

## EMPOWER TRUST

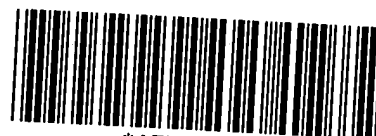
### TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

WR

Whittingham Riddell

*chartered accountants*

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Members**

Mrs Ann Fisher (appointed 1 June 2018)  
Dr Allan Howells (appointed 16 March 2018)  
Mr Peