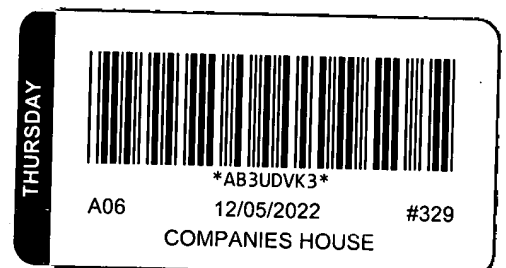


Empowering Minds Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021



Empowering Minds Academy Trust

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Empowering Minds Academy Trust

Reference and Administrative Details

Members	G Ayre S Bean G Geraghty (Resigned 29 January 2021) K French
Trustees (Directors)	S Cairns, CEO K Kellett, Chair A Bradley (Vice Chair) R Carney (appointed 5 October 2021) J Cooper (Resigned 26 November 2020) M Coppel (appointed 16 September 2021) E Fox (appointed 16 September 2021) E Frost (Resigned 2 April 2021) N Lawton (appointed 1 September 2020 and Resigned 6 July 2021) S Lindsay (Resigned 1 April 2021) P Rust (appointed 5 October 2021) M A Skelton (appointed 1 September 2020) C Wright
Company Secretary	S Lindsay
Senior Management Team	S Cairns, Accounting Officer and Executive Head Teacher S Gibbons, Head Teacher - Tranmoor Primary A Patterson, Head Teacher - Bessacarr Primary G Rhodes, Head Teacher - Highwoods Primary N Worthington, Head Teacher - Southfield Primary D Wakefield, Head Teacher - Hawthorn Primary
Principal and Registered Office	Tranmoor Primary Tranmoor Lane Doncaster DN3 3DB
Company Registration Number	10668193
Auditors	Marriott Gibbs Rees Wallis Limited Chartered Certified Accountants and Registered Auditors Unit 4, Broadfield Court Sheffield S8 0XF

Empowering Minds Academy Trust

Reference and Administrative Details (continued)

Bankers	Lloyds Bank PLC High Street Doncaster
	RBS Commercial Banking PO Box 4862 2nd Floor 5 Church Street Sheffield
Solicitors	Taylor Bracewell No 1 Railway Court Ten Pound Walk Doncaster DN4 5FB

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 10668193.

The governors act as the trustees for the charitable activities of Empowering Minds Academy Trust and are also the directors of the charitable company for the purposes of company law.

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.

The trust operates five primary academies for pupils aged 3 – 11, in Doncaster. The academies have a combined pupil roll of 1607 as at October 21 Census.

Members' liability

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

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

The Trust have opted into the DFE RPA (Risk Protection Arrangement) scheme for cover. The Trust reserves the right to arrange investigation, defence, adjustment, settlement or appeal of any claim or criminal prosecution against any Trustee/Governor.

For the representation of any Trustee/Governor at any official examination, enquiry, investigation or other proceedings ordered or commissioned at the behest of a legally empowered official body to investigate the activities of the Trustee/Governor.

There were no third party indemnity provisions during the year or at the date of approval of the Trustee Report.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Method of recruitment and appointment or election of Trustees

Each time the Trust seeks to appoint new Trustees, the Trust will carefully consider the recruitment process and undertake a skills audit to align specialist expertise and knowledge to the existing body and future Trust priorities. All recruitment will be carried out as per the EMAT Articles of Association.

It is expected that the Board consist of a broad range of skills to include; leadership/policy, education, performance/curriculum, human resources, estates/property, safeguarding, health and safety, governance, finance/audit/risk, external relations and partnerships/marketing.

The Board will carry out a skills audit annually and review the skills needed for future recruitment.

Recruitment will be carried out by initially identifying the required skills appropriate to the Board at the point of recruitment. The MAT executive team will review candidates' informal CVs and a decision will be made as to the suitability against the criteria set. Once potential candidates are identified, an interview will be arranged with the Chair of the Board and nominated Trustees. Final ratification of a potential appointment will be by the full Board. Once approved, the appointed candidates can progress with the EMAT induction process.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their previous experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees will meet with the Chief Executive Officer and Chair of Trustees prior to their first formal meeting. In addition, new Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees/Governors undertake a skills audit annually to determine training requirements at Academy Committee level and Trust level. Governance reviews will also identify further necessary training. Induction will fulfil policy requirements and will also be tailored specifically to the individual. New Trustees may be 'buddied' with more experienced Trustees to provide support and advice as appropriate.

The Trust has committed to developing training opportunities for Trustees/Governors based on their particular needs and the changing educational landscape. Training will be arranged by the Chair Trustee.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Organisational structure

The Governance/Leadership and Management structure consists of five levels; the Members, the Board of Trustees and sub-committees to include the individual Academy Committees, the Executive Leadership Team and the respective Academy Senior Leadership Teams. The aim of this structure is accountability and challenge and to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for shaping general policy, have strategic oversight, monitoring performance and MAT development plans, are responsible for setting an annual budget plan aligned to the agreed Trust priorities, monitoring the Trust by use of results and budgets and making major decisions about the revenue, grant and capital expenditure and senior staff appointments as identified in the EMAT Scheme of Delegation. Trustees also make decisions about the direction of the MAT to include curriculum, the children's achievement and welfare.

The sub-committees act as advisory bodies to the EMAT Board. Certain responsibilities are delegated to this body as detailed in the EMAT Scheme of Delegation. Academy Committees work with Headteachers to monitor attainment, safeguarding and community cohesion individual academy level and report to Trustees.

Decision making responsibilities are detailed within the EMAT Scheme of Delegation and the Financial Scheme. These documents detail the duties for each level of governance and leadership. The aim of this is to enable the correct division of duties and accountability and oversight for the approval process.

The Chief Executive Officer (CEO) is the Accounting Officer, by default, responsible for accountability and governance. The CEO is responsible for driving school improvement across the MAT, formulating strategic vision, policies and targets to achieve the Trust's vision and objectives.

The Senior Leadership Team comprises the Chief Executive Officer (CEO, who is the MAT Accounting Officer), academy Head Teachers and the Chief Operating/ Finance Officer (COO/CFO). The team is responsible for delivering the agreed development plans within their own areas to ensure targets are met in all areas.

Key documents to support the Governance of the MAT are the Schemes of Delegation as detailed above, Trustee and Academy Committee Terms of Reference.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel identified within the Trust include the CEO, COO/CFO and individual academy Head Teachers. Designated responsibilities are detailed in the EMAT Schemes of Delegation and the appropriate approval levels.

Trustees will determine the pay ranges for these key positions taking account the correct conditions of service, of level of responsibility, size of school using total unit score, context and complexity of the role, all available benchmarking information and the latest picture with regards competitive recruitment. External HR advice will also be sought.

Key management personnel have annual performance management. The foundations of these reviews are used as a foundation for remuneration proposals which are then agreed by Trustees (where applicable). External HR advice is purchased to support this process.

The MAT CEO and COO/CFO's pay is reviewed annually and any progression is subject to performance and must be within the pay range already set and agreed by Trustees.

Trustees are volunteers therefore no remuneration of any kind has been paid to Trustees/Members or Governors.

Trade union facility time

There were no employees who were relevant union officials during the period under review.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)



Related Parties and other Connected Charities and Organisations

The Trust continues to work with schools and academies who are not connected to the corporation. The MAT plans collaborative learning opportunities for all the staff, children in the learning community.

The Trust works continually to provide a range of personalised professional learning and development for teachers, leaders and governance. Key staff work with other MATs and organisations to train other staff within the borough.

The five academies have school fund in separate accounts and administration of these funds are by designated school office staff. School Funds are audited externally and reported on.

Staff and all governance must complete annual formal declarations which are checked by the responsible officer and the register updated. All related parties will be presented to Trustees.

Objectives and activities

Objects and aims

In accordance with the Articles of Association Empowering Minds Academy Trust have adopted a Funding Agreement approved by the Secretary of State for Education. This agreement specifies that the MAT has a curriculum satisfying the requirements of the Education Act (balanced and broadly based curriculum). The MAT is a charitable company whose aim is to provide quality education for early years and primary school children.

There is no relationship that impacts on any operations of EMAT or on any of its policies or governance.

The Articles of Association state that the charitable company has adopted a Scheme of Government which has been approved by the Secretary of State for Education, this scheme sets out the basis for pupil admissions and the requirements for the curriculum.

An object and activity of the Company is to develop education within and beyond the MAT. This will be achieved by establishing, maintaining and developing its academies, offering a broad and balanced curriculum, whilst placing a strong emphasis on preparing children for their next stage of learning. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

EMAT Vision and Ethos

Empowering Minds Trust is a growing child-centred Multi Academy Trust where challenge, collaboration, inclusivity and support is at the heart of our ethos. We intend to develop the children we teach to be independent, strong, empowered individuals who fully understand their place in the world.

We seek to be a family of schools where every child/young person receives the best possible education through the sharing of best practice and world class professional development opportunities for staff.

We have the highest of expectations, promoting excellence and personal achievement. We believe that children should be at the centre of everything we do and receive the best possible education.

All schools in the partnership will be working towards outstanding status. We believe in system leadership and that all schools are more effective when they work in partnership than when they stand alone.

We value and embrace each school's uniqueness and the community it serves, whilst seeking to learn from and share with each other so that we spread excellence effectively.

Objectives, strategies and activities

The strategic intent for the EMAT and each academy within the Trust is as follows:

- To secure excellence for all pupils with the academies meeting and exceeding core expectations.
- To promote strong leadership and build capacity to improve.
- To work collaboratively to share school to school development and good practice across the Trust.
- To set and implement good foundations for the business side of the MAT to ensure safety, sustainability and best value.

These processes are underpinned by policy.

To achieve this ambition the Trust is committed to the following values which go together with the strategies above:-

- We aim to provide strong, ambitious and inspirational leadership in every school so that every pupil and every member of staff is encouraged to achieve more than they thought possible.
- We aim to set challenging targets for all our schools and to use key data sets to drive progress.
- We aim to use the most effective new technologies to drive attainment and progress.
- We aim to offer the very best CPD in all aspects.
- We aim to develop a co-operative and collaborative ethos across all our schools so that best practice is shared in the best interests of all pupils and all staff.
- We aim to deliver all of the above within a predetermined budget, which is audited and gives best value for money.

Public benefit

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity Commissions' guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality education to its pupils. The Trust will continue to provide education to the children that is balanced and broadly based so that it provides moral, cultural, mental and physical development for all pupils. This has been evidenced through the results achieved and feedback from external assessments.

In order to benefit the wider community, the Trust supports other schools and multi academy trusts to share knowledge and guidance and will continue to do so.

Trustees have complied with their duty to have due regard to public benefit as per the Charity Commission's general guidance. Trustees look to ensuring the MAT set its objective and future plans with the guidance in mind.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Achievements and performance

School level outcomes are as follows.

Early Years EYFSP	% GLD 68%	All ELGs 68%	ATPS 33.2
Phonics	%Wa	Score	
Year 1	63%	13.7	
Year 2 re-sit	33%	14.7	
By end of Y2	75%	-	
KeyStage 1	% EXS+	%GDS	
Reading	71%	21%	
Writing	59%	5%	
Maths	72%	20%	
RW&M	57%	3%	
Key Stage 2	Exo+/EXS+	High/GDS	Progress
Reading	80%	27%	-0.1
Writing	76%	9%	+0.3
Maths	80%	21%	+0.7
RW&M	70%	7%	-

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Quality of education

Secure a trajectory of rising attainment and progress across subjects and key stages through:

- implementation of models of effective curriculum
- developing strong subject leadership
- shared understanding of the thematic focus on metacognition

To ensure high quality remote learning continues to develop to meet the needs of children and families.

Consolidate the work with the Challenge Partners hub through identification and pursuit of appropriate opportunities for further research informed practice

Leadership - including governance and safeguarding

Undertake further succession planning in order to create additional capacity in central leadership across all functions including business management and the quality of education

Secure positive outcomes for all schools in the inspection window by ensuring that overall effectiveness judgements are good or better. Embed the restructure of MAT governance. Academy Committee members to have a deep, accurate understanding of each school's effectiveness.

To grow the Trust further by at least one school

To strengthen the Trust Board by recruiting further effective Trustees.

Key financial performance indicators

	2021	2020
Fund balance (excluding fixed assets and pension) (£)	1,048,667	637,465
Cash in bank (£)	1,469,177	1,450,322
Total staff costs (£)	6,943,825	6,259,778
Staff costs as proportion of total expense (%)	77.83	78.50
Total pupil numbers	1607	1620
Spend per pupil for non-pay expenditure lines excluding depreciation (£)	981	849
MAT budget outturns are as per MAT policy i.e. surplus minimum of 3%	Met	
Financial controls met to ensure financial probity	Met	
Cash flow monitored and within recommended parameter to ensure	Met	
Financial forecasts updated monthly	Met	

The trust recognises the importance of performance indicators, to ensure that it delivers educational and financial excellence.

The school's financial performance is monitored by trustees and local governors through periodic financial reports.

It is also monitored through the completion and submission to the ESFA of:

- The Annual Accounts Return
- The Academies Budget Forecast
- The Financial and Governance Statement

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Key non-financial performance indicators

Rigorous school improvement strategies embedded see the School Improvement Strategy Document.

Work on succession planning for senior staff has been successful and will continue to be embedded for this next year.

Full governance review and restructure now complete and implemented to include new documents such as Schemes of Delegation, Terms of Reference for Trustees and Sub-Committees. The changes have and will further streamline processes and enhance division of duties. The formation of Academy Committees has supported the individual academies and link Trustees have enhanced communications.

Development of ICT infrastructure to increase communications, security of data, shared files and communications. The addition of new MAT MIS system to provide a fully consolidated approach, has now been implemented and work has begun to further enhance knowledge.

Assessment and reporting software consolidated for efficient data management across the MAT.

Growth of by at least one school in the next academic year.

Trust central team structure changes made for increased efficiencies.

Succession planning for leadership at all levels has been a feature of performance management and is now in place. This ensures future sustainability and minimises risk and meets and prepares for current growth plans.

Collaborative networks across the MAT implemented e.g. early years, SEND, leadership, moderation, English and Maths, middle and subject leaders network including curriculum champions and Challenge Partners and leadership development with external school improvement support.

CIF buildings funding secured for 2 schools creating significant improvements across the MAT.

Covid-19 safety measures have caused considerable additional work for all staff. The MAT has quickly responded to frequent changes associated with ways of working for virus control. Safety and wellbeing of the children and staff have been, and are, of prime concern along with continuation of quality education and resources for the children. A huge amount of time and effort has been allocated to risk, the implementation of safety measures, remote learning and increased care of children.

This has not been without challenges but the MAT has managed each stage effectively, led by the CEO and Trustees. There are, of course operational issues as a consequence of the workplace measures as workload has increased, staff cover has been effectively managed but the process adds to workload. Business continuity plans were quickly revised to be appropriate for a pandemic situation to ensure business continuity and actions taken as a result. This was carried out in an effort to minimise disruption as much as possible under the unprecedented circumstances. Trustees have played an essential role in this process by taking extra time to challenge and support significant decisions that have had to be made throughout this period.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Going concern

The Board of Trustees have made the appropriate enquires and have a reasonable expectation that the MAT has the ability to continue a going concern and has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details on the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The academies are meeting their required targets, Leadership is strong and expertise across the MAT is growing.

