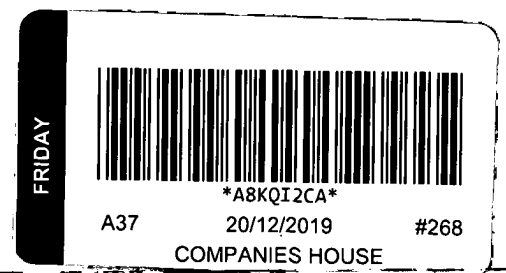


EMPOWER TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019



WR
Whittingham Riddell
chartered accountants

EMPOWER TRUST
(A company limited by guarantee)

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EMPOWER TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Ann Fisher Dr Allan Howells Mr Peter Rogers Mrs Anna Sutton (resigned 31 July 2019) Church of England Central Education Trust
Trustees	Mr Michael Cladingbowl Mrs Rosamund Garner (resigned 2 January 2019) Dr Allan Howells Mr Ian Nurser Mr Michael Revell Dr Lesley Rollason Mr Richard Woolley Mr Mike Dolan (appointed 5 August 2019)
Company registered number	11259965
Company name	Empower Trust
Principal and registered office	Unit 3 The Stables Sansaw Business Park Hadnall Shrewsbury Shropshire SY4 4AS
Company secretary	Patricia Slater
Chief executive officer and accounting officer	Ian Nurser

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Senior management team

Ian Nurser, Chief Executive Officer
Patrica Slater, Chief Financial Officer
Fiona Russell, Acting Headteacher, St Peters CofE
Sam Scott, Headteacher, Market Drayton Infant
Kerry Simmons, Deputy headteacher, Market Drayton Infant
Tim Hayward, Headteacher, Market Drayton Junior
Sally Brayne, Deputy Headteacher, Market Drayton Junior
Kerry Lynch, Headteacher, Wilfred Owen School
Karen Matthews, Deputy Headteacher, Wilfred Owen School
Cathy Rutherford, Headteacher, Woodfield Infant School
Rebecca Preece, Deputy Headteacher, Woodfield Infant School
Nicky Hey, Headteacher (0.6 fte), Greenacres Primary
Simon Hey, Headteacher (0.4 fte) and Deputy Headteacher, Greenacres Primary
Sharon Munro, Headteacher, St George's Junior School
Kelly Lee, Deputy Headteacher, St George's Junior School

Independent auditors

Whittingham Riddell LLP
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Bankers

Lloyds Bank
1 Pride Hill
Shrewsbury
Shropshire
SY1 1DG

Solicitors

Anthony Collins Solicitors
134 Edmund St
Birmingham
B3 2ES

EMPOWER TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee, incorporated in England and Wales and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy Trust.

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

The charitable company is known as Empower Trust. Empower Trust is a network of unique and diverse church and community primary academies across North Shropshire. For detailed information on school performance and catchment information, please follow the link to each school from our Trust website - www.empowertrust.co.uk.

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

b. Members' liability

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

c. Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the academies expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the academy. The limit of this indemnity is £10,000,000.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

The academy trust shall have the following Members and Trustees as set out in its Articles of Association and funding agreement.

- 5 Members, one of whom is the Chair of Trustees and the link between the Members and Trustees
- Up to 7 Trustees who are appointed by Members
- The CEO is treated for all purposes as being an ex-officio Trustee

Trustees are appointed for a four year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of trustee, any trustee can be re appointed or re elected.

When appointing new Trustees, the board will give consideration to the skills and experience mix of existing Trustees in order that the board has the necessary skills to contribute fully to the Academy's development.

e. Policies adopted for the induction and training of Trustees

The training and induction provided to new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. In addition, the CEO will perform a one-to-one induction session with each new Trustee to acquaint them with the governing documents of the Trust and to familiarise them with its structure and processes. This process includes introducing each new Trustee to the Academies Finance Handbook, Charity Commission Guidance for Trustees and the Trust's governing documents. As there are at most one or two new Trustees per year, induction is informal and tailored specifically to the individual.

With the delegation of responsibility from the Trust Board to local governing bodies the priority for much of the training and development of Governors in 2019 will focus on the following areas:

- the role of Governors,
- Ofsted inspection framework
- managing data
- safeguarding
- financial management

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

'As the accountable body, the board is the key decision maker. It may delegate operational matters to executive leaders and governance functions to committees (including LGBs in a MAT) or in some cases to individuals, but the board as a corporate entity remains accountable and responsible for all decisions made and executive leaders operate within the autonomy, powers and functions delegated to them by the board'

Academies Financial Handbook, DfE, 2017, p.15

The trustees establish the overall framework for the governance of the Trust and academies included within the Trust. The Board of Empower Trust has determined membership, terms of reference, a code of conduct and procedures of Committees and other groups and approves all Empower Trust policies. The delegation of responsibility and authority is set out within the comprehensive Empower Trust Scheme of Delegation. This includes delegation to the CEO, who is also the Empower Trust Accounting Officer, and to Officers and other employees of Empower Trust. The Board of Trustees has delegated authority to the CEO and the Officers to make executive decisions over the day to day running of the organisation. The Board of Trustees is responsible for ensuring that Empower Trust conforms to company and charity law, its memorandum of articles and association and to any other legislation and regulatory laws that may apply.

The Board of Trustees is responsible for the three core governance functions. The Board of Trustees appoint the chief executive (CEO), to whom it delegates responsibility for delivery of its vision and strategy, and will hold the CEO to account for the conduct and performance of the trust, including the performance of the academies within the trust, and for its financial management. In turn, the CEO line manages other senior executives and the academies' headteachers, setting their targets and performance managing them.

The board constitutes committees for finance and standards; these look in detail at resources and progress and attainment across the trust. At least three trustees must sit on each of these board committees. The board delegates some of its school level monitoring and scrutinising functions to Local Governing Bodies (LGBs), and uses these committees to promote stakeholder engagement and as a point of consultation and representation. Trustees do not need to sit on LGBs, and so clear lines of communication to the board of trustees are identified in the LGB Terms of Reference. It is usual for the CEO to seek input from the chair of the LGB when undertaking the headteacher's performance management.

As the headteacher is being line managed by the CEO, the LGB no longer carries out the governance function of holding the headteacher to account. However they must be confident that the trust's performance management systems are working well, and if not, how they can make the trust aware of their concerns. This arrangement will also affect the LGB's role in Ofsted inspections.

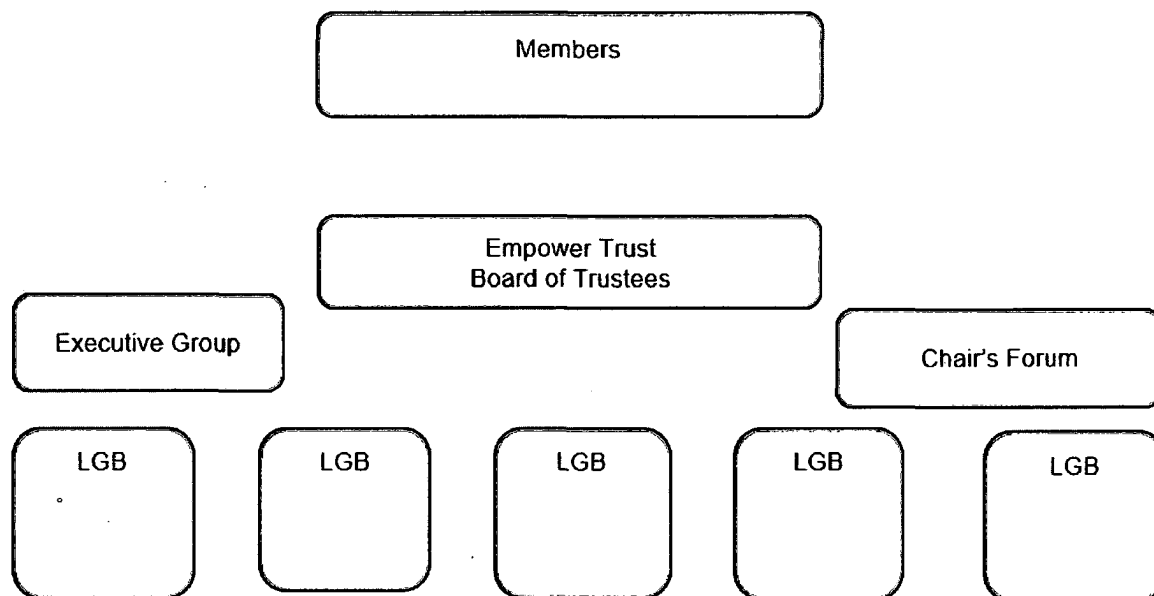
Governance Structure

There is only one legal entity accountable for all schools within the multi academy trust, Empower Trust. Empower Trust has one set of Articles which govern all the academies in that chain. Empower Trust has a master funding agreement with the Secretary of State. Each academy also has a supplemental funding Agreement.

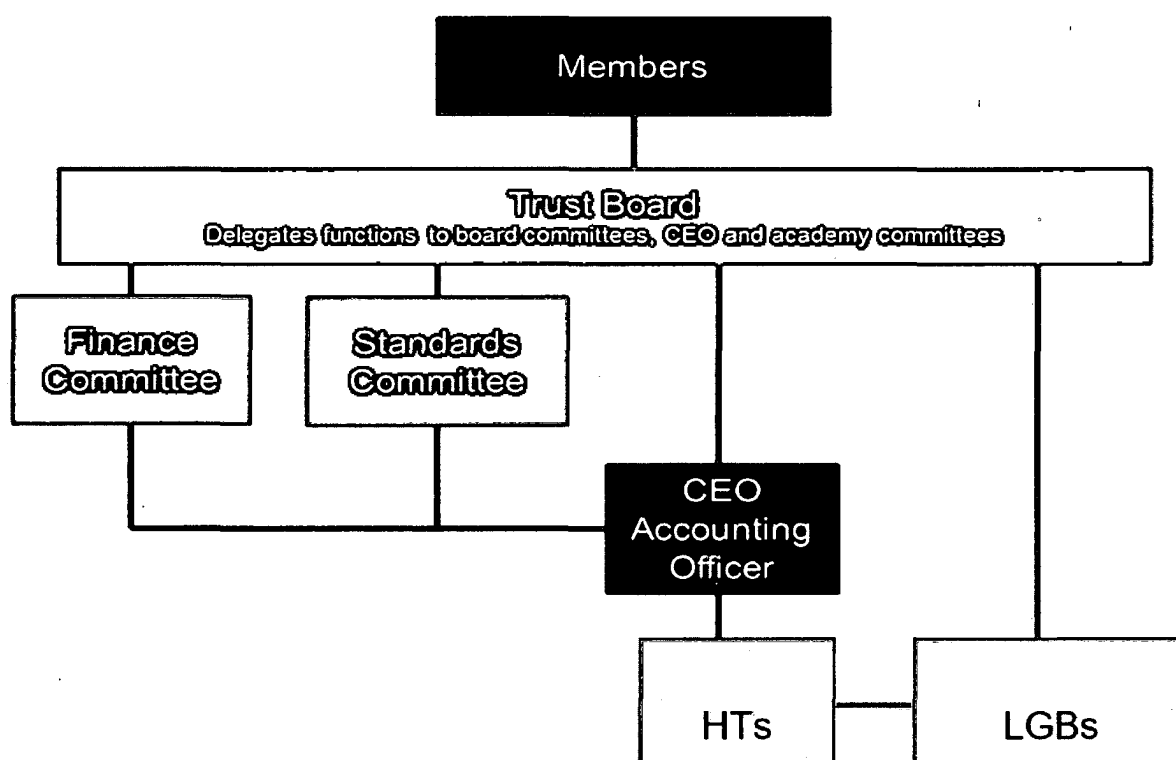
EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)



Delegation to LGB and Board Committees



EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Roles and Responsibilities

The role of the members

The members of the trust are guardians of the governance of the trust and oversee Empower Trust – they may amend the articles of association, appoint and remove trustees & give directions by special resolution to the Board. They meet once or twice a year and have a different status to trustees. They will agree the trust's first articles of association (the legal document which outlines the governance structure and how the trust will operate). The articles of association describe how members are recruited and replaced, and how many of the trustees the members can appoint to the trust board. The members appoint trustees to ensure that the trust's charitable object is carried out and so must be able to remove trustees if they fail to fulfil this responsibility. Accordingly, the trust board submits an annual report on the performance of the trust to the members. Members are also responsible for approving any amendments made to the trust's articles of association.

In order to retain a degree of separation of powers between the members and the trust board only the Chair of the Trustees will be a Member of Empower Trust. Members are not permitted to be employees of the academy trust.

The role of the trustees

Empower Trust is a charitable company and so trustees are both charity trustees (within the terms of section 177(1) of the Charities Act 2011) and company directors. Because trustees are bound by both charity and company law, the terms 'trustees' and 'directors' are often used interchangeably. The term trustee is used in this document as it avoids the possible confusion caused when executive leaders are called directors but are neither company directors nor trustees.

The trustees are responsible for the general control and management of the administration of the trust, and in accordance with the provisions set out in the memorandum and articles of association and its funding agreement, it is legally responsible and accountable for all statutory functions, for the performance of all schools within the trust, and must approve a written scheme of delegation of financial powers that maintains robust internal control arrangements. In addition, it must carry out the three core governance functions:

1. Ensure clarity of vision, ethos and strategic direction
2. Hold the executive to account for the educational performance of the trust's schools and their pupils, and the performance management of staff
3. Oversee the financial performance of the trust and make sure its money is well spent

The board of trustees has the right to review and adapt its governance structure at any time which includes removing delegation.

Trustees do not get involved in the running of individual academies.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

The role of trust board committees

The trustees may establish committees to carry out some of its governance functions which may include making decisions, although any decisions made will be deemed decisions of the trust board. The membership (there must be at least three trustees except in a Local Governing Body) and responsibilities of board committees are set out in the committee's terms of reference. It is usual for the trust board to appoint board committee chairs and committee members according to their skills.

The Academies Financial Handbook 2019 makes it clear that the board of trustees 'should have a finance committee to which the board delegates financial scrutiny and oversight'. Empower Trust has established a Finance and Audit Committee who carry out this function.

The role of the Local Governing Body

The board of trustees establish Local Governing Bodies (LGBs) as academy committees to carry out some of its school level governance functions, although as trustees are not required to sit on academy committees, decision making is limited. The LGB is responsible for providing oversight of the effective running of the academies in terms of learning, standards, safety & wellbeing in accordance with the agreed terms of reference. Actions are restricted to the level of the single academy for which it is responsible. To ensure open, effective and transparent governance all governors are required to accept and follow the Empower Trust LGB Code of Conduct.

The LGB nominates its own Chair though the Chair will be formally appointed by the trustees. The trustees ensure that two parents are elected to the LGB.

The emphasis of Empower Trust is to delegate as much local governance to each academy as possible, particularly where schools are judged to be Good or Outstanding. As a committee of the board, delegation can be removed at any time. However, the aim of Empower Trust is to work in partnership with the academy headteachers and LGBs to ensure all schools work towards being 'outstanding'. Should the performance of a school cause concerns or should it risk falling into Requires Improvement the trust board will support and challenge the LGB to take the steps required to rapidly improve outcomes for children. Should an academy fall into Special Measures, in the interests of the children trustees may remove delegated powers from the LGB in order to make the structural changes, etc. required to ensure rapid improvement.

Delegated functions include:

- Building an understanding of how the school is led and managed
- Monitoring whether the school is:
 - o Working within agreed policies
 - o Meeting the agreed targets
 - o Managing its finances well
- Engaging with stakeholders
- Being a point of consultation and representation
- Reporting to the board

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Executive Leaders

The Chief Executive Officer (the Accounting Officer) has delegated responsibility for the operation of Empower Trust including its financial effectiveness and the performance of its academies and so the CEO performance manages the academy headteachers. As there is the delegation of some governance functions to academy committees, the academy committee chair is also usually involved in the process.

The CEO leads the executive management team of Empower Trust. The CEO will delegate executive management functions to the executive management team and is accountable to the trust board for the performance of the executive management team. The CEO will also implement all of the policies approved by the trustees (including those for the direction of the teaching and curriculum at academies).

The CEO is the accounting officer so has overall responsibility for the operation of the academy trust's financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability; avoiding waste and securing value for money.

Headteachers have delegated responsibility for such powers and functions that are not reserved by the Trust and/or the Local Governing Body and include: daily, internal organisation, management and control of the academy; the implementation of all policies approved by the Trust and/or the LGB; the direction of learning, teaching and the curriculum. Where financial responsibility sits with the headteachers, it may be delegated to the academy business manager, reporting back via the headteacher (as local accounting officer).

The headteacher is managed by the CEO or executive principal but reports to the LGB on matters which have been delegated to it which may include an element of monitoring and scrutiny of the school's management processes.

In addition, two non-decision-making groups will be established to enhance communication and collaboration across Empower Trust and to provide every academy with a direct influence on developing Empower Trust priorities:

Executive Group (CEO, headteachers of the academies and the Trust's Finance and Business Manager (FBM)) Its role is advisory rather than being part of the formal legal framework. However, it will play an absolutely key role in the operation of Empower Trust, suggesting Empower Trust priorities to the Trust Board, reviewing and reporting on educational performance and the impact of agreed interventions across Empower Trust, reviewing and providing peer support and challenge, sharing ideas and driving collaboration across the Empower Trust academies. This group will also be consulted on, and make recommendations to the Board of Trustees regarding any potential new schools joining the Trust.

Chairs' Forum (Board of Trustees representatives and the Chair of each LGB, plus the CEO) Its role is to ensure clear lines of communication between the Board and LGBs and provide a forum to share ideas and drive collaboration across the Empower Trust academies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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

The key management personnel for Empower Trust consist of the CEO, Finance and Business Manager and academy headteachers. Although the Trustees control and manage the administration of Empower Trust, the day to day management of its activities is delegated to the Officers who report to the Trustees.

Empower Trust has seven Trustees. With the exception of the CEO all other Trustees are unremunerated. Trustees receive no payment for their work with Empower Trust. The CEO and officers pay is set and reviewed by the remuneration committee of the Empower Trust Board once a year and is based on a benchmark against posts or work of a similar nature and scale within local authorities and other multi-academy trusts. Any increases that have been approved by the Empower Trust Board have been in line with the national pay awards.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	4,200
Total pay bill	9,038,129
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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EMPOWER TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

a. Objects and aims

The Company's object ("the Object") is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Academies other than those designated Church of England, whether with or without a designated religious character; and
- (ii) Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

Empower Trust remains as a primary-only specialist.

Three key strategic objectives for the academic year 2018-19:

- 1. Ensuring the Trust and academies are financially sustainable and operate within balanced budgets
- 2. Academy Performance: All academies to remain above DfE floor standards and improve academically so that overall Trust performance is at least in line with national averages
- 3. Quality: Ensure the high quality of shared services provided to Empower Trust academies such that headteachers recommend Empower Trust. Empower Trust aims to embed the new academy management information and financial systems, ensuring academies operate efficiently and effectively so academy leaders can spend their time supporting and improving the quality of education provided for the children.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

Ensuring the Trust and academies are financially sustainable

As a new multi academy trust a key priority is to ensure Empower Trust's financial structure is sustainable. To ensure this is the case we have taken some important actions, including the appointment of a Trust Business and Finance Manager and the adoption of a new Trust financial management system, Sage 200. Whittingham Riddell have been appointed as auditors to carry out formal audit processes. Empower Trust has undertaken a DfE Finance and Curriculum Assessment process and produced multi-year balanced budgets based on anticipated pupil numbers.

In addition, the central team has reviewed and implemented cost saving and efficiency measures and strategies to adopt centralised services, e.g. 10.8% saving on supply teachers, 20% saving on procurement of school supplies, beneficial rates for EWOs, Educational Psychologists, EAL specialists, etc. Securing further cost and efficiency savings remains a priority for the central team.

Academy Performance

All academies receive regular school improvement and monitoring visits from the CEO. Empower Trust's approach to school improvement is a programme of monitoring and intervention in inverse proportion to success. A baseline review of each academy provides an analysis of strengths and weaknesses that is used as the basis for a programme of ongoing support for the school. Each individual academy's Improvement Plan details their priorities for development and identifies strategies to achieve the objectives and details of monitoring activities. Termly monitoring by the CEO informs termly reports to the Empower Trust Board of the relative success of each school against their objectives.

2019 academy performance is being used as a baseline for future improvement and to identify individual and collective strengths and weaknesses. Academy performance targets are agreed and individual academy Improvement Plans have been established to address the priorities of each individual academy. An over-arching Trust Improvement Plan complements these and identifies central support and resources to promote rapid improvement. Performance targets are challenging yet achievable.

The ongoing strategic educational objective of the Trust is that every school improves their attainment and progress and aim to achieve Outstanding within five years, with nothing less than Good in any OFSTED inspection.

Quality

As a newly formed multi academy trust it is important that we continue to invest time and energy in supporting staff to embed the new management information and financial systems. This is being facilitated through the promotion, sharing and development of effective collaborative practices through groups such as the Executive Group of Headteachers, Chairs Forum and the SBM Group.

Working collaboratively with headteachers and SBMs, the Empower Trust central team will continue to focus on developing capacity and providing high quality services. Our aim is every headteacher in the Trust feels well supported and 100% would elect to join Empower Trust again today.

Several high quality training and development programmes were offered to schools during 2018/19 including programme to support teachers in their first 3 years of teaching, a leadership development programme for those new to leadership positions and an innovative teaching and learning project designed to encourage teachers to develop innovative ways of improving the quality of teaching and learning and rates of progress and attainment. The successful strategies have started to be shared and spread across the academies. The Innovation Programme also included leadership coaching for school leaders, something that will be extended to other leadership staff during 2019/20.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Key performance indicators

The following areas have been identified as focus areas for 2019/20:

- To further improve the quality and consistency of Teaching and Learning and improve pupil progress rates in individual schools and across the Trust.
- To facilitate the development of a broad and balanced of curriculum in every school, including a focus on the three Ofsted strands of Intent, Implementation and Impact.
- To improve pupil outcomes in Reading and phonics across the Trust to attain above national averages.
- To embed strategies to promote mental health schools, including consideration of staff workload.
- Develop a common Trust Assessment and Reporting System that supports effective and efficient data reporting at school and Trust level.
- To formally launch the Trust Values and embed them into everyday practice across all aspects of the Trust.
- To ensure schools are prepared for Ofsted inspections, anticipated Summer 2020 onwards.
- Central Team Outline Priorities
- Develop a Trust Operating System to create efficiencies in practice and financial savings for schools
- Further develop and embed efficient and effective Trust and school-level financial reporting and monitoring systems
- Provide marketing support to increase pupil numbers in schools under capacity.
- Explore the option to streamline and use common IT arrangements across the Trust

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

c. Review of performance

Although performance differs between academies, overall average 2019 attainment across the trust in terms of Good Level of Development in the Early Years Foundation Stage is below behind the national average and in Y1 Phonics. However, the gap between the Trust and national attainment at Good Level of Development closed significantly during 2019.

2019 Key Stage 1 attainment for children attaining at least Expected levels is above national averages in Reading and Writing and in line in Mathematics. KS1 Attainment at Greater Depth is above national averages in all subjects. The Trust average KS1 attainment improved compared to 2018.

2019 KS2 average attainment across the Trust is above national averages in Writing, in line in Mathematics and below in Reading. At Greater Depth, attainment is above national averages in Writing and Mathematics but below in Reading. Overall Trust KS2 average attainment improved during 2018/19. With the exception of Reading, which is a Trust priority for further improvement, our aim to ensure that overall Trust performance increased to at least in line with national averages in 2019 was achieved.

Overall, the Trust's main objectives for 2019/20 based on the data are:

- To improve pupil outcomes in Reading and phonics across the Trust to above national averages.
- To improve outcomes in KS2 Grammar, Punctuation and Spelling Tests.
- To improve Good Level of Development at EYFS to above national levels.

Individual academies have clear action plans in place to address each of their priority areas for development and progress against their targets will be monitored and evaluated by the CEO each term.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Reserves policy

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Empower Trust Board propose to maintain the charity's reserves at a level which is at least equivalent to 3 months' operational expenditure. The Trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their finance meeting. Empower Trust is mainly funded by grants from the Department for Education, the use of which is regulated by its Funding Agreement.

Empower Trust academies are expected to use funding received from the DfE in the accounting year for which it is given. However, we also set aside funds for future use in both revenue and capital. Our policy on reserves recognises the difficult financial climate we are in and the fact that there is much less capacity to build up capital funds for longer term needs.

The in-year net movement in funds was (£584,360). Total reserves at the Balance Sheet date were £11,390,941. Of this, £18,703,923 was in respect of the Fixed Assets Reserve (reserves set aside for future depreciation of the company's assets), a deficit of £8,805,000 in respect of future potential pension liabilities.

Revenue Reserves

Revenue reserves are maintained in separate restricted and unrestricted balances. However, in day to day terms, both are considered in aggregate in managing the overall financial position of the trust. At the end of the year, revenue reserves stood at £1,582,710 of which £1,278,985 was unrestricted and £213,033 restricted. A rigorous financial planning process is in place to ensure that all our academies are able to operate within their agreed funding allocation. Deficits on individual academies are not permitted in anything other than exceptional circumstances. Any planned deficit permitted must be covered by reserves in total and a process of licensed cumulative deficits will operate for those academies.

The licensed deficit would only be approved on the basis of a clear plan for financial recovery over the following 3 years. At the end of the financial year none of our academies had deficits on their overall revenue reserves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Principal risks and uncertainties

During out full year of operation, the Board of Empower Trust has made significant progress in establishing comprehensive risk assessment and management arrangements. All known risks associated with the operations of Empower Trust are included in the Empower Trust risk register along with an assessment of likelihood, impact and details of any mitigating action. Ownership of risks is delegated to a specific Trust Officer. Each Officer's risks are reviewed monthly in rotation by the CEO. The risk summary is a standing item on the weekly operations meeting.

Risk assessment and management is an essential part of the process of engaging with schools as prospective academies. A conversion risk profile will be established for all potential Empower Trust Academies prior to commencement of any conversion project. This profile will be used to inform decisions on prospective Empower Trust academies. Each conversion of a school into an academy is managed as a project with its own dedicated risk register, reviewed at project meetings. Upon opening, the academy's relevant risks will then be transferred to the central risk register. High impact risks include:

- Finance: the impact of poor financial management resulting in cessation of growth, loss of confidence from ESFA and Empower Trust academies. This has been mitigated by developing tighter budgetary and reporting controls. Empower Trust has embarked on a review of financial capability across the academies and a programme of improvement where weakness is identified.
- Human Resources and Governance: the impact of the loss of key academy or central staff and the impact of poor performing staff. This has been mitigated by plans to establish robust business continuity plans and succession planning undertaken across the Trust.
- Education: lack of improvement in educational performance or attendance, breakdown in relationship with an academy headteachers and changes to national assessment criteria. This has been mitigated by the continual monitoring of educational performance by the CEO.
- Premises and facilities management: unaffordable building maintenance programmes, failure of academy building fabric and variable premises management expertise within academies. All capital projects are managed by the individual academy under the authority of the Trust Finance and Business Manager. We have commenced a programme of work to improve the building fabric of the academies.
- Overall risk for all Officers: failure to deliver undermines confidence of Academy Governors and staff in Empower Trust. At the weekly Operational meetings, the Officers update and evaluate risks. Any risks which are deemed significant are discussed and recommendations are made for improvements.

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(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Financial risk management objectives and policies

The key current risks are described above in the section on risk management. The squeeze on public expenditure continues to bite for schools. The combined impact of increases in teachers' pension contributions, increasing national insurance contributions for school staff and a sharp reduction in the Education Services Grant has meant that academy funding continues to fall in real terms. As well as maintaining robust levels of reserves, robust school level financial planning and budgeting arrangements have been implemented to ensure local and Empower Trust wide financial challenges are identified and addressed early. The Trust examines the financial health of each academy each term at a Board meeting. More detailed scrutiny is undertaken by the Finance Committee, at least termly, where information from review of management accounts is considered with other information from: Independent checking reviews; monitoring of financial activity by central Trust finance staff. These processes will continue to be strengthened during 2020 to ensure Empower Trust has the capacity to meet future financial challenges. At the period end the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity. Future commitments to operating leases are modest in comparison to total expenditure for each academy and for the Trust overall. The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, if Empower Trust were to cease operating this deficit is underwritten by the Secretary of State.

Fundraising

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

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance and progress at all levels. To achieve this, we will aim to continue to attract high quality teachers and support staff and develop our employees to achieve their potential. Empower Trust aims to prioritise the embedding of policies and practices in the first full year of operation. It may grow beyond the current 8 academies (as at 1st November 2019) but only envisages increasing the number by a maximum of one other school during 2020. Improvement targets for each converting with a 'required to improve' Ofsted judgement will be to be 'good' within 18 months and Outstanding within 5 years. The quality of financial administration is expected to show similar improvement within 18 months of opening. The Trust has been successful in retaining 'Teaching School' designation for one of its academies. Empower Trust aims to protect and continue the training provided to Trust staff by offering CPD opportunities to schools and academies outside the Trust, thus distributing the costs over a wider membership base.

Funds held as custodian on behalf of others

The academy and its Trustees do not act as the custodian Trustees of any other charity.

EMPOWER TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:


.....
Dr Allan Howells
Chair of Trustees

EMPOWER TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Empower Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Dr Allan Howells	6	7
Mr Richard Woolley	3	7
Mr Michael Revell	7	7
Mr Ian Nurser	6	7
Dr Lesley Rollason	6	7
Mr Michael Cladingbowl	4	7
Mrs Rosamund Garner	5	6
Mr Mike Dolan	0	0

Coverage of the Board's work, performance and data used by the Board:

Monitoring and evaluation of all trust performance includes:

- School performance data, academic performance data and financial reports.
- Developing organisational changes, strategic developments and staffing issues.
- Developing, reviewing and approving Trust policies to include health & safety, HR, finance etc

EMPOWER TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Purpose of this committee and issues dealt with in the period include:

- Monitoring of risk register
- Development of investment policy
- Review financial Reports
- Review of extended external audits
- Approving budgets and reviewing BFRO submissions
- Approval of end of year financial report

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Richard Woolley	3	3
Dr Lesley Rollason	2	2
Mrs Rosamund Garner	1	1
Mr Michael Revell	3	3
Mr Ian Nurser	3	3

Review of value for money

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

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

- Negotiation of photocopier contracts at a reduced rate.
- Development of central team services to allow schools to save money ie negotiation of trust wide SLA's eg HR & Payroll, reduced rates for Education Psychologist, Supply teacher rates, discounts agreed on purchase of school supplies.
- Bid for MDIF grant which was successful and allowed the Trust to develop
- Development in bringing catering in house which will be further developed across Trust schools during the next financial year

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Empower Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

EMPOWER TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Whittingham Riddell LLP, the external auditors, to perform additional checks.

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

- Reviewing and testing operations of the systems of controls;
- Review of procedures in place;
- Detailed transactional testing; and
- Reporting on their findings.

On a termly basis, the external auditors report to the board of Trustees through the Finance and audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The external auditors have delivered their schedule of work as planned.

EMPOWER TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 Finance and 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 board of Trustees on 9 December 2019 and signed on their behalf by:


.....
Dr Allan Howells
Chair of Trustees


.....
Mr Ian Nurser
Accounting Officer

EMPOWER TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Empower Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



.....
Mr Ian Nurser

Accounting Officer

Date: 9 December 2019

EMPOWER TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:


.....
Dr Allan Howells
Chair of Trustees

EMPOWER TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Empower Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

EMPOWER TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

EMPOWER TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

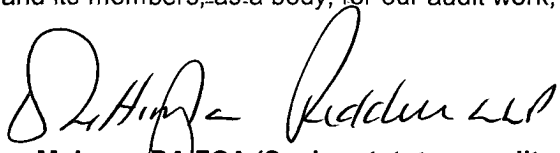
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

16 December 2019

EMPOWER TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 5 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Empower Trust during the year 1 September 2018 to 31 August 2019 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 Empower Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Empower Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Empower Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Empower Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Empower Trust's funding agreement with the Secretary of State for Education dated 30 May 2018 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

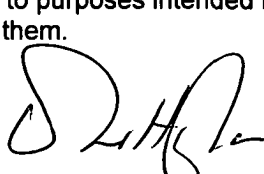
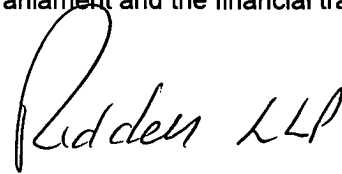
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

EMPOWER TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Andrew Malpass BA FCA

Whittingham Riddell LLP

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

16 December 2019

EMPOWER TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	85,782	(435,767)	2,487,265	2,137,280	12,473,249
Charitable activities		-	10,065,043	-	10,065,043	2,138,190
Teaching schools	29	-	266,117	-	266,117	91,364
Other trading activities		-	424,462	-	424,462	16,418
Investments	6	1,008	-	-	1,008	68
Total income		86,790	10,319,855	2,487,265	12,893,910	14,719,289
Expenditure on:						
Charitable activities	8	-	11,150,466	158,086	11,308,552	2,523,047
Teaching schools		-	323,718	-	323,718	6,941
Total expenditure		-	11,474,184	158,086	11,632,270	2,529,988
Net income /(expenditure)		86,790	(1,154,329)	2,329,179	1,261,640	12,189,301
Transfers between funds	19	-	54,100	(54,100)	-	-
Net movement in funds before other recognised gains/(losses)		86,790	(1,100,229)	2,275,079	1,261,640	12,189,301
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,846,000)	-	(1,846,000)	(214,000)
Net movement in funds		86,790	(2,946,229)	2,275,079	(584,360)	11,975,301

EMPOWER TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,192,195	(5,645,738)	16,428,844	11,975,301	-
Net movement in funds	86,790	(2,946,229)	2,275,079	(584,360)	11,975,301
Total funds carried forward	1,278,985	(8,591,967)	18,703,923	11,390,941	11,975,301

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

The notes on pages 35 to 65 form part of these financial statements.

EMPOWER TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11259965

BALANCE SHEET
AS AT 31 AUGUST 2019


	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	18,613,231	16,240,454
		<u>18,613,231</u>	<u>16,240,454</u>
Current assets			
Debtors	16	288,631	1,560,630
Cash at bank and in hand		2,229,276	560,319
		<u>2,517,907</u>	<u>2,120,949</u>
Creditors: amounts falling due within one year	17	(914,478)	(648,102)
Net current assets		<u>1,603,429</u>	<u>1,472,847</u>
Total assets less current liabilities		<u>20,216,660</u>	<u>17,713,301</u>
Creditors: amounts falling due after more than one year	18	(20,719)	-
Net assets excluding pension liability		<u>20,195,941</u>	<u>17,713,301</u>
Defined benefit pension scheme liability	25	(8,805,000)	(5,738,000)
Total net assets		<u><u>11,390,941</u></u>	<u><u>11,975,301</u></u>

EMPOWER TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	18,703,923	16,428,844
Restricted income funds	19	213,033	92,262
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	18,916,956	16,521,106
Pension reserve	19	(8,805,000)	(5,738,000)
		<hr/>	<hr/>
Total restricted funds	19	10,111,956	10,783,106
Unrestricted income funds	19	1,278,985	1,192,195
		<hr/>	<hr/>
Total funds		11,390,941	11,975,301
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 30 to 65 were approved by the Trustees, and authorised for issue on 9 December 2019 and are signed on their behalf, by:



Dr Allan Howells
 Chair of Trustees

The notes on pages 35 to 65 form part of these financial statements.

EMPOWER TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	4,200,828	16,833,387
Cash flows from investing activities	22	(2,531,871)	(16,273,068)
Change in cash and cash equivalents in the year		1,668,957	560,319
Cash and cash equivalents at the beginning of the year		560,319	-
Cash and cash equivalents at the end of the year	23	<u>2,229,276</u>	<u>560,319</u>

The notes on pages 35 to 65 form part of these financial statements

EMPOWER TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

• **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 a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 125 years
Long-term leasehold property	- 125 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years

Where the Trust has been granted use of school buildings under a Church Supplement Agreement, the Academies Accounts Direction prescribes that under this agreement the risks and rewards if ownership remain with the Diocese and as such the assets are not recognised in the Trust's financial statements.

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.

Assets introduced on conversion related entirely to land and buildings. Four of the schools within the Trust have full title over their land and property. These have been included within freehold property above. The disposal of freehold property requires approval from the Secretary of State. Two schools have 125 year lease from Shropshire Council and are included within long term leasehold property.

St Peter's CofE Infant and Nursery School occupies land (including buildings) which is owned by the Diocese of Lichfield. The diocese is the provider of the academy on the same basis as when the academy was a maintained school. The Academy occupies the land (and buildings) under a mere licence. This continuing permission of the Diocese is pursuant to, and subject to, the Diocese' charitable objects.

The licence delegates aspects of the management of the land (and buildings) to the Trust for the time being, but does not vest any rights over the land in the academy trust company. The Diocese has given an undertaking to the Secretary of State that it will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Trust company is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the Trust will not be recognised on the balance sheet of the Trust.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

EMPOWER TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 Liabilities

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

1.10 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.

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.12 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Pensions

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 so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St George's Junior School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy Trust 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.

Assumptions used in pensions valuation

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Land and Buildings introduced on conversion

For the year ended 31 August 2019 the value introduced for St George's Junior School has been determined by reference to the latest available valuation held by the Local Authority as permitted under the provisions of the Academies Accounts Direction. This is in the absence of the ESFA valuation report and lack of availability of an insurance valuation.

St Peter's CofE Primary and Nursery School

The school occupies the premises under a Supplemental Agreement with the Diocese. There is no readily available and reliable estimator of market rent. As such, the donation in kind and related rental charge have not been included within the accounts. The net effect on the financial statements is Nil.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations					
School fund surplus received on conversion	-	101,233	-	101,233	175,864
LA surplus / deficit received on conversion	84,545	-	7,960	92,505	1,325,419
Pension liability received on conversion	-	(537,000)	-	(537,000)	(5,452,000)
Land and buildings received on conversion	-	-	2,362,000	2,362,000	16,273,000
Teaching school surplus received on conversion	-	-	-	-	20,680
Subtotal	84,545	(435,767)	2,369,960	2,018,738	12,342,963
Donations	1,237	-	-	1,237	(58,104)
Capital Grants	-	-	-	-	54,100
Grants	-	-	117,305	117,305	134,290
Subtotal	1,237	-	117,305	118,542	130,286
Total 2019	85,782	(435,767)	2,487,265	2,137,280	12,473,249
Total 2018	1,287,995	(5,276,136)	16,461,390	12,473,249	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy Trust's educational activities

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	7,775,568	7,775,568	1,621,506
Start Up Grants	-	-	175,000
Other DfE / ESFA Grant Income	81,750	81,750	-
Pupil Premium	439,370	439,370	-
Universal Infant Free School Meals (UIFSM)	136,065	136,065	-
PE and Sports Grant	124,914	124,914	-
	8,557,667	8,557,667	1,796,506
Other Government grants			
Local Authority - SEN	217,349	217,349	50,487
Local Authority - Early Years	731,971	731,971	225,583
Local Authority - Other Grants	79,743	79,743	246
	1,029,063	1,029,063	276,316
Other funding			
Other Income	375,968	375,968	52,743
Catering Income	102,345	102,345	12,625
Total 2019	10,065,043	10,065,043	2,138,190

5. Income from other trading activities

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Lettings	21,521	21,521	4,116
Other facilities and services	300,289	300,289	11,298
Catering	4,720	4,720	231
Insurance income	80,825	80,825	-
Income from music	17,107	17,107	773
Total 2019	424,462	424,462	16,418

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities (continued)

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank Interest	1,008	1,008	68
Total 2019	<u>1,008</u>	<u>1,008</u>	<u>68</u>

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Educational Activities:					
Direct costs	6,373,243	-	461,931	6,835,174	1,421,318
Allocated support costs	2,638,102	393,769	1,441,507	4,473,378	1,101,729
Teaching school	-	-	323,718	323,718	6,941
Total 2019	<u>9,011,345</u>	<u>393,769</u>	<u>2,227,156</u>	<u>11,632,270</u>	<u>2,529,988</u>
<i>Total 2018</i>	<u>1,840,629</u>	<u>151,623</u>	<u>537,736</u>	<u>2,529,988</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Activities	11,308,552	11,308,552	2,523,047
Total 2019	<u>11,308,552</u>	<u>11,308,552</u>	<u>2,523,047</u>
<i>Total 2018</i>	<u>2,523,047</u>	<u>2,523,047</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Activities	6,835,174	4,473,378	11,308,552	2,523,047
Total 2019	<u>6,835,174</u>	<u>4,473,378</u>	<u>11,308,552</u>	<u>2,523,047</u>
<i>Total 2018</i>	<u>1,421,318</u>	<u>1,101,729</u>	<u>2,523,047</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	6,373,243	6,373,243	1,276,066
Educational Supplies	219,553	219,553	27,132
Examination Fees	698	698	-
Technology Costs	93,703	93,703	43,907
Educational Consultancy	69,893	69,893	23,768
Other costs	78,084	78,084	50,445
Total 2019	<u><u>6,835,174</u></u>	<u><u>6,835,174</u></u>	<u><u>1,421,318</u></u>

Analysis of support costs

	Educational Activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	2,638,102	2,638,102	564,563
Depreciation	158,086	158,086	32,546
Other Staff Costs	210,771	210,771	33,694
Other costs	290,508	290,508	92,174
Rates	26,046	26,046	19,026
Energy	129,390	129,390	25,458
Risk Protection Arrangement Fees	41,750	41,750	-
Maintenance of Premises	258,271	258,271	119,857
Cleaning and Caretaking	82,129	82,129	7,653
Operating Leases	23,666	23,666	1,655
Security	8,082	8,082	1,511
Transport	4,730	4,730	3,409
Catering	209,379	209,379	41,955
Other Premises Costs	53,369	53,369	24,113
Legal and Professional	339,099	339,099	134,115
Total 2019	<u><u>4,473,378</u></u>	<u><u>4,473,378</u></u>	<u><u>1,101,729</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	27,966	1,655
Depreciation of tangible fixed assets	158,086	32,546
Fees paid to auditors for:		
- audit	11,600	7,500
- other services	4,700	2,900
	<u>11,600</u>	<u>7,500</u>
	<u>4,700</u>	<u>2,900</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	6,439,761	1,383,844
Social security costs	516,309	106,683
Pension costs	1,986,866	342,316
	<u>8,942,936</u>	<u>1,832,843</u>
Agency staff costs	8,259	7,786
Staff restructuring costs	60,150	-
	<u>9,011,345</u>	<u>1,840,629</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	30,150	-
Severance payments	30,000	-
	<u>60,150</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Staff costs (continued)

b. Staff numbers

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

	2019	2018
	No.	No.
Management	18	18
Teachers	84	75
Administration & Support	256	225
	<hr/> 358 <hr/>	<hr/> 318 <hr/>

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	2	-
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	1	-
	<hr/> 1 <hr/>	<hr/> - <hr/>

d. Key management personnel

The key management personnel of the Trust comprises the Trustees and senior management team as listed on pages 1 and 2. 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 Trust in the year ended 31 August 2019 was £1,198,085 (in the period ended 31 August 2018 : £242,583).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Central services

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

- Central finance function
- Central HR function
- Central procurement

The Academy Trust charges for these services on the following basis:

A top slice percentage is applied of 4%.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Greenacres Primary School	27,555	7,125
Market Drayton Infant and Nursery School	40,429	10,501
Market Drayton Junior School	51,213	13,335
St Peter's CofE Infant and Nursery School	56,635	14,755
Wilfred Owen School	35,723	9,279
Woodfield Infant School	36,657	9,560
St George's Junior School	48,516	-
Total	296,728	64,555

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an 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. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mr Ian Nurser	Remuneration	95,000 - 100,000	20,000 - 25,000
	Pension contributions paid	15,000 - 20,000	0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	9,719,000	6,554,000	-	-	16,273,000
Additions	2,362,000	-	88,524	80,339	2,530,863
At 31 August 2019	<u>12,081,000</u>	<u>6,554,000</u>	<u>88,524</u>	<u>80,339</u>	<u>18,803,863</u>
Depreciation					
At 1 September 2018	19,438	13,108	-	-	32,546
Charge for the year	96,648	52,432	2,084	6,922	158,086
At 31 August 2019	<u>116,086</u>	<u>65,540</u>	<u>2,084</u>	<u>6,922</u>	<u>190,632</u>
Net book value					
At 31 August 2019	<u><u>11,964,914</u></u>	<u><u>6,488,460</u></u>	<u><u>86,440</u></u>	<u><u>73,417</u></u>	<u><u>18,613,231</u></u>
At 31 August 2018	<u><u>9,699,562</u></u>	<u><u>6,540,892</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>16,240,454</u></u>

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	28,284	-
Other debtors	151,267	62,652
Prepayments and accrued income	109,080	1,497,978
	<u><u>288,631</u></u>	<u><u>1,560,630</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	3,187	-
Trade creditors	310,502	256,595
Other taxation and social security	128,053	101,863
Other creditors	77,872	65,458
Accruals and deferred income	394,864	224,186
	<u>914,478</u>	<u>648,102</u>
	2019 £	2018 £
Deferred income at 1 September 2018	170,850	-
Resources deferred during the year	418,799	170,850
Amounts released from previous periods	(170,850)	-
	<u>418,799</u>	<u>170,850</u>

18. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>20,719</u>	<u>-</u>

Included within other loans is an interest free salix loan of £23,906. The original loan amount was £25,500 which is repayable by instalments over an 8 year period.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
LA surplus received on conversion	1,192,127	84,545	-	-	-	1,276,672
Unrestricted donations	-	1,237	-	-	-	1,237
Investment income	68	1,008	-	-	-	1,076
	<u>1,192,195</u>	<u>86,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,278,985</u>
Restricted general funds						
General annual grant (GAG)	-	7,775,568	(7,775,568)	-	-	-
Pupil Premium	-	439,370	(439,370)	-	-	-
Teaching School	93,103	266,117	(323,718)	-	-	35,502
Other grants and income	(841)	1,838,800	(1,714,528)	54,100	-	177,531
Pension reserve	(5,738,000)	-	(1,221,000)	-	(1,846,000)	(8,805,000)
	<u>(5,645,738)</u>	<u>10,319,855</u>	<u>(11,474,184)</u>	<u>54,100</u>	<u>(1,846,000)</u>	<u>(8,591,967)</u>
Restricted fixed asset funds						
Fixed asset fund	16,240,454	2,362,000	(158,086)	168,863	-	18,613,231
DFC capital money	134,290	125,265	-	(168,863)	-	90,692
Investment advance for capital project	54,100	-	-	(54,100)	-	-
	<u>16,428,844</u>	<u>2,487,265</u>	<u>(158,086)</u>	<u>(54,100)</u>	<u>-</u>	<u>18,703,923</u>
Total Restricted funds	<u>10,783,106</u>	<u>12,807,120</u>	<u>(11,632,270)</u>	<u>-</u>	<u>(1,846,000)</u>	<u>10,111,956</u>
Total funds	<u>11,975,301</u>	<u>12,893,910</u>	<u>(11,632,270)</u>	<u>-</u>	<u>(1,846,000)</u>	<u>11,390,941</u>

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

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

Unrestricted funds

The surplus balances brought forward are being used to support the school going forward.

Restricted funds

This includes the main ESFA and local authority funding and general expenditure of the Trust. The in year deficit is supported by the unrestricted funds.

Restricted fixed asset funds

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Greenacres Primary School	77,537	60,129
Market Drayton Infant and Nursery School	315,086	313,509
Market Drayton Junior School	278,687	238,189
St Peter's Cof E Infant and Nursery School	134,892	216,534
Woodfield Infant School	88,446	135,548
Wilfred Owen Primary School	227,084	227,702
North Shropshire Teaching School	35,502	93,103
Trust	69,315	(257)
St George's Junior School	265,469	-
Total before fixed asset funds and pension reserve	1,492,018	1,284,457
Restricted fixed asset fund	18,703,923	16,428,844
Pension reserve	(8,805,000)	(5,738,000)
Total	11,390,941	11,975,301

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

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 2019 £	Total 2018 £
Greenacres Primary School	537,472	234,774	12,390	160,863	945,499	248,023
Market Drayton Infant and Nursery School	741,563	695,890	38,635	252,642	1,728,730	450,658
Market Drayton Junior School	770,489	421,255	48,617	239,073	1,479,434	379,604
St Peter's Cof E Infant and Nursery School	881,502	685,421	44,405	362,762	1,974,090	512,053
Woodfield Infant School	574,847	347,561	34,518	282,359	1,239,285	319,953
Wilfred Owen Primary School	586,204	389,605	12,290	263,714	1,251,813	315,174
North Shropshire Teaching School	18,550	8,234	51,054	245,880	323,718	6,941
Trust	835,947	235,079	7	148,440	1,219,473	258,107
St George's Junior School	810,219	263,517	28,691	209,715	1,312,142	6,929
Academy Trust	5,756,793	3,281,336	270,607	2,165,448	11,474,184	2,497,442

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

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

	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2018</i> £
Unrestricted funds					
LA surplus received on conversion	1,325,419	-	(133,292)	-	1,192,127
Unrestricted funds	68	-	-	-	68
	<u>1,325,487</u>	<u>-</u>	<u>(133,292)</u>	<u>-</u>	<u>1,192,195</u>
Restricted general funds					
Restricted funds	2,266,196	(2,399,488)	133,292	-	-
School fund	51,296	(25,745)	-	-	25,551
Teaching school	66,920	(209)	-	-	66,711
Pension reserve	(5,452,000)	(72,000)	-	(214,000)	(5,738,000)
	<u>(3,067,588)</u>	<u>(2,497,442)</u>	<u>133,292</u>	<u>(214,000)</u>	<u>(5,645,738)</u>
Restricted fixed asset funds					
Fixed assets received on conversion	16,273,000	(32,546)	-	-	16,240,454
DFC capital money transferred on conversion	134,290	-	-	-	134,290
Investment advance for capital project	54,100	-	-	-	54,100
	<u>16,461,390</u>	<u>(32,546)</u>	<u>-</u>	<u>-</u>	<u>16,428,844</u>
Total Restricted funds	<u>13,393,802</u>	<u>(2,529,988)</u>	<u>133,292</u>	<u>(214,000)</u>	<u>10,783,106</u>
Total funds	<u>14,719,289</u>	<u>(2,529,988)</u>	<u>-</u>	<u>(214,000)</u>	<u>11,975,301</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	(90,692)	-	18,703,923	18,613,231
Current assets	1,369,677	1,148,230	-	2,517,907
Creditors due within one year	-	(914,478)	-	(914,478)
Creditors due in more than one year	-	(20,719)	-	(20,719)
Provisions for liabilities and charges	-	(8,805,000)	-	(8,805,000)
Total	1,278,985	(8,591,967)	18,703,923	11,390,941

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	16,240,454	16,240,454
Current assets	1,192,195	740,364	188,390	2,120,949
Creditors due within one year	-	(648,102)	-	(648,102)
Provisions for liabilities and charges	-	(5,738,000)	-	(5,738,000)
Total	1,192,195	(5,645,738)	16,428,844	11,975,301

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	1,261,640	12,189,301
Adjustments for:		
Depreciation	158,086	32,546
Interest receivable	1,008	68
Defined benefit pension scheme obligation inherited	537,000	5,452,000
Defined benefit pension scheme finance cost	684,000	72,000
Decrease/(increase) in debtors	1,271,999	(1,560,630)
Increase in creditors	287,095	648,102
Net cash provided by operating activities	4,200,828	16,833,387

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	(1,008)	(68)
Purchase of tangible fixed assets	(168,863)	-
Assets received on conversion	(2,362,000)	(16,273,000)
Net cash used in investing activities	(2,531,871)	(16,273,068)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,229,276	560,319
Total cash and cash equivalents	2,229,276	560,319

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Conversion to an academy trust

On 1 September 2018 St George's Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Empower Trust from Shropshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Freehold land and buildings	-	2,362,000	2,362,000
Current assets			
Cash - representing budget surplus on LA funds	84,545	-	84,545
Cash - representing budget surplus on other school funds	101,233	-	101,233
Capital donations	-	7,960	7,960
Non-current liabilities			
Pension liability	(537,000)	-	(537,000)
Net (liabilities)/assets	<u>(351,222)</u>	<u>2,369,960</u>	<u>2,018,738</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. Pension commitments

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

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

Contributions amounting to £77,872 were payable to the schemes at 31 August 2019 (2018 - £65,458) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the year amounted to £484,114 (2018 - £124,476).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £778,000 (2018 - £179,000), of which employer's contributions totalled £635,000 (2018 - £146,000) and employees' contributions totalled £ 143,000 (2018 - £33,000). The agreed contribution rates for future years are 20% per cent for employers and 5.5-12.5% per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.50	3.60
Rate of increase for pensions in payment/inflation	2.10	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.00	2.10

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.2	23.1
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.7	28.6

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25. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	8,572	5,598
Mortality assumption - 1 year increase	8,978	5,842
CPI rate +0.1%	9,043	5,881
Pay Growth +0.1%	8,853	5,770

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	591,000	139,000
Other bonds	246,000	61,000
Property	56,000	14,000
Cash and other liquid assets	21,000	7,000
Other	267,000	53,000
Total market value of assets	1,181,000	274,000

The actual return on scheme assets was £27,000 (2018 - £6,000).

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

	2019	2018
	£	£
Current service cost	(802,000)	(175,000)
Past service cost	(335,000)	(4,000)
Interest cost	(167,000)	(39,000)
Administrative expenses	(15,000)	-
Total amount recognised in the Statement of Financial Activities	(1,319,000)	(218,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	6,012,000	-
Upon conversion	537,000	5,545,000
Current service cost	802,000	175,000
Interest on pension liabilities	187,000	40,000
Actuarial losses	1,852,000	219,000
Benefits paid	118,000	-
Past service costs	335,000	-
Member contributions	143,000	33,000
At 31 August	9,986,000	6,012,000

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

	2019 £	2018 £
At 1 September	274,000	-
Upon conversion	-	93,000
Interest income	20,000	1,000
Actuarial losses	6,000	5,000
Benefits paid	118,000	-
Administration expenses	(15,000)	(4,000)
Employer contributions	635,000	146,000
Member contributions	143,000	33,000
At 31 August	1,181,000	274,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	40,651	12,831
Later than 1 year and not later than 5 years	133,825	17,402
	<u>174,476</u>	<u>30,233</u>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year the partner of a Trustee was remunerated £68,717 for employment within the Trust as Headteacher. The remuneration is included within key management remuneration.

During the year the Headteacher role at Greenacres Primary School was shared by husband and wife. The remuneration of both individuals has been included within key management remuneration.

All transactions were paid at standard rate and no amounts were outstanding at year end. The transactions have been conducted in accordance with the requirements of the Academies Financial Handbook, financial regulations and procurement procedures.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct income				
Grant income	263,877		46,240	
Other income	2,240		-	
Total direct income	<u>266,117</u>		<u>46,240</u>	
Other income				
Surplus received on conversion	-		47,072	
Total income		266,117		93,312
Expenditure				
Direct expenditure				
Direct staff costs	18,550		-	
Educational supplies	51,054		209	
Consultancy	205,421		-	
Total direct expenditure	<u>275,025</u>		<u>209</u>	
Other expenditure				
Staff development and training	21,453		-	
Other support costs	27,240		-	
Total other expenditure	<u>48,693</u>		<u>-</u>	
Total expenditure		323,718		209
(Deficit)/surplus from all sources		(57,601)		93,103
Teaching school balances at 1 September 2018		93,103		-
Teaching school balances at 31 August 2019		<u><u>35,502</u></u>		<u><u>93,103</u></u>