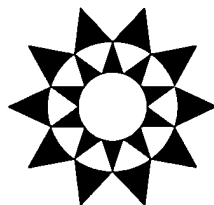


EMPOWER TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020



WR
Partners
Protecting your future.

EMPOWER TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Andy Connell Mrs Ann Fisher Mr Ken Greetham (appointed 1 April 2020) Dr Allan Howells Mr Peter Rogers (resigned 31 March 2020) Church of England Central Education Trust Lichfield Diocesan Board of Education
Trustees	Mr Paul Bunting (appointed 29 September 2020) Mr Michael Cladingbowl Mr Mike Dolan (resigned 19 September 2019) Dr Allan Howells Mr Ian Nurser, Accounting Officer Mr Michael Revell Dr Lesley Rollason Mr Richard Woolley
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	Mrs Patricia Slater
Chief executive officer and accounting officer	Mr Ian Nurser

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

**Senior management
team**

Ian Nurser, Chief Executive Officer
Patrica Slater, Chief Financial Officer
Allyson Brown, Headteacher, St Peters CofE
Sam Scott, Headteacher, Market Drayton Infant
Kerry Simmons, Deputy headteacher, Market Drayton Infant
Tim Hayward, Headteacher, Market Drayton Junior (resigned 31 August 2020)
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 (resigned 31 August 2020)
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
Guy Verling, Headteacher, St Mary's C of E Primary School
Joanna Leech, Deputy Headteacher, St Mary's C of E Primary School

Independent auditors

WR Partners
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Bankers

Lloyds Bank
1 Pride Hill
Shrewsbury
Shropshire
SY1 1DG

Hampshire Trust Bank
PO Box 74003
London
EC2P 2QR

Solicitors

Anthony Collins Solicitors
134 Edmund St
Birmingham
B3 2ES

EMPOWER TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 , 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
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust 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 2020/21 will focus on the following areas:

- The role of Governors,
- Ofsted inspection framework
- Curriculum development
- Safeguarding

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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, 2019, 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.

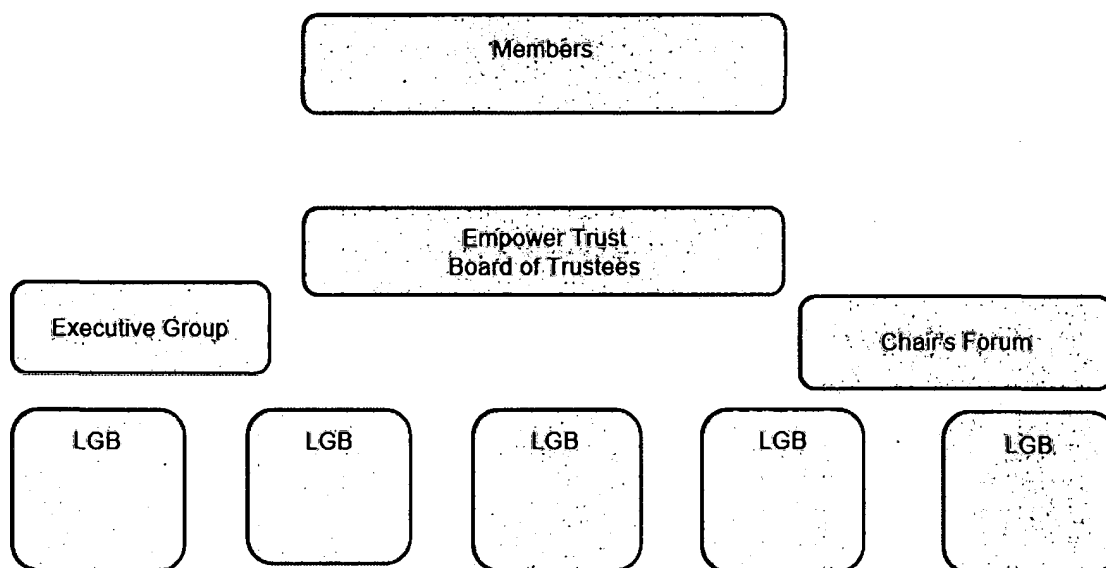
Governance Structure

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.

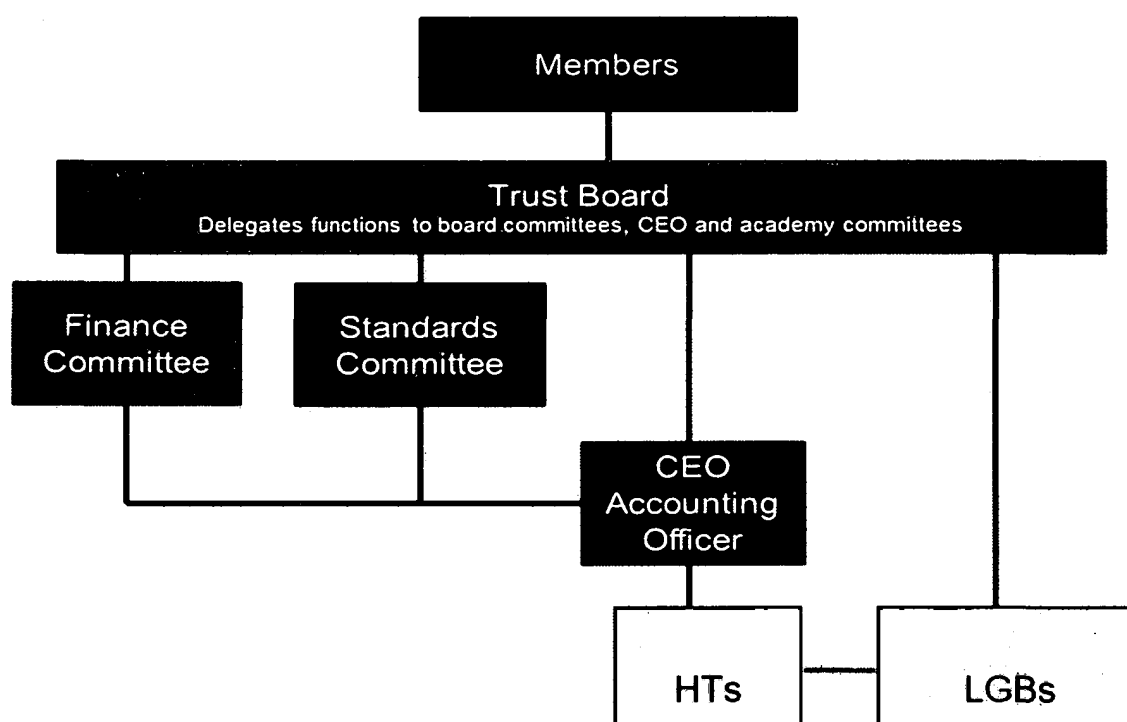
EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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:

- Ensure clarity of vision, ethos and strategic direction for their academy
- Building an understanding of how the school is led and managed
- Monitoring whether the school is:
 - o Working within agreed policies
 - o Providing a high quality, broad and balanced curriculum for all children
 - o Providing effective provision for children with SEND, CLA and those in receipt of Pupil Premium and Services Premium
- Monitoring local safeguarding arrangements
- Engaging with stakeholders, including the local community
- Being a point of consultation and representation, including hearing complaints and issues relating to pupil discipline
- Maintaining the Christian distinctiveness in Church of England schools
- Reporting to the Board

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.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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 Chief Finance Officer (CFO)). Its role is advisory rather than being part of the formal legal framework. However, it plays a 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.

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

The key management personnel for Empower Trust consist of the CEO, CFO 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.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	4,802
Total pay bill	9,147,583
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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i. Related parties and other connected charities and organisations

There have been no new related party transactions during the 19/20 academic year. The Trust is not connected to any other charities and organisations.

j. Engagement with employees (including disabled persons)

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

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

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.

k. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

Empower Trust has built relationships with key suppliers through the year and continue to work with them looking at ways in which service provision can be improved and ensure that value for money is achieved.

Any new services have been acquired through the correct procedures following the Trust's procurement and tendering policy where applicable.

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 2019-20

- 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. Develop a growth strategy in line with Trust Values and Vision to ensure sustainability and further improve the educational opportunities available for every child.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Ensuring the Trust and academies are financially sustainable

The Central Finance Team, led by the Chief Finance Officer (CFO), manages the finance function on behalf of the Trust and its schools, ensuring financial compliance and propriety in line with the requirements of the ESFA regulations and the Academies Financial Handbook. Monthly meetings are held with Headteachers, School Business Support managers and a representative of the LGB to monitor the budget and provide support. To further establish the Central Team in 2019/20 an Operations Manager and an additional Finance Assistant have been appointed. This has allowed the CFO and Finance Officer to focus on ensuring that Monthly Management Reports (MMRs), systems and processes are reviewed regularly to ensure ongoing viability.

Three-year strategic financial planning meetings are conducted annually with Headteachers where staffing levels are discussed to ensure they are sustainable and affordable.

The appointment of an Operations Manager has brought cost saving and efficiency measures in various areas including catering, cleaning and payroll services. Work during the next academic year will focus on estates and facilities exploring the opportunity to build up a network group of existing estates staff pooling together resources to manage buildings maintenance. This will bring further savings to ensure financial sustainability.

We also continue to work with current service providers to ensure that the systems we utilise are fit for purpose and deliver value for money.

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 has been 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

Empower Trust continued to invest time and energy in supporting staff in developing Trust policies and processes through the promotion, sharing and development of effective collaborative practices through groups such as the Executive Group of Headteachers, Chairs Forum and the Business Support Manager Group. The role of Local Governing Bodies has been amended to provide them with a key role in developing a curriculum offer to meet the needs of their local context in addition to monitoring school performance at a local level.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

The Empower Trust Central Team has expanded to ensure that it can deliver a wider range of high quality services to support schools. The aim is to enable Headteachers to focus on their core role of further improving the quality of teaching and learning and continuous school improvement. 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.

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 2020/21 Trust Improvement Plan Priorities are:

During the government's school closure period from March 2020 – June 2020, all Empower Trust schools continued to provide an education to children of key workers and free School Meals provision throughout the national school closure period. Rigorous risk assessments ensured that all schools re-opened for children in Reception, Y1 and Y6 at the end of the summer term 2020, with remote education being provided for all other year groups.

Despite the very significant impact of the government's COVID-19 measures, including school closures for most children and restricted operational requirements, significant progress has been made in achieving the identified priorities 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.
In line with all other schools in England, due to the cancellation of national tests in May 2020, there is no data available to confirm rates of progress. This objective remains a priority for 2020/21.
- 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.
Schools have made significant progress in ensuring they provide a broad and balanced curriculum that delivers the National Curriculum requirements as a minimum expectation. Each school has developed a curriculum that meets the needs of their children within their local context.
- To improve pupil outcomes in Reading and phonics across the Trust to attain above national averages.
Once again, although phonics was a key area of focus, there were no national assessments in 2020 due to the school closures. Several schools invested in new phonics resources, particularly in respect to ensuring that reading books were well matched to children's phonics knowledge. Once again, this will continue to be a priority for 2020/21.
- To embed strategies to promote mental health schools, including consideration of staff workload.
The development of mentally healthy schools has been a crucial support in supporting children, families

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

and staff during the COVID-19 period. Staff workload during this period has been increased significantly by the new requirements to develop and deliver remote education, manage the COVID-19 environmental requirements, etc. Schools continue to focus on ensuring assessment and pupil feedback are effective and manageable for staff.