In the interests of the children, staff and all concerned, the financial position of the Trust is priority. The EMAT Finance Policy details the essential monitoring procedures, controls and expectations to ensure financial security. There is a rigorous monthly process of budget monitoring, three year forecasting and cash flow checks to ensure accuracy and sustainability. Monthly updates are provided to senior leaders and changes reported to trustees. The Trust develops a three year financial plan which is submitted to the Trustees. The MAT plan will ensure that current and future years are sustainable and within the required threshold set in MAT policy. The plan will include school development plans and potential financial challenges. Central reserves are within policy also and are reviewed by Trustees. Trustees will monitor and review all of the above.

Any significant decisions that impact on the future of the MAT are carefully considered and discussed taking in to account possible consequence of all relevant factors on the MAT's stakeholders.

The Trust will implement and manage systems and controls for finance, health and safety, pay and HR, building, ICT, risk and contracts to ensure legal compliance. 21/22 will include a full external review of building compliance and management of asbestos.

For this reason, the Trust continue to adopt the going concern basis in preparing the financial statements.

Financial review

The majority of the Trust's income is obtained from the Educational Skills Funding Agency (ESFA) in the form of the GAG (General Annual Grant) and recurrent grants, the use of which is restricted to the objectives of the organisation. Additional income sources include Local Authority receipts for the high needs block and also early year's provision. The total incoming resources for the MAT are identified within the financial statement. As the majority of income is pupil number driven, funding forecasts are calculated for future years and monitored/updated monthly. Details of the income amounts can be seen within the audited figures below.

It is important that expenditure is in line with income and the future financial plan to support the key aims of the Trust, therefore, budget and financial forecasts follow the individual academy and MAT's development plans. Budgets are then monitored throughout the year and adjusted to meet change. We continually look ahead and strive for accurate predictions so that we can respond to any negative scenario in good time and make necessary adjustments. Pension liability is budgeted for and included in forecasted figures.

The MAT has experienced financial consequence due to the current pandemic situation and has obtained funding from the Government for additional cleaning, increased premises costs and free meals. Losses have been made for breakfast clubs due to reduced parental income during lockdowns and measures are in place to monitor and adjust expenditure wherever possible to eliminate loss.

Financial risks are included within each Trustee agenda and are reviewed regularly to meet change. Current risks identified are any potential fall in pupil numbers, uncertainty around the continuation of certain government funding streams and also the current pandemic situation which could have a significant financial effect as a consequence of staff cover, additional costs that are not reclaimable, cancellation of clubs/childcare provision and therefore reduced private income, meals budget and potential funding stream changes. Monitoring is inbuilt and ongoing as part of the MATs procedures and detailed below. This way, any risk is managed effectively.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Other current financial risk is the fall in pupil numbers in the locality. Again, pupil number monitoring and forecasting is monthly. Any forecasted fall in pupil numbers and associated funding is calculated and expenditure adjusted to be in line with income. This exercise has already taken place in 20/21 to prepare for fall in number for September 21, all relevant budgets have been adjusted to ensure that surplus outturns are within the parameters set by EMAT policy.

cession

The pandemic situation including lockdown has also meant that school fundraising activities had been put on hold, for the year in question, for example dressing up days, school productions and fairs.

The trust has a cash of £1,469,177 (2020: £1,450,322 at the bank, with total net assets (excluding the pension liability) of £32,594,560 (2020: £31,220,411).

As at 31 August 2021 the level of free reserves held was £28,680 which shows a surplus of £8,361 on the £20,319 total as at 31 August 2020. Restricted general funds (excluding pension) amounted to £1,019,987, which shows a surplus of £402,841 on the £617,146, total as at 31 August 2020.

The surplus on restricted general funds (excluding pension reserve) plus unrestricted funds was £411,202 for the year ended 31 August 2021. The balance on restricted general funds (excluding pension reserve) plus unrestricted funds amounted to £1,048,667 (2020: £637,465) and the Trust has an overall balance of £31,545,893 (2020: £30,582,946) on restricted fixed asset funds.

Financial and risk management objectives and policies

The Trust adopted as its principal financial policies the Academies Financial Handbook published by the DfE, Academy Schools: guidance on regulation as Charities and Internal Controls for Charities published by the Charities Commission together with the Trust's operational Financial Management and Administration procedure.

The Board of Trustees assess the major risks to which the Trust is exposed and a formal review of the Trust's risk management process is undertaken on an annual basis.

Reserves policy

The Trustees review the required reserve levels of the Trust, annually. This review considers the nature of income and expenditure streams, the need to match income commitments and the nature of reserves.

The Trustees have determined that the appropriate level of free reserves should be at least the equivalent to 3% of each academy budget GAG Statement and the trust central budget. The reserves benchmark is reviewed annually. Actual reserves for this financial year are detailed within the accounts below to include the restricted and unrestricted funds. MAT policy does not allow deficits and all reserves must meet the minimum 3% threshold.

Trust reserves represent income to the MAT that does not have any planned spend of commitments and that may be spent following consideration and agreement by Trustees to further the MAT's objectives. Prior to deciding any spending, Trustees will consider the level of reserve to retain in order to support any unforeseen emergency and cash flow for current and future years.

The Trust is addressing the pension reserves deficit via each academy contributing to the pension deficit by an agreed 3 year payment plan. The plan also details the required employers' percentage amount. This is incorporated into current and future financial plans and cash flow. Figures are included below.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

We are working to minimise any financial impact on reserves as a consequence of Covid-19; by flexible staffing, best value purchasing, monitoring of higher financial risk areas to foresee issues e.g. private income, staff absence. Findings will be acted upon and reported to Trustees.

Reserves Policy is included within the MAT Finance Policy.

At 31 August 2021 the level of free reserves held was £28,680 which shows an increase of £8,361 on the 2020 total of £20,319.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds amounted to £1,048,667 (2020: £637,465) and the Trust has an overall balance of £31,545,893 (2020: £30,582,946) on restricted fixed asset funds.

Investment policy

The Trust's Investment Strategies are detailed within the MAT Finance Policy agreed by the Board. In essence the strategy is:

The Board of Trustees will consider the investment of any cash balance surplus and safe keeping of the funds on an annual basis. They will be guided by DFE regulations. The priority is to avoid high levels of risk by ensuring any investment vehicle has adequate credit rating measured by Standard and Poor or another reputable credit rating agency. The Trust will avoid volatile investment instruments, ensuring security takes precedence over revenue generation.

The Trust will review investment of funds to ensure appropriate reflection of risk/reward at least an annual basis.

Any investment must further support the trusts charitable aims as per the Articles of Association. There are no investments to report on for 20/21.

Reserves will have to accumulate to a suitable level before investment is to be considered, or annually, whichever is sooner.

Principal risks and uncertainties

The Trust has continued to embed systems and controls in respect of finance and operational risks. The Board has appointed external auditor, Marriott Gibbs Rees Wallis Limited and internal auditor Hart Shaw to undertake a review of practices and procedures.

The MAT Risk Register is considered annually during the summer and controls and high risks agreed,

Risk is recurring item on the Trust Agendas, areas of risk will be identified to include mitigations to minimise the likelihood and impact on the Trust. The Trust considers the following areas to be its principal risks over the next year and have put in place a range of strategies for managing the risks: -

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Government Funding Reforms

The Trust produces 3 year budget plans based on future projected student numbers, known budget pressures such as employee costs to include a regular review of staffing to ensure that pupil/teacher ratios are affordable. Government reforms and shifts in funding are sometimes difficult to forecast so remain a concern. Current concerns are around the uncertainty of the continuation of particular Government funding streams, at the same level, is considered a risk.

Controls - funding streams are continually monitored and evaluated by Trust staff along with Government agenda and predictions amended if any changes are anticipated. This leads to more accuracy in predictions therefore giving more time for making budget adjustments and cash flow forecasts. Contingency is taken into account when assessing required outturns.

Falling pupil numbers

Birth rate numbers for future years are a risk as future numbers are difficult to predict. A major part of school funding is linked to pupils on roll so any fall can have significant consequence.

Controls - the same method as above is embedded in the budget monitoring process and used to monitor and adjust predictions in order to increase forecast accuracy. Financial scenarios can then be developed to mitigate the risk.

Cash flow and financial sustainability

Monthly monitoring procedures are in place to assess current and future outturns and cash flow predictions. The monitoring supports the day to day work on cash flow and budget carried out by MAT finance staff and is an essential factor to ensure a continued safe financial position. Trade creditors and debtors are within the monthly monitoring processes.

Data security

External advice and support from the MAT ICT provider ADEPT to ensure the MAT is compliant with security systems.

Controls - Measures are in place to mitigate risk of security threats and data breach. These arrangements are audited by the ICT provider.

Business Continuity

The Trust maintain Business Continuity Plans, with regular testing of procedures such as Fire Evacuation. The Trust has in place a number of contracts to ensure that there is a consistency of approach across all of its Academies and to ensure statutory compliance. Data is backed up securely offsite and retrievable. Planning around succession is included within staff structures and work has been ongoing to increase staff knowledge and expertise to support any unforeseen absence.

Covid-19

Current Pandemic situation risk covers many areas to include risk to life and Health, therefore every effort has been taken to follow the Government guidelines around managing the virus transmission and lowering risk to children and staff. Risk is continually assessed and MAT Risk Assessments revised, this work is carried out in collaboration with the LA, other MATs within the borough and the MAT Health and Safety external provider. The pandemic brings multiple additional risks to the MAT with managing pupil and staff illness (covered within the RA's) and the logistics of covering staff absence and staff who have to self-isolate. The managing of this ties into the MAT Covid-19 Business Sustainability Plan. There are also financial risks associated with uncertainty around certain funding. This is closely monitored and assumptions managed. Government guidance is monitored for updates and changes. Additional expenditure is reviewed for ways to reduce/eliminate any loss to include calculating the effect on overall balances and eligibility for funding.

Risk assessments are used for all of the above to assess, mitigate and monitor risk and effectiveness of measures in place.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Fundraising

The EMAT academies will fundraise under the provisions of the Charities (Protection and Social Investment) Act 2016, Section 13.

The funding of equipment and services from funds outside the academies' revenue budgets is an important part of school life. It is carried out on a voluntary basis by staff and volunteers via fundraising events for example; non-uniform days, concerts. The Trust have not employed professional fundraisers.

EMAT will support fundraising initiatives as long as correct procedures are adhered to. All fundraising will be for voluntary contributions.

EMAT fundraising must be a legitimate means of improving the academy's ability to purchase goods, equipment or services, which are not available within the capital or revenue budget. Public donations of cash, equipment, or actively raising funds is seen as a positive way of supporting the academies.

The EMAT Trustees are responsible for ensuring that:

1. Correct fundraising procedures are in place, procedures are followed and monitored.
2. Expenditure is properly validated.
3. All funds raised are properly accounted for and audited.
4. The money is expended in accordance with the objectives agreed with the fund raisers.

Fundraising activities will be recognised providing that they are generally within the strategic direction of the Trust's plans and ethos. Fundraising must be approved in advance, by the Academy Head and the CEO and COO/CFO. The MAT does not use external fundraisers, therefore, must be notified of and approve prior to the hiring of the external fundraiser. External bodies will be required to advise the Trust of their intentions and be guided by the Trust. In the event of funds raised or donated, to the Trust, for purposes outside the Trust's plans or ethos, the Trust may decline to accept the donation, but would encourage the donor/organiser to allow the donation to be used for more appropriate purposes.

In the event a member of staff becoming aware of a body fund raising on behalf of an academy or the Trust, he/she should notify the CEO so that the fund raising can be approved.

Fundraisers shall adhere to all policies and procedures adopted by the Academy's Local Governing Body or by the Trust. Donors have the right to obtain complete and timely information on how their funds are used.

Publicity and promotional activities are to be truthful and non-deceptive with a clear statement of use.

EMAT expects commitment to the highest standards of good practice to ensure that all fundraising activities are transparent, legal and fair.

Members of the public must not be subject to persistent, unreasonable intrusive fundraising approaches that would put them under any undue pressure to donate.

Anyone having concerns or complaints regarding the school's fundraising schemes should discuss these initially with the CEO who will report regularly to the Trustees.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Plans for future periods

EMAT will continue to strive to offer the highest standard of educational opportunities for children and to provide professional development for all staff.

The Trust will continue to embed policies and procedures in this period of growth of the MAT to ensure a sound base for growth and sustainability.

The Trust will continue to monitor the current and future financial positions of the MAT against development plans to ensure sustainability and best practice. Monitoring of actual performance in line with business plans will be stringent to ensure plans are on track and attainable.

The sharing of resources and best practice has been embedded over the past year and the Trust and Trustees will continue to develop this as the collaborative approach is key to MAT operations and success. Staff are working together effectively and skills and knowledge growing, collaboration is effective and growing.

The MAT growth plan is reviewed annually by Trustees. The Board reflect and consider past growth and future plans to ensure growth is still viable. Growth must be well managed and must enhance the current strengths of the MAT. 19/20 growth plan was a huge positive for the MAT and for the new academy and future growth for 21/22, as per the MAT plan is deemed attainable and a positive and safe move.

Equal opportunities for employees

Empowering Minds Academy Trust policy is fully committed to treating all employees and job applicants equally. All selection and recruitment decisions, both internal and external, and the progression of employees within the company are based on merit and not on any consideration of race, religion, disability, nationality, ethnic origin, gender, sexual orientation, age, part-time hours or marital status.

Empowering Minds Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Employment of disabled persons

The recruitment, professional development and training for disabled employees are reviewed to ensure they comply with legal requirements. There is disabled access to EMAT premises and disabled facilities.

All applicants for vacancies are considered on merit. Where necessary, special arrangements are made for interviewing disabled applicants. The Trust makes reasonable adjustments for disabled employees and for staff who return to work after lengthy absence.

Auditor

Insofar as the Trustees are aware:

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

Reappointment of auditor

The auditors Marriott Gibbs Rees Wallis Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 17 December 2021 and signed on its behalf by:



K Kellett
Trustee

Empowering Minds Academy Trust

Governance Statement

Scope of responsibility

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

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

The Governing Body has delegated the day-to-day responsibility to S Cairns, CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Empowering Minds Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

An additional Board meeting was held in December 20 to discuss pay.

Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
S Cairns, CEO	3	3
K Kellett, Chair	2	3
A Bradley (Vice Chair)	3	4
J Cooper (Resigned 26 November 2020)	0	2
E Frost (Resigned 2 April 2021)	0	3
N Lawton (appointed 1 September 2020 and Resigned 6 July 2021)	3	4
C Wright	3	4
M A Skelton (appointed 1 September 2020)	1	4
S Lindsay (Resigned 1 April 2021)	3	3

Governance reviews

The Trustee structure was fully reviewed and restructured during 19/20 with the help of external advice. The new structure was implemented in September 21. The board had performed well and consists of a high skill set. The review considered Trustee Board overall effectiveness to include membership, skill set, duties, revisions to documents i.e. Scheme of Delegation, Terms of Reference, meeting frequency, agenda termly content, clerking arrangements, sub-committees, full structure and the introduction of Academy Committees and link Trustees.

Future effectiveness will be reviewed annually.

Empowering Minds Academy Trust

Governance Statement (continued)

The Finance and Audit Committee is a sub-committee of the main Governing Body. The purpose of The Finance and Audit Committee is a sub-committee of the Board of Trustees, its main purpose is to monitor compliance and financial sustainability as per Government guidelines. To maintain oversight on internal and external audit arrangements, outcomes and action taken to address any findings. To report back and make recommendations to Trustee full board.

Trustee Finance and Audit Committee's remit is set out in detail, in the EMAT Schemes of Delegation and Committee Terms of Reference.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Cairns,	2	2
A Bradley (Vice Chair)	2	2
K Kellett,	2	2
S Lindsay (resigned 1 April 2021)	2	2
J Cooper (resigned 26 November 2020)	1	1
C Wright	2	2

The Summer 21 Audit and Finance committee was deferred to Autumn 21 due to attendance difficulties. It was scheduled for the 18th October 21 but had to be re-scheduled again. It has now replaced the 21/22 scheduled meeting on the 7th December so this has now been deferred and there will now be two meetings in the Spring. This was again due to attendance difficulties.

Effective oversight of funds

The meeting format for the financial year is three full board meetings plus a minimum of three Finance and Audit Committee Meetings from which, the information is distributed to all Trustees for information. Unfortunately, one Finance and Audit Committee meeting was deferred but an additional full Board meeting was held.

Trustees have maintained effective oversight by receiving full reports and feedback from the Trustees Finance and Audit Committee and receive regular written communications. The Trustee Finance and Audit Committee reviews management information six times each year as sub-committee and reports are issued to the full board also. In the case of a deferred meeting the finance reports are shared monthly as routine.

Review of value for money

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

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

- Sharing resources across the MAT.
- A collaborative approach to staff development using MAT resources for staff development and training.
- The central procurement of contracts to ensure value for money by negotiating new, more effective contracts for the MAT. To include bulk purchasing for the MAT. By doing this the Trust has managed to achieve significant savings.

Empowering Minds Academy Trust

Governance Statement (continued)

- Reviewing all staff structures, to include leadership, to ensure efficiency and to also gain efficiency planning the effective use of staff time by deploying resources to meet needs. Workflow assessments have been completed to reduce any duplications and increase effectiveness and audit trails. The Trust continue to review its staffing requirements.

- Business, teaching & learning and school effectiveness functions are developed refined, coordinated.

- Carrying out financial reviews to benchmark for a more cost effective and efficient budget.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Empowering Minds Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

This process is reviewed by the Board of Trustees as risk is an agenda item at each Trustee meeting, current risks are assessed and reviewed and the process challenged and included in the minutes.

The risk and control framework

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

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

The Board of Trustees has decided:

- to employ Hart Shaw LLP as internal auditor

Empowering Minds Academy Trust

Governance Statement (continued)

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

- testing of payroll systems;
- testing of expenditure systems;
- testing of income systems;

On an annual basis, the auditor's review is presented to the board of trustees, initially via the Trustee Finance and Audit Committee. The report will cover the operation of the systems of control and the discharge of the Board of Trustees' financial responsibilities. They will annually prepare an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The schedule of work will include any material control issues that may arise and Trustees will act on the information provided.

Review of effectiveness

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

- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 17 December 2021 and signed on its behalf by:



S Cairns
Accounting officer
Trustee



K Kellett
Trustee

Empowering Minds Academy Trust

Statement of Regularity, Propriety and Compliance

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

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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 Governing Body and ESFA.



S Cairns, CEO
Accounting officer

17 December 2021

Empowering Minds Academy Trust

Statement of Trustees' Responsibilities

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

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

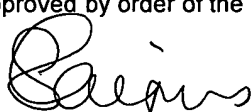
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board on 17 December 2021 and signed on its behalf by:



S Cairns
Trustee

Empowering Minds Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Empowering Minds Academy Trust

Opinion

We have audited the financial statements of Empowering Minds Academy Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis of 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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Empowering Minds Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Empowering Minds Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 23], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Empowering Minds Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Empowering Minds Academy Trust (continued)

- we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our academy sector experience and through discussion with management and trustees;
- making inquiries and discussing with management and trustees as to whether the academy complies with such laws and regulations;
- enquiries with management and trustees concerning any actual or potential litigation or claims;
- inspection of relevant legal correspondence;
- reviewing minutes of meeting of trustee meetings;
- the performance of analytical procedures to identify unexpected changes or movements to account balances which may be indicative of fraud;
- reviewing transactions around the end of the reporting period and by testing the appropriateness of journals and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of any potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentations, forgery or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Pickstone FCCA (Senior Statutory Auditor)
For and on behalf of Marriott Gibbs Rees Wallis Limited
Chartered Certified Accountants and Statutory Auditor

Unit 4, Broadfield Court
Sheffield
S8 0XF

Date: 20 December 2021

Empowering Minds Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Empowering Minds Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 31 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Empowering Minds Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 31 May 2017 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- The assessment and evaluation of relevant control procedures adopted by the Academy Trust
- Assessing the risk of material irregularity
- Undertaking limited testing of income and expenditure, including identifying and testing funding agreements in place

Empowering Minds Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Empowering Minds Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

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

Marriott Gibbs Rees Wallis Limited

Marriott Gibbs Rees Wallis Limited
Chartered Certified Accountants and Reporting Accountant

Unit 4, Broadfield Court
Sheffield
S8 0XF

Date: *20 December 2021*

Empowering Minds Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	642	25,357	1,321,611	1,347,610
Other trading activities	4	7,719	198,038	-	205,757
Investments	5	-	207	-	207
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	8,310,561	-	8,310,561
Total		8,361	8,534,163	1,321,611	9,864,135
Expenditure on:					
Raising funds	6	-	33,025	-	33,025
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	8,488,067	399,894	8,887,961
Total		-	8,521,092	399,894	8,920,986
Net income		8,361	13,071	921,717	943,149
Transfers between funds		-	(41,230)	41,230	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	26	-	(584,000)	-	(584,000)
Net movement in funds/(deficit)		8,361	(612,159)	962,947	359,149
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		20,319	(5,233,854)	30,582,946	25,369,411
Total funds/(deficit) carried forward at 31 August 2021		28,680	(5,846,013)	31,545,893	25,728,560

Empowering Minds Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

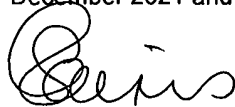
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	1,056	55,454	576,686	633,196
Transfer from local authority on conversion		-	70,477	6,975,576	7,046,053
Other trading activities	4	3,798	251,704	-	255,502
Investments	5	-	2,499	-	2,499
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	7,177,348	-	7,177,348
Total		4,854	7,557,482	7,552,262	15,114,598
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	7,636,331	337,465	7,973,796
Net income/(expenditure)		4,854	(78,849)	7,214,797	7,140,802
Transfers between funds		-	(11,542)	11,542	-
Other recognised gains and losses					
Opening defined benefit pension scheme liability		-	(327,000)	-	(327,000)
Actuarial gains on defined benefit pension schemes	26	-	(165,000)	-	(165,000)
Net movement in funds/(deficit)		4,854	(582,391)	7,226,339	6,648,802
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		15,465	(4,651,463)	23,356,607	18,720,609
Total funds/(deficit) carried forward at 31 August 2020		20,319	(5,233,854)	30,582,946	25,369,411

Empowering Minds Academy Trust

(Registration number: 10668193)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	31,583,207	30,450,249
Current assets			
Debtors	13	279,987	278,582
Cash at bank and in hand		<u>1,469,177</u>	<u>1,450,322</u>
		1,749,164	1,728,904
Creditors: Amounts falling due within one year	14	<u>(700,814)</u>	<u>(921,960)</u>
Net current assets		<u>1,048,350</u>	<u>806,944</u>
Total assets less current liabilities		32,631,557	31,257,193
Creditors: Amounts falling due after more than one year	15	<u>(36,997)</u>	<u>(36,782)</u>
Net assets excluding pension liability		32,594,560	31,220,411
Pension scheme liability	26	<u>(6,866,000)</u>	<u>(5,851,000)</u>
Net assets including pension liability		<u>25,728,560</u>	<u>25,369,411</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,019,987	617,146
Restricted fixed asset fund		31,545,893	30,582,946
Restricted pension fund		<u>(6,866,000)</u>	<u>(5,851,000)</u>
		25,699,880	25,349,092
Unrestricted funds			
Unrestricted general fund		<u>28,680</u>	<u>20,319</u>
Total funds		<u>25,728,560</u>	<u>25,369,411</u>

The financial statements on pages 29 to 55 were approved by the Trustees, and authorised for issue on 17 December 2021 and signed on their behalf by:



S Cairns
Trustee

Empowering Minds Academy Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	294,106	89,277
Cash transferred on conversion to an academy trust		98	70,477
Cash flows from investing activities	22	(275,531)	(89,075)
Cash flows from financing activities	21	<u>182</u>	<u>11,204</u>
Change in cash and cash equivalents in the year		18,855	81,883
Cash and cash equivalents at 1 September		<u>1,450,322</u>	<u>1,368,439</u>
Cash and cash equivalents at 31 August	23	<u><u>1,469,177</u></u>	<u><u>1,450,322</u></u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 spent on capital projects in line with the terms and conditions of the grant. 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.

Other income

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

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

Expenditure

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

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.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

Asset class	Depreciation method and rate
Leasehold land and buildings	Straight line over 125 years
Building improvements	Straight line over 30 years
Plant and machinery	10% straight line
Furniture and equipment	20% straight line
Motor vehicles	25% straight line
Computer equipment	33.33% straight line

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.

Provisions

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

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

Leased assets

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

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pension 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. 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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/(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.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2020/21 Total £	2020 Total £
Other voluntary income					
Educational trips and visits	-	25,259	-	25,259	54,734
Surplus brought forward from local authority	-	98	-	98	-
Capital grants	-	-	1,291,931	1,291,931	576,686
Other donations	642	-	-	642	1,776
Donated fixed assets	-	-	29,680	29,680	-
	<u>642</u>	<u>25,357</u>	<u>1,321,611</u>	<u>1,347,610</u>	<u>633,196</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	6,146,258	6,146,258	5,318,408
Pupil Premium	456,822	456,822	360,857
Conversion grants	-	-	25,000
UFSM	235,322	235,322	208,397
Other DfE/ESFA grants	168,687	168,687	208,799
Teachers pay grant	79,957	79,957	73,512
Teachers pension grant	225,930	225,930	207,718
	<u>7,312,976</u>	<u>7,312,976</u>	<u>6,402,691</u>
Other government grants			
Local authority grants	861,568	861,568	739,897
Exceptional government funding			
COVID exceptional funding	7,249	7,249	22,960
Non-government grants and other income			
Non government grants	15,595	15,595	11,800
Covid-19 additional funding (DfE/ESFA)			
COVID catch up funding	<u>113,173</u>	<u>113,173</u>	<u>-</u>
Total grants	<u><u>8,310,561</u></u>	<u><u>8,310,561</u></u>	<u><u>7,177,348</u></u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID exceptional funding". The funding received for coronavirus exceptional support covers £7,249 of costs to support additional cleaning and increased premises costs. These costs are included in notes 6 and 7 below as appropriate.

• The academy trust received £113,173 of funding for catch-up premium and costs incurred in respect of this funding totalled £113,173.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2020 Total £
Hire of facilities	476	-	476	1,780
Catering income	-	119,085	119,085	98,501
Recharges and reimbursements	-	22,055	22,055	78,216
Other sales	7,243	56,898	64,141	77,005
	<u>7,719</u>	<u>198,038</u>	<u>205,757</u>	<u>255,502</u>

5 Investment income

	Restricted funds £	2020/21 Total £	2020 Total £
Short term deposits	<u>207</u>	<u>207</u>	<u>2,499</u>

6 Expenditure

	Non Pay Expenditure			Total 31 August 2021 £	Total 2020 £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds	23,976	-	9,049	33,025	-
Academy's educational operations					
Direct costs	5,668,051	399,894	275,248	6,343,193	4,900,998
Allocated support costs	<u>1,251,798</u>	<u>478,234</u>	<u>814,736</u>	<u>2,544,768</u>	<u>3,072,798</u>
	<u>6,943,825</u>	<u>878,128</u>	<u>1,099,033</u>	<u>8,920,986</u>	<u>7,973,796</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	78,142	35,597
Depreciation	399,894	337,465
Fees payable to auditor - audit	10,450	10,750
Other audit services	2,375	4,275
Other non audit services	<u>10,906</u>	<u>10,036</u>

7 Charitable activities

	2020/21 £	2020 £
Direct costs - educational operations	6,343,193	4,900,998
Support costs - educational operations	<u>2,544,768</u>	<u>3,072,798</u>
	<u>8,887,961</u>	<u>7,973,796</u>

	Educational operations £	2020/21 Total £	2020 Total £
Analysis of support costs			
Support staff costs	1,251,798	1,251,798	2,050,300
Technology costs	49,099	49,099	44,643
Premises costs	478,234	478,234	413,242
Other support costs	740,281	740,281	539,552
Governance costs	<u>25,356</u>	<u>25,356</u>	<u>25,061</u>
Total support costs	<u>2,544,768</u>	<u>2,544,768</u>	<u>3,072,798</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff

Staff costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	4,843,285	4,440,728
Social security costs	422,454	375,909
Pension costs	1,642,539	1,415,212
	<u>6,908,278</u>	<u>6,231,849</u>
Supply staff costs	30,364	8,575
Staff restructuring costs	5,183	19,354
	<u>6,943,825</u>	<u>6,259,778</u>
	2021 £	2020 £

Staff restructuring costs comprise:

Redundancy payments	<u>5,183</u>	<u>19,354</u>
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £12,200). Individually, the payments in 2020 were: £3,000, £8,000 and £1,200.

Staff numbers

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

	2020/21 No	2019/20 No
Teachers	72	68
Administration and support	153	137
Management	7	6
	<u>232</u>	<u>211</u>

Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	2	3
£70,001 - £80,000	3	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £654,399 (2020: £590,782).

9 Central services

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

- Human resources
- Financial services
- Legal services
- Educational support services
- Others as arising

The academy trust charges for these services on the following basis:

6% contribution to the trust per Academy, based on 2020/21 income from the General Annual Grant for all schools except Hawthorn Primary that makes a 4.8% contribution to the trust.

The actual amounts charged during the year were as follows:

	2021/20	2020/19
	£	£
Southfield Primary	60,881	46,234
Tranmoor Primary	94,353	70,778
Bessacarr Primary	94,050	68,548
Highwoods Primary	51,898	38,793
Hawthorn Primary	54,074	24,602
	<u>355,256</u>	<u>248,955</u>

10 Related party transactions - trustees' remuneration and expenses

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

S Cairns (Chief Executive Officer):

Remuneration: £95,000 - £100,000 (2020 - £90,000 - £95,000)

Employer's pension contributions: £20,000 - £25,000 (2020 - £20,000 - £25,000)

S Lindsay (Chief Finance Officer):

Remuneration: £30,000 - £35,000 (2020 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2020 - £5,000 - £10,000)

There were no reimbursements to trustees in respect of expenses in their capacity as trustees.

Other related party transactions involving the trustees are set out in note 27.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

11 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 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.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Assets under construction £	Motor vehicles £	Plant and machinery £	Total £
Cost							
At 1 September 2020	30,636,178	202,324	115,227	263,738	2,000	145,309	31,364,776
Additions	1,751,224	2,076	43,290	-	-	-	1,796,590
Transfers	-	-	-	(263,738)	-	-	(263,738)
At 31 August 2021	<u>32,387,402</u>	<u>204,400</u>	<u>158,517</u>	<u>-</u>	<u>2,000</u>	<u>145,309</u>	<u>32,897,628</u>
Depreciation							
At 1 September 2020	646,382	116,776	102,834	-	1,625	46,910	914,527
Charge for the year	<u>330,617</u>	<u>40,488</u>	<u>13,883</u>	<u>-</u>	<u>375</u>	<u>14,531</u>	<u>399,894</u>
At 31 August 2021	<u>976,999</u>	<u>157,264</u>	<u>116,717</u>	<u>-</u>	<u>2,000</u>	<u>61,441</u>	<u>1,314,421</u>
Net book value							
At 31 August 2021	<u>31,410,403</u>	<u>47,136</u>	<u>41,800</u>	<u>-</u>	<u>-</u>	<u>83,868</u>	<u>31,583,207</u>
At 31 August 2020	<u>29,989,796</u>	<u>85,548</u>	<u>12,393</u>	<u>263,738</u>	<u>375</u>	<u>98,399</u>	<u>30,450,249</u>

13 Debtors

	2021 £	2020 £
Trade debtors	4,713	16,931
VAT recoverable	26,614	52,793
Prepayments	118,002	54,584
Accrued grant and other income	<u>130,658</u>	<u>154,274</u>
	<u>279,987</u>	<u>278,582</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	148,478	314,328
Other taxation and social security	210,459	127,928
Other creditors	10,785	10,350
Accruals	129,026	91,358
Deferred income	156,535	251,391
Pension scheme creditor	45,531	126,605
	<u>700,814</u>	<u>921,960</u>

Loans of £649 from ESFA are included within other creditors and are provided on the following terms: Deficit transferred on conversion to an academy trust - repayable over 3 years through the standard DfE monthly settlement process. This is an unsecured interest free loan (2020: £4,019).

Loans of £7,612 from DfE / Salix Finance Limited are included within other creditors and are provided on the following terms: Repayable over 8 years through the standard DfE monthly settlement process. This is an unsecured interest free loan (2020 : £4,275).

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	251,391	210,335
Resources deferred in the period	156,535	251,391
Amounts released from previous periods	<u>(251,391)</u>	<u>(210,335)</u>
Deferred income at 31 August 2021	<u>156,535</u>	<u>251,391</u>

Deferred income relates to:

Funding received in the year under review that relates to 2021/22 academic year.

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Other creditors	<u>36,997</u>	<u>36,782</u>

Loans of £Nil from ESFA are included within other creditors and are provided on the following terms: Deficit transferred on conversion to an academy trust - repayable over 3 years through the standard DfE monthly settlement process. This is an unsecured interest free loan (2020: £649).

Loans of £36,997 from DfE / Salix Finance Limited are included within other creditors and are provided on the following terms: Repayable over 8 years through the standard DfE monthly settlement process. This is an unsecured interest free loan. (2020 : £36,133).

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General fund	561,863	6,385,456	(5,868,229)	(59,103)	1,019,987
Non government funding	-	15,595	(15,595)	-	-
Pupil premium	-	456,822	(456,822)	-	-
UFSM	-	235,322	(235,322)	-	-
COVID catch up funding	-	113,173	(113,173)	-	-
COVID exceptional funding	-	7,249	(7,249)	-	-
Other government funding	55,283	1,320,546	(1,393,702)	17,873	-
	<u>617,146</u>	<u>8,534,163</u>	<u>(8,090,092)</u>	<u>(41,230)</u>	<u>1,019,987</u>
Restricted fixed asset funds					
Assets transferred on conversion	28,101,490	-	(283,364)	-	27,818,126
Capital expenditure from GAG	78,633	3,311	(11,860)	18,308	88,392
Inherited funds	15,189	-	-	(1,999)	13,190
DfE Group capital grants	2,387,634	1,288,620	(100,390)	24,921	3,600,785
Donated assets	-	29,680	(4,280)	-	25,400
	<u>30,582,946</u>	<u>1,321,611</u>	<u>(399,894)</u>	<u>41,230</u>	<u>31,545,893</u>
Restricted pension funds					
Pension fund	<u>(5,851,000)</u>	-	<u>(431,000)</u>	<u>(584,000)</u>	<u>(6,866,000)</u>
Total restricted funds	25,349,092	9,855,774	(8,920,986)	(584,000)	25,699,880
Unrestricted funds					
Unrestricted general funds	<u>20,319</u>	<u>8,361</u>	<u>-</u>	<u>-</u>	<u>28,680</u>
Total funds	<u>25,369,411</u>	<u>9,864,135</u>	<u>(8,920,986)</u>	<u>(584,000)</u>	<u>25,728,560</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General fund	372,537	5,698,544	(5,497,676)	(11,542)	561,863
Non government funding	-	11,800	(11,800)	-	-
Pupil premium	-	360,857	(360,857)	-	-
UIFSM	-	208,397	(208,397)	-	-
Other government funding	-	1,277,885	(1,222,602)	-	55,283
	<u>372,537</u>	<u>7,557,483</u>	<u>(7,301,332)</u>	<u>(11,542)</u>	<u>617,146</u>
Restricted fixed asset funds					
Assets transferred on conversion	21,395,633	6,975,576	(269,719)	-	28,101,490
Capital expenditure from GAG	88,893	-	(12,255)	1,995	78,633
Inherited funds	15,189	-	-	-	15,189
DfE Group capital grants	1,856,892	576,686	(55,491)	9,547	2,387,634
	<u>23,356,607</u>	<u>7,552,262</u>	<u>(337,465)</u>	<u>11,542</u>	<u>30,582,946</u>
Restricted pension funds					
Pension fund	<u>(5,024,000)</u>	<u>-</u>	<u>(335,000)</u>	<u>(492,000)</u>	<u>(5,851,000)</u>
Total restricted funds	18,705,144	15,109,745	(7,973,797)	(492,000)	25,349,092
Unrestricted funds					
Unrestricted general funds	<u>15,465</u>	<u>4,854</u>	<u>-</u>	<u>-</u>	<u>20,319</u>
Total funds	<u>18,720,609</u>	<u>15,114,599</u>	<u>(7,973,797)</u>	<u>(492,000)</u>	<u>25,369,411</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

Restricted general funds

General funds - The academy trust's principal funding stream received from the ESFA and other sources. This must be used to fund the normal running costs of the Academy for the benefit of existing students.

Pupil premium – DfE funding to address the current underlying inequalities between children eligible for free school meals and their wealthier peers by ensuring that funding to tackle the disadvantaged reaches the pupils who need it most.

Universal infant free school meals – ESFA/DfE funding in relation to the provision of free school meals to primary school students.

Catch-up premium - a one-off universal catch-up premium for the 2020/21 academic year to support children and young people to catch up lost time after school closure.

Other government funds – This includes early years funding and additional funding for special educational needs, along with other DfE/local government grants.

Non-government funds – Other funds granted from non-government bodies.

Pension fund – The deficit of the Local Government pension scheme has been recognised against restricted funds in order to match it against GAG as recommended by the ESFA Accounts Direction.

Restricted fixed asset funds

Assets transferred on conversion – Assets donated to the academy trust from local authority, upon conversion.

Inherited funds – Cash balances inherited from local authority upon conversion, in relation to capital funds.

Capital expenditure from GAG – Gross transfers from the general fund to the restricted fixed asset fund, representing general funds invested in improving the schools facilities and equipment.

DfE Group capital grants – funding provided to be spent on capital items.

Donated assets - laptops donated to help disadvantaged children and young people to learn at home.

Unrestricted funds

Funds available to the trustees to apply for the general purposes of the academy trust.

Transfers

Transfers were made during the period under review from general funds to restricted fixed assets funds to support the costs associated with fixed asset expenditure on CIF projects and general fixed asset investment.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Southfield Primary	119,368	73,728
Tranmoor Primary	269,128	157,392
Bessacarr Primary	223,751	166,933
Highwoods Primary	100,652	40,360
Hawthorn Primary	257,836	148,726
Central Services	77,932	50,326
	<hr/>	<hr/>
Total before fixed assets and pension reserve	1,048,667	637,465
Restricted fixed asset funds	31,545,893	30,582,946
Pension fund	(6,866,000)	(5,851,000)
	<hr/>	<hr/>
Total	25,728,560	25,369,411

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2021 £
Southfield Primary	942,721	187,519	10,364	247,894	1,388,498
Tranmoor Primary	1,457,308	264,438	24,338	365,172	2,111,256
Bessacarr Primary	1,448,483	250,799	18,999	364,888	2,083,169
Highwoods Primary	723,282	179,085	12,749	219,650	1,134,766
Hawthorn Primary	952,530	233,768	11,813	293,589	1,491,700
Central services	167,703	136,189	-	7,811	311,703
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	5,692,027	1,251,798	78,263	1,499,004	8,521,092

Teaching and Educational Support Staff Costs include the staffing of the breakfast and after school clubs shown within the Expenditure on Raising Funds category per note 6.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £
Southfield Primary	766,832	386,212	12,874	207,736	1,373,654
Tranmoor Primary	1,330,699	468,454	24,438	367,463	2,191,054
Bessacarr Primary	1,193,908	431,103	21,230	348,950	1,995,191
Highwoods Primary	579,432	356,116	19,189	227,892	1,182,629
Hawthorn Primary	338,607	141,965	7,824	94,615	583,011
Central services	-	266,450	604	43,738	310,792
Academy Trust	<u>4,209,478</u>	<u>2,050,300</u>	<u>86,159</u>	<u>1,290,394</u>	<u>7,636,331</u>

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	31,583,207	31,583,207
Current assets	28,680	1,663,070	57,414	1,749,164
Current liabilities	-	(643,083)	(57,731)	(700,814)
Creditors over 1 year	-	-	(36,997)	(36,997)
Pension scheme liability	-	(6,866,000)	-	(6,866,000)
Total net assets	<u>28,680</u>	<u>(5,846,013)</u>	<u>31,545,893</u>	<u>25,728,560</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	30,450,249	30,450,249
Current assets	20,319	1,416,878	291,707	1,728,904
Current liabilities	-	(799,732)	(122,228)	(921,960)
Creditors over 1 year	-	-	(36,782)	(36,782)
Pension scheme liability	-	(5,851,000)	-	(5,851,000)
Total net assets	<u>20,319</u>	<u>(5,233,854)</u>	<u>30,582,946</u>	<u>25,369,411</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	33,719	42,504
Amounts due between one and five years	25,495	8,007
	<u>59,214</u>	<u>50,511</u>

19 Capital commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	-	988,180

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2020/21 £	2019/20 £
Net income	943,149	7,140,802
Depreciation	399,894	337,465
Capital grants from DfE and other capital income	(1,321,611)	(576,686)
Interest receivable	(207)	(2,499)
Defined benefit pension scheme costs less contributions payable	329,000	246,000
Defined benefit pension scheme finance cost	102,000	89,000
Increase in debtors	(1,405)	(33,972)
Decrease in creditors	(156,616)	(64,780)
Cash transferred on conversion to an academy trust	(98)	(70,477)
Non-cash assets transferred on conversion	-	(6,975,576)
Net cash provided by Operating Activities	<u>294,106</u>	<u>89,277</u>

21 Cash flows from financing activities

	2020/21 £	2019/20 £
Repayments of borrowing	(9,518)	(5,796)
Cash inflows from new borrowing	9,700	17,000
Net cash provided by financing activities	<u>182</u>	<u>11,204</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Cash flows from investing activities

	2020/21 £	2019/20 £
Dividends, interest and rents from investments	207	2,499
Purchase of tangible fixed assets	(1,567,669)	(1,012,282)
Capital grants from DfE and other capital income	1,291,931	920,708
Net cash used in investing activities	<u>(275,531)</u>	<u>(89,075)</u>

23 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,469,177	1,450,322
Total cash and cash equivalents	<u>1,469,177</u>	<u>1,450,322</u>

24 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	1,450,322	18,855	1,469,177
Loans falling due within one year	(8,294)	33	(8,261)
Loans falling due after more than one year	(36,782)	(215)	(36,997)
	<u>(45,076)</u>	<u>(182)</u>	<u>(45,258)</u>
Total	<u>1,405,246</u>	<u>18,673</u>	<u>1,423,919</u>

25 Members' liability

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

26 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 South Yorkshire Pension Authority. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £45,531 (2020 - £126,605) were payable to the schemes at 31 August and are included within creditors.

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both 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.

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

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

The employer's pension costs paid to TPS in the period amounted to £700,281 (2020: £635,475).

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 contribution made for the year ended 31 August 2021 was £611,000 (2020 - £528,000), of which employer's contributions totalled £496,000 (2020 - £429,000) and employees' contributions totalled £115,000 (2020 - £99,000). The agreed contribution rates for future years are 15.6% - 18.5% per cent for employers and variable depending upon salary for employees.

As the scheme is in deficit the trustees agreed to make additional annual contributions in respect of each school within the trust, above normal funding levels.

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

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.10	3.60
Rate of increase for pensions in payment/inflation	2.90	2.40
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	<u>2.80</u>	<u>2.30</u>

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

	2021	2020
Retiring today		
Males retiring today	22.50	22.40
Females retiring today	25.30	25.20
Retiring in 20 years		
Males retiring in 20 years	24.00	23.90
Females retiring in 20 years	<u>27.20</u>	<u>27.10</u>

Sensitivity analysis

	2021 £	2020 £
Discount rate +0.1%	-251,000	-267,000
Mortality assumption - 1 year increase	361,000	263,000
CPI rate +0.1%	258,000	207,000
Pay growth +0.1%	<u>41,000</u>	<u>37,000</u>

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

	2021 £	2020 £
Equities	2,267,000	1,656,000
Government bonds	647,000	514,000
Other bonds	346,000	307,000
Property	403,000	294,000
Cash and other liquid assets	46,000	126,000
Other	<u>975,000</u>	<u>597,000</u>
Total market value of assets	<u>4,684,000</u>	<u>3,494,000</u>

The actual return on scheme assets was £676,000 (2020 - £67,000).

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	814,000	667,000
Interest cost	169,000	141,000
Interest income	(67,000)	(52,000)
Admin expenses	11,000	8,000
Total amount recognised in the SOFA	<u>927,000</u>	<u>764,000</u>

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

	2020/21 £	2019/20 £
At start of period	9,345,000	7,318,000
Conversion of academy trusts	-	1,041,000
Current service cost	814,000	667,000
Interest cost	169,000	141,000
Employee contributions	115,000	99,000
Actuarial (gain)/loss	1,194,000	96,000
Benefits paid	(87,000)	(17,000)
At 31 August	<u>11,550,000</u>	<u>9,345,000</u>

Changes in the fair value of academy's share of scheme assets:

	2020/21 £	2019/20 £
At start of period	3,494,000	2,294,000
Conversion of academy trusts	-	714,000
Interest income	67,000	52,000
Actuarial gain/(loss)	610,000	(69,000)
Employer contributions	496,000	429,000
Employee contributions	115,000	99,000
Benefits paid	(87,000)	(17,000)
Admin expenses	(11,000)	(8,000)
At 31 August	<u>4,684,000</u>	<u>3,494,000</u>

Empowering Minds Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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.

Expenditure related party transactions

During the year the academy made the following related party transactions:

Taylor Bracewell LLP

(Mr S Coates was a Trustee and Member of Empowering Minds Academy Trust (resigned 31 August 2020) and was also a Partner of Taylor Bracewell LLP)

During the prior year Taylor Bracewell LLP provided legal services to the trust amounting to £5,305. Mr S Coates was not directly responsible for the services provided by the firm to the trust, therefore the "at cost" principle did not apply.

In entering into the transaction, the academy trust has complied with the requirements of the Academies Finance Handbook 2019.

At the balance sheet date the amount due to Taylor Bracewell LLP was £Nil (2020 - £Nil).