years	109	207
	202	305

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Capital commitments

	2023 £(000)	2022 £(000)
Expenditure contracted for but not provided in the accounts	2,460	2,536

Capital commitments at 31 August 2023 relate to committed expenditure in respect of the building expansion project at the Secondary School. The amount to be funded by the local authority is £2,414,000 with the remainder to be funded by the academy trust.

27 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

During the year the academy trust made recharges of £100,115 (2022: £133,186) to Essa Education Limited, a wholly owned subsidiary. The trust made purchases from Essa Education Limited totalling £38,644 for the year ended 31 August 2023 (2022: £nil). At the balance sheet date, Essa Education Limited owed £192,744 (2022: £104,376) to the academy trust.

On the 5 October 2023, the ESFA granted permission for the write off of the intercompany debt with Essa Education Limited, in line with paragraph 5.19 of the Academy Trust Handbook. This debt has been provided for via a bad debt provision within these financial statements.

The academy trust received a donation of £nil (2022: £10,000) from the family of Y Patel, a member of the academy trust.

The academy trust has complied with the requirements of the Academy Trust Handbook.

28 Post balance sheet events

The trust intends to merge with Northern Education Trust Limited (NET). The decision has been approved by the boards of each trust and The DfE. The provisional merger date is 1 June 2024.

The current CEO is due to retire from the trust in December 2023. At this point, the executive director and accounting officer roles will be undertaken by a member of staff from Northern Education Trust via an off payroll arrangement. These arrangements have been approved by the ESFA.

29 Members' liability

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

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

30 Statement of financial activities - comparative year information

Year ended 31 August 2022 As restated	Unrestricted funds £(000)	Restricted funds General £(000)	Fixed asset £(000)	Endowment funds £(000)	Total 2022 £(000)
Income and endowments from:					
Donations and capital grants	43	3	30	-	76
Charitable activities:					
- Funding for educational operations	-	10,292	-	-	10,292
Other trading activities	319	21	-	-	340
Investments	20	-	-	-	20
Total	382	10,316	30	-	10,728
Expenditure on:					
Charitable activities:					
- Educational operations	331	10,376	786	-	11,492
Total	331	10,376	786	-	11,492
Gains on endowment investments	-	-	-	38	38
Net income/(expenditure)	51	(60)	(756)	38	(726)
Transfers between funds	-	(298)	298	-	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	-	7,217	-	-	7,217
Net movement in funds	51	6,859	(458)	38	6,490

ESSA FOUNDATION ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

31 Prior period adjustment

Explanation for prior year adjustment.

	1 September 2021 £(000)	31 August 2022 £(000)
Reconciliation of funds		
Funds as previously reported	18,462	24,934
Adjustments arising:		
Disposal of land and buildings	(789)	(770)
Funds as restated	<u>17,673</u>	<u>24,164</u>
Reconciliation of net income/(expenditure) for the previous financial period		2022 £(000)
Net expenditure as previously reported		(745)
Adjustments arising:		
Depreciation charge for year		19
Net expenditure as restated		<u>(726)</u>

Notes to restatement

The prior period adjustment is in respect of some land and property which was disposed of in a prior period but the disposal was not reflected in the financial statements.