- Develop a common Trust Assessment and Reporting System that supports effective and efficient data reporting at school and Trust level.
A new management information system was introduced to all schools in February 2020. This includes a common assessment and reporting system capable of reporting at both school and Trust level. Unfortunately, due to the school closures, no summer term 2020 data was available to produce data reports. The system was, however, used to produce other school and Trust-level data in terms of attendance, exclusions, staff absence, etc. We anticipate being able to use the new system to full effect in the 2020/21 academic year.
- To formally launch the Trust Values and embed them into everyday practice across all aspects of the Trust.
The Trust Values have been introduced and several schools have adopted them as their own school values. The Trust Values are central to the way the Trust operates and are regularly referenced during discussions at school and Trust level.
- To ensure schools are prepared for Ofsted inspections, anticipated Summer 2020 onwards.

Central Team Outline Priorities

Trust-level training has been provided for headteachers and other school staff. School-level support has also been provided to ensure that all schools are prepared for Ofsted inspections under the current Inspection Framework. Monitoring within individual schools is now based on the Deep Dive methodology, involving pupil voice, observations, work scrutiny and discussions with staff.

- Develop a Trust Operating System to create efficiencies in practice and financial savings for schools
A revised Trust Operating System has been developed. The roles of the Central Team and school administrators has been more closely defined and aligned. A full-time Trust Operations Manager has been appointed to support schools and to secure financial savings and efficiencies in purchasing and facilities management. New Trust-wide systems to improve efficiency have been introduced and significant financial savings have been made for schools through central purchasing and contracts.
- Further develop and embed efficient and effective Trust and school level financial reporting and monitoring systems. The financial reporting and monitoring systems have continued to be reviewed, developed and improved. Trust financial systems are efficient and enable regular and accurate monitoring of finances. There has been a re-organisation of the Trust finance staff, to include a Chief Finance Officer, Finance Officer and a part-time Finance Assistant. This increase in capacity has enabled monthly monitoring visits to take place in each school in order to provide financial support and produce accurate monthly monitoring reports.
- Explore the option to streamline and use common IT arrangements across the Trust
All Trust schools received a comprehensive audit of their IT hardware and systems, following which work was undertaken to improve all IT systems to a common high minimum specification. All schools then moved across to a Trust-wide managed IT system over the Summer holiday period 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

The 2020/21 Trust Improvement Plan Priorities are:

- To continue to improve the quality and consistency of quality first Teaching and Learning and improve pupil progress rates in individual schools and across the Trust in order to increase rates of progress to at least nationally expected levels (Based on 2019 national outcomes).
- To deliver a COVID Recovery Curriculum to promote skills catch-up and development based on lost school experience, and further facilitate the provision of a broad and balanced of curriculum that at least meets National Curriculum expectations in every school from April 2021, including a focus on the three Ofsted strands of Intent, Implementation and Impact.
- To address additional COVID-19 specific issues including:
 - o To ensure safe full re-opening of schools for children and staff
 - o Pupil and staff wellbeing – including parental engagement
 - o Further develop Home Learning provision in case of closure of schools or bubbles
- To continue to improve pupil outcomes in Reading and phonics across the Trust (links to Objective 1 above)
- To improve rates of attendance, particularly persistent absentees

Central Team Priorities:

- To implement and further develop Trust governance arrangements
- To review and develop the Trust Marketing and Growth Strategy
- To utilise new Trust IT system to support learning and management across the Trust
- To review Facilities Management 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
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

Trustees fulfil their duty to promote the success of the Charitable Company, under Section 172 of the Companies Act 2006 (the Act) and consider the interests of Empower Trust's key stakeholders when making decisions. Empower Trust has a clear vision which is dedicated to ensuring the provision of an outstanding education for every child within the Trust. This requires the Board, senior leadership team and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172. Our long-term success relies upon our delivery of the strategic objectives set out in our improvement plan through our talented and committed employees; close working relationships with regulators and suppliers, providing benefits to both the pupils in our schools and the wider school community.

Strategic priorities are discussed with the Board at the start of each year. These are informed by our long-term vision, the outcomes for pupils and other key performance measures from the previous year. The Board sets key performance indicators and targets relating to these priorities and monitors performance against these at each full Board meeting.

At Board meetings, Trustees receive reports summarising the current status of each of our schools highlighting any notable successes or concerns.

The CEO and Chair of Trustees hold termly LGB Chairs Forum meetings to provide regular oversight, share concerns and good practice.

Trustees carry out visits to schools holding discussions with employees and pupils. This also consists of class drop ins.

Empower Trust is regulated by the Department for Education ("DfE") and has due regard to the provisions of its funding agreements and the Academies Financial Handbook. Regular returns are submitted to the Department and Education and Skills Funding Agency ("ESFA"), and we have regular senior contact with both. The Trust is regulated by the Information Commissioner's Officer ("ICO"), and policies and procedures are in place to ensure compliance with General Data Protection Regulations, which have been shared with the ICO.

d. Review of performance

Due to COVID -19 there were no national tests taken in 2020. Consequently, the 2019 data remains the last available published data. Although performance differed between academies, overall average 2019 attainment across the Trust in terms of Good Level of Development in the Early Years Foundation Stage was 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.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Overall, the Trust's main objectives for 2020/21 are:

- To deliver a COVID Recovery Curriculum to promote skills catch-up and development based on lost school experience, and further facilitate the provision of a broad and balanced of curriculum that at least meets National Curriculum expectations in every school from April 2021, including a focus on the three Ofsted strands of Intent, Implementation and Impact.
- To address additional COVID-19 specific issues including:
 - Arrangements to ensure safe full re-opening of schools for children and staff
 - Pupil and staff wellbeing – including parental engagement
 - Further develop Home Learning provision in case of closure of schools or bubbles
- To continue to improve pupil outcomes in Reading and phonics across the Trust (links to Objective 1 above)
- To improve rates of attendance, particularly persistent absentees

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 and School Improvement Advisers each term.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Financial review

The majority of the Academy's income is obtained from the DfE/ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. Total income for 2019/20 was £14,231,285 (2019: £12,893,910); of which revenue income for educational operations was £11,694,803 (2019: £10,065,043). Total capital income (excluding conversion balances) was £122,980 (2019: £117,305). The closing level of unrestricted and restricted funds (excluding fixed asset reserves and pension deficit) stands at £1,413,000 (2019: £1,492,018).

Additional costs which have been incurred due to COVID-19 are £29,526. This was for purchases of PPE, signage, sanitisation, cleaning products and thermometers.

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 £899,145 (2019: (£584,360)). Of this movement £2,067,921 was in relation to conversion balances and (£1,007,000) pension movements.

Total reserves at the Balance Sheet date were £12,290,086 (2019: £11,390,941). Of this, £21,136,086 (2019: £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 £10,259,000 (2019: £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 £1,413,000 (2019: £1,582,710) of which £1,228,674 (2019: £1,278,985) was unrestricted and £184,326 (2019: £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 unrestricted reserves also represent the free reserves.

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.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. Principal risks and uncertainties

The Board of Empower Trust has made significant progress in establishing comprehensive risk assessment and management arrangements. We have bought in "Every" a system recommended by the DfE for managing risk. All known risks associated with the operations of Empower Trust are included in the system 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 and also termly finance and audit committee agenda.

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 "Every" system. 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.

A substantial additional risk during 19/20 has been the Covid-19 Pandemic. Each school has their own risk assessment which are available for parents and the public to see on school and Trust websites. The risk assessments are updated regularly and demonstrate the consideration we have given to ensuring that both staff and pupils are safe in school and the processes to be put in place to enable children to continue their education during lockdowns.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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. This year we have seen an increase in both teacher and support staff pay as well as extra expenditure due to the Covid-19 pandemic, along with a reduction in school income as a result of national lockdowns. 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 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 was monitored by the Trustees.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	1,834,156.4
Energy consumption break down (kWh):	
• gas	1,140,824
• electricity	599,961
• transport fuel	2314.18
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	209.763
Oil consumption	16.547
Owned transport – mini-buses	0.5861
Total Scope 1	226.90
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	139.875
Scope 3 emissions in metric tonnes CO2e	06.415
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO2e	7.00
Intensity ratio Tonnes CO2e per pupil	0.00317

Quantification and Report Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust was successful in their application for CIF funding. This has allowed two of our schools to have roof repairs and replacement windows which will contribute to energy efficiency going forward.

EMPOWER TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting (continued)

Some schools have updated thermostatic controls and over the past few months we have increased the use of Zoom and Teams meeting for staff which has reduced the need to travel between sites.

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 the developing policies and practices. It may grow beyond the current 8 academies but only envisages increasing the number by a maximum of two other schools during 2021. Improvement targets for any school 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 and is actively engaged in working with other Teaching School leads in the application for a Teaching School Hub to cover Shropshire and Telford. 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.

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 15 December 2020 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 5 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
Mr Paul Bunting	1	1
Mr Michael Cladingbowl	3	5
Mr Mike Dolan	0	0
Dr Allan Howells	5	5
Mr Ian Nurser, Accounting Officer	5	5
Mr Michael Revell	5	5
Dr Lesley Rollason	5	5
Mr Richard Woolley	4	5

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

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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	4	4
Dr Lesley Rollason	3	4
Mr Michael Revell	3	4
Mr Ian Nurser	4	4

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

EMPOWER TRUST
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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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has opted for a bought-in internal audit service in line with the AFH 2019/2020. The Board considered the output from external audit interim visits, and other compliance visits, in conjunction with the Trust's assessment of risk in confirming the scope of the internal audit work.

The internal auditor's role included performing a range of checks on areas of the Trust's finance systems and controls which included:

- the operations of the systems of controls;
- then proper use of public funds;
- systems, procedures and policies in place; and
- reporting on their findings.

In addition to the internal audit, the external auditors reported to the Board the results of the interim visits performed during the year, which comprise part of the statutory year end audit; reporting on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- 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 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 15 December 2020 and signed on their behalf by:



.....
Dr Allan Howells
Chair of Trustees



.....
Mr Ian Nurser
Accounting Officer

EMPOWER TRUST
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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 2019.

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 2019.

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: 15 December 2020

EMPOWER TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

The 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 15 December 2020 and signed on its behalf by:



.....
Dr Allan Howells
Chair of Trustees

EMPOWER TRUST
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**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 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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
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**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 Trustees Report (incorporating the Strategic Report and Directors 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
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**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

WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

18 December 2020

EMPOWER TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Empower Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Empower Trust and 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

EMPOWER TRUST
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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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

WR Partners

Andrew Malpass BA FCA

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

18 December 2020

EMPOWER TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	76,826	(440,876)	2,558,724	2,194,674	2,137,280
Charitable activities	4	-	11,694,803	-	11,694,803	10,065,043
Teaching schools	29	-	120,690	-	120,690	266,117
Other trading activities	5	-	218,858	-	218,858	424,462
Investments	6	2,260	-	-	2,260	1,008
Total income		79,086	11,593,475	2,558,724	14,231,285	12,893,910
Expenditure on:						
Charitable activities		-	12,429,036	344,533	12,773,569	11,308,552
Teaching schools	29	-	106,571	-	106,571	323,718
Total expenditure		-	12,535,607	344,533	12,880,140	11,632,270
Net income /(expenditure)		79,086	(942,132)	2,214,191	1,351,145	1,261,640
Transfers between funds	18	(129,397)	(88,575)	217,972	-	-
Net movement in funds before other recognised gains/(losses)		(50,311)	(1,030,707)	2,432,163	1,351,145	1,261,640
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(452,000)	-	(452,000)	(1,846,000)
Net movement in funds		(50,311)	(1,482,707)	2,432,163	899,145	(584,360)

EMPOWER TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
	Note					
Reconciliation of funds:						
Total funds brought forward	18	1,278,985	(8,591,967)	18,703,923	11,390,941	11,975,301
Net movement in funds		(50,311)	(1,482,707)	2,432,163	899,145	(584,360)
Total funds carried forward		1,228,674	(10,074,674)	21,136,086	12,290,086	11,390,941

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

The notes on pages 39 to 71 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	20,885,899	18,613,231
		<u>20,885,899</u>	<u>18,613,231</u>
Current assets			
Debtors	15	326,071	288,631
Cash at bank and in hand		2,583,172	2,229,276
		<u>2,909,243</u>	<u>2,517,907</u>
Creditors: amounts falling due within one year	16	(1,228,526)	(914,478)
Net current assets		<u>1,680,717</u>	<u>1,603,429</u>
Total assets less current liabilities		<u>22,566,616</u>	<u>20,216,660</u>
Creditors: amounts falling due after more than one year	17	(17,530)	(20,719)
Net assets excluding pension liability		<u>22,549,086</u>	<u>20,195,941</u>
Defined benefit pension scheme liability	25	(10,259,000)	(8,805,000)
Total net assets		<u><u>12,290,086</u></u>	<u><u>11,390,941</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	21,136,086	18,703,923
Restricted income funds	18	184,326	213,033
Restricted funds excluding pension asset	18	21,320,412	18,916,956
Pension reserve	18	(10,259,000)	(8,805,000)
Total restricted funds	18	11,061,412	10,111,956
Unrestricted income funds	18	1,228,674	1,278,985
Total funds		12,290,086	11,390,941

The financial statements on pages 34 to 71 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:



.....
Dr Allan Howells
 (Chair of Trustees)

The notes on pages 39 to 71 form part of these financial statements.

EMPOWER TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	434,568	1,838,828
Cash flows from investing activities	21	(80,672)	(169,871)
Change in cash and cash equivalents in the year		353,896	1,668,957
Cash and cash equivalents at the beginning of the year		2,229,276	560,319
Cash and cash equivalents at the end of the year	22, 23	<u>2,583,172</u>	<u>2,229,276</u>

The notes on pages 39 to 71 form part of these financial statements

EMPOWER TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

After making enquires, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees have also assessed the potential impact on the future operations of the Trust with regard to the Covid-19 outbreak. The Trust is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

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.

EMPOWER TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.3 Income (continued)

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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.

- **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.

EMPOWER TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 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:

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

1. Accounting policies (continued)

1.7 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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.9 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
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 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.

1.11 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.

1.12 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.

1.13 Operating leases

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

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

1. Accounting policies (continued)

1.14 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.

1.15 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 Mary's C of E Primary 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 2020

1. Accounting policies (continued)

1.16 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.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Land and Buildings introduced on conversion

For the year ended 31 August 2020 the value introduced for St Mary's C of E Primary 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.

EMPOWER TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations					
School fund surplus received on conversion	-	2,261	-	2,261	101,233
LA surplus / deficit received on conversion	76,826	-	-	76,826	92,505
Pension liability received on conversion	-	(447,000)	-	(447,000)	(537,000)
Land and buildings received on conversion	-	-	2,416,000	2,416,000	2,362,000
DFC received on conversion	-	-	19,834	19,834	-
Subtotal	76,826	(444,739)	2,435,834	2,067,921	2,018,738
Donations	-	3,863	-	3,863	1,237
Capital Grants	-	-	122,890	122,890	117,305
Subtotal	-	3,863	122,890	126,753	118,542
Total 2020	76,826	(440,876)	2,558,724	2,194,674	2,137,280
Total 2019	85,782	(435,767)	2,487,265	2,137,280	

EMPOWER TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational activities

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA Grants			
General Annual Grant (GAG)	8,429,105	8,429,105	7,775,568
Other DfE / ESFA Grant Income	540,090	540,090	81,750
Pupil Premium	653,869	653,869	439,370
Universal Infant Free School Meals (UFSM)	288,639	288,639	136,065
PE and Sports Grant	133,104	133,104	124,914
	<u>10,044,807</u>	<u>10,044,807</u>	<u>8,557,667</u>
Other Government Grants			
Local Authority - SEN	297,340	297,340	217,349
Local Authority - Early Years	698,324	698,324	731,971
Local Authority - Other Grants	67,732	67,732	79,743
Other Government Grants	21,973	21,973	-
Rates reclaim	48,012	48,012	-
	<u>1,133,381</u>	<u>1,133,381</u>	<u>1,029,063</u>
Other Income			
Catering Income	183,695	183,695	102,345
Other Income	332,920	332,920	375,968
	<u>11,694,803</u>	<u>11,694,803</u>	<u>10,065,043</u>
Total 2020	<u><u>11,694,803</u></u>	<u><u>11,694,803</u></u>	<u><u>10,065,043</u></u>
Total 2019	<u><u>10,065,043</u></u>	<u><u>10,065,043</u></u>	

Included within other government grants is Covid-19 income of £19,868 of which £14,925 has been received as the Trust furloughed some of its staff in catering, wrap around care and nursery positions and £4,943 has been received from the Free School Meals Covid grant.

EMPOWER TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Lettings	18,735	18,735	21,521
Other facilities and services	3,227	3,227	300,289
Catering	-	-	4,720
Insurance income	136,460	136,460	80,825
Income from music	21,600	21,600	17,107
Clubs income	25,715	25,715	-
Other trading income	13,121	13,121	-
Total 2020	<u>218,858</u>	<u>218,858</u>	<u>424,462</u>
<i>Total 2019</i>	<u>424,462</u>	<u>424,462</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank Interest	2,260	2,260	1,008
Total 2020	<u>2,260</u>	<u>2,260</u>	<u>1,008</u>
<i>Total 2019</i>	<u>1,008</u>	<u>1,008</u>	

EMPOWER TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational Activities:					
Direct costs	5,810,128	-	745,005	6,555,133	6,215,174
Support costs	3,679,790	623,502	1,915,144	6,218,436	5,093,378
Teaching school	15,765	-	90,806	106,571	323,718
Total 2020	<u>9,505,683</u>	<u>623,502</u>	<u>2,750,955</u>	<u>12,880,140</u>	<u>11,632,270</u>
<i>Total 2019</i>	<u>9,026,345</u>	<u>557,287</u>	<u>2,048,638</u>	<u>11,632,270</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Activities	6,555,133	6,218,436	12,773,569	11,308,552
Total 2020	<u>6,555,133</u>	<u>6,218,436</u>	<u>12,773,569</u>	<u>11,308,552</u>
<i>Total 2019</i>	<u>6,215,174</u>	<u>5,093,378</u>	<u>11,308,552</u>	

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	5,810,128	5,810,128	5,753,243
Educational Supplies	253,539	253,539	219,553
Examination Fees	-	-	698
Technology Costs	208,382	208,382	93,703
Educational Consultancy	108,871	108,871	69,893
Other costs	174,213	174,213	78,084
Total 2020	<u><u>6,555,133</u></u>	<u><u>6,555,133</u></u>	<u><u>6,215,174</u></u>
<i>Total 2019</i>	<u><u>6,215,174</u></u>	<u><u>6,215,174</u></u>	

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	3,695,555	3,695,555	3,273,102
Depreciation	221,744	221,744	158,086
Other Staff Costs	376,388	376,388	210,771
Other costs	403,498	403,498	275,508
Rates	39,724	39,724	26,046
Energy	157,833	157,833	129,390
Risk Protection Arrangement Fees	24,817	24,817	41,750
Maintenance of Premises	324,933	324,933	258,271
Cleaning and Caretaking	111,621	111,621	82,129
Operating Leases	37,561	37,561	23,666
Security	17,651	17,651	8,082
Transport	7,330	7,330	4,730
Catering	305,465	305,465	209,379
Other Premises Costs	99,825	99,825	53,369
Legal and Professional	394,491	394,491	339,099
Total 2020	6,218,436	6,218,436	5,093,378
<i>Total 2019</i>	<i>5,093,378</i>	<i>5,093,378</i>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	27,283	27,966
Depreciation of tangible fixed assets	221,744	158,086
Fees paid to auditors for:		
- audit	12,600	11,600
- other services	5,100	4,700

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	6,775,551	6,339,202
Social security costs	562,411	516,309
Pension costs	1,972,825	2,001,866
	<u>9,310,787</u>	<u>8,857,377</u>
Agency staff costs	194,896	108,818
Staff restructuring costs	-	60,150
	<u><u>9,505,683</u></u>	<u><u>9,026,345</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	30,150
Severance payments	-	30,000
	<u>-</u>	<u>60,150</u>

During the period, £22,124 was paid in respect of the apprenticeship levy (2019: £17,433). This is included in the total staff costs above.

b. Staff numbers

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

	2020 No.	2019 No.
Management	20	18
Teachers	95	84
Administration & Support	268	256
	<u><u>383</u></u>	<u><u>358</u></u>

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

10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	4	-
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,421,152 (2019 £1,198,085).

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

11. 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 5%.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Greenacres Primary School	32,448	27,555
Market Drayton Infant and Nursery School	52,824	40,429
Market Drayton Junior School	67,488	51,213
St Peter's CofE Infant and Nursery School	74,196	56,635
Wilfred Owen School	48,300	35,723
Woodfield Infant School	48,756	36,657
St George's Junior School	64,944	48,516
St Mary's CE Primary School	32,500	-
Total	421,456	296,728

12. 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:

		2020 £	2019 £
Mr Ian Nurser	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	25,000 - 30,000	15,000 - 20,000

During the year ended 31 August 2020, expenses totalling £822 were reimbursed or paid directly to 1 Trustee (2019 - £Nil). The expenses were in relation to claims made by the CEO for travel to schools, training events and meetings.

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

13. 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.

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	12,081,000	6,554,000	88,524	80,339	18,803,863
Additions	-	2,416,000	37,350	41,062	2,494,412
At 31 August 2020	<u>12,081,000</u>	<u>8,970,000</u>	<u>125,874</u>	<u>121,401</u>	<u>21,298,275</u>
Depreciation					
At 1 September 2019	116,086	65,540	2,084	6,922	190,632
Charge for the year	96,648	68,539	20,460	36,097	221,744
At 31 August 2020	<u>212,734</u>	<u>134,079</u>	<u>22,544</u>	<u>43,019</u>	<u>412,376</u>
Net book value					
At 31 August 2020	<u><u>11,868,266</u></u>	<u><u>8,835,921</u></u>	<u><u>103,330</u></u>	<u><u>78,382</u></u>	<u><u>20,885,899</u></u>
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>

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

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	36,570	28,284
Other debtors	108,989	151,267
Prepayments and accrued income	180,512	109,080
	<u>326,071</u>	<u>288,631</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	3,187	3,187
Trade creditors	433,363	310,502
Other taxation and social security	131,791	128,053
Other creditors	162,471	77,872
Accruals and deferred income	497,714	394,864
	<u>1,228,526</u>	<u>914,478</u>

	2020 £	2019 £
Deferred income at 1 September 2019	418,799	170,850
Resources deferred during the year	513,842	418,799
Amounts released from previous periods	(418,799)	(170,850)
	<u>513,842</u>	<u>418,799</u>

The deferred income for the year relates to income received for the following purposes:

- Pupil Premium
- Universal Free School Meals
- Nursery Fees
- Early Years Funding

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>17,530</u>	<u>20,719</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.

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
LA surplus received on conversion	1,276,672	76,826	-	(129,397)	-	1,224,101
Unrestricted donations	1,237	-	-	-	-	1,237
Investment income	1,076	2,260	-	-	-	3,336
	<u>1,278,985</u>	<u>79,086</u>	<u>-</u>	<u>(129,397)</u>	<u>-</u>	<u>1,228,674</u>
Restricted general funds						
General annual grant (GAG)	-	8,429,105	(8,350,693)	(78,412)	-	-
Pupil Premium	-	653,869	(653,869)	-	-	-
Teaching School	35,502	120,690	(106,571)	-	-	49,621
Other grants and income	177,531	2,836,811	(2,869,474)	(10,163)	-	134,705
Pension reserve	(8,805,000)	(447,000)	(555,000)	-	(452,000)	(10,259,000)
	<u>(8,591,967)</u>	<u>11,593,475</u>	<u>(12,535,607)</u>	<u>(88,575)</u>	<u>(452,000)</u>	<u>(10,074,674)</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Fixed asset fund	18,613,231	2,416,000	(221,744)	78,412	-	20,885,899
DFC capital money	90,692	70,436	(122,789)	139,560	-	177,899
CIF capital money	-	72,288	-	-	-	72,288
	<u>18,703,923</u>	<u>2,558,724</u>	<u>(344,533)</u>	<u>217,972</u>	<u>-</u>	<u>21,136,086</u>
Total Restricted funds	<u>10,111,956</u>	<u>14,152,199</u>	<u>(12,880,140)</u>	<u>129,397</u>	<u>(452,000)</u>	<u>11,061,412</u>
Total funds	<u>11,390,941</u>	<u>14,231,285</u>	<u>(12,880,140)</u>	<u>-</u>	<u>(452,000)</u>	<u>12,290,086</u>

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 2020.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Greenacres Primary School	54,770	77,537
Market Drayton Infant and Nursery School	295,204	315,086
Market Drayton Junior School	214,643	278,687
St Peter's Cof E Infant and Nursery School	140,278	134,892
Woodfield Infant School	98,556	88,446
Wilfred Owen Primary School	288,540	227,084
North Shropshire Teaching School Trust	49,621	35,502
	45,143	69,315
St George's Junior School	204,931	265,469
St Mary's C.E. Primary School	21,314	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,413,000	1,492,018
Restricted fixed asset fund	21,136,086	18,703,923
Pension reserve	(10,259,000)	(8,805,000)
	<hr/>	<hr/>
Total	12,290,086	11,390,941

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

18. 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 2020 £	Total 2019 £
Greenacres Primary School	442,229	269,993	11,186	244,025	967,433	945,499
Market Drayton Infant and Nursery School	710,956	726,408	51,076	301,479	1,789,919	1,728,730
Market Drayton Junior School	823,994	434,681	44,357	381,791	1,684,823	1,479,434
St Peter's Cof E Infant and Nursery School	895,565	631,268	52,981	366,121	1,945,935	1,974,090
Woodfield Infant School	564,336	385,801	14,278	351,801	1,316,216	1,239,285
Wilfred Owen Primary School	562,403	416,006	28,326	310,364	1,317,099	1,251,813
North Shropshire Teaching School Trust	639,567	208,995	908	263,391	1,112,861	1,219,473
St Mary's C.E. Primary School	387,048	263,238	12,855	218,813	881,954	-
St George's Junior School	784,030	359,165	37,572	354,818	1,535,585	1,312,142
Academy Trust	5,810,128	3,695,555	253,539	2,899,174	12,658,396	11,474,184

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

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

	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
CIF capital money	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>

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total Restricted funds	10,783,106	12,807,120	(11,632,270)	-	(1,846,000)	10,111,956
Total funds	11,975,301	12,893,910	(11,632,270)	-	(1,846,000)	11,390,941

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	20,885,899	20,885,899
Current assets	1,228,674	1,430,382	250,187	2,909,243
Creditors due within one year	-	(1,228,526)	-	(1,228,526)
Creditors due in more than one year	-	(17,530)	-	(17,530)
Provisions for liabilities and charges	-	(10,259,000)	-	(10,259,000)
Total	1,228,674	(10,074,674)	21,136,086	12,290,086

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
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

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

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	1,351,145	1,261,640
Adjustments for:		
Depreciation	221,744	158,086
Interest receivable	2,260	1,008
Defined benefit pension scheme obligation inherited	788,000	537,000
Defined benefit pension scheme finance cost	214,000	684,000
(Increase)/decrease in debtors	(37,440)	1,271,999
Increase in creditors	310,859	287,095
Assets received on conversion	(2,416,000)	(2,362,000)
Net cash provided by operating activities	434,568	1,838,828

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	(2,260)	(1,008)
Purchase of tangible fixed assets	(78,412)	(168,863)
Net cash used in investing activities	(80,672)	(169,871)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,583,172	2,229,276
Total cash and cash equivalents	2,583,172	2,229,276

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,229,276	353,896	2,583,172
Debt due within 1 year	(3,187)	-	(3,187)
Debt due after 1 year	(20,719)	3,189	(17,530)
	2,205,370	357,085	2,562,455

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

On 1 November 2019 St Mary's CE Primary 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	2,416,000	-	2,416,000
Current assets			
Cash - representing budget surplus on LA funds	76,826	-	76,826
School fund balance	2,261	-	2,261
DFC received on conversion	-	19,834	19,834
Non-current liabilities			
Pension liability	(447,000)	-	(447,000)
Net assets	<u>2,048,087</u>	<u>19,834</u>	<u>2,067,921</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments

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

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

Contributions amounting to £162,471 were payable to the schemes at 31 August 2020 (2019 - £77,872) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £920,997 (2019 - £484,114).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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 2020 was £864,000 (2019 - £778,000), of which employer's contributions totalled £708,000 (2019 - £635,000) and employees' contributions totalled £ 156,000 (2019 - £143,000). The agreed contribution rates for future years are 20% per cent for employers and 5.5-12.5% per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.55	3.50
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumption (CPI)	2.30	2.00

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

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.9	23.2
Females	25.0	26.4
<i>Retiring in 20 years</i>		
Males	24.2	25.4
Females	26.6	28.7

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	9,965	8,572
Mortality assumption - 1 year increase	10,630	8,978
CPI rate +0.1%	10,561	9,043
Pay Growth +0.1%	10,315	8,853

Share of scheme assets

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

	2020 £	2019 £
Equities	1,380,000	591,000
Other bonds	631,000	246,000
Property	120,000	56,000
Cash and other liquid assets	49,000	21,000
Other	689,000	267,000
Total market value of assets	2,869,000	1,181,000

The actual return on scheme assets was £24,000 (2019 - £27,000).

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

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

	2020 £	2019 £
Current service cost	(1,083,000)	(802,000)
Past service cost	(5,000)	(335,000)
Interest cost	(158,000)	(167,000)
Administrative expenses	(17,000)	(15,000)
Total amount recognised in the Statement of Financial Activities	(1,263,000)	(1,319,000)

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

	2020 £	2019 £
At 1 September	9,986,000	6,012,000
Upon conversion	788,000	537,000
Current service cost	1,083,000	802,000
Interest on pension liabilities	193,000	187,000
Actuarial losses	935,000	1,852,000
Benefits paid	(18,000)	118,000
Past service costs	5,000	335,000
Member contributions	156,000	143,000
At 31 August	13,128,000	9,986,000

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

	2020 £	2019 £
At 1 September	1,181,000	274,000
Upon conversion	341,000	-
Interest income	35,000	20,000
Actuarial losses	483,000	6,000
Benefits paid	(18,000)	118,000
Administration expenses	(17,000)	(15,000)
Employer contributions	708,000	635,000
Member contributions	156,000	143,000
At 31 August	2,869,000	1,181,000

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

26. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	20,516	27,283
Later than 1 year and not later than 5 years	53,225	75,897
	<u>73,741</u>	<u>103,180</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 and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the partner of a Trustee was remunerated £71,889 (2019: £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

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Grant income	118,660		263,877	
Other income	2,030		2,240	
Total direct income	<u>120,690</u>		<u>266,117</u>	
Total income		120,690		266,117
Expenditure				
Direct expenditure				
Direct staff costs	15,765		18,550	
Educational supplies	2,875		51,054	
Consultancy	69,035		205,421	
Total direct expenditure	<u>87,675</u>		<u>275,025</u>	
Other expenditure				
Staff development and training	12,713		21,453	
Other support costs	6,183		27,240	
Total other expenditure	<u>18,896</u>		<u>48,693</u>	
Total expenditure		<u>106,571</u>		<u>323,718</u>
Surplus/(deficit) from all sources		14,119		(57,601)
Teaching school balances at 1 September 2019		35,502		93,103
Teaching school balances at 31 August 2020		<u><u>49,621</u></u>		<u><u>35,502</u></u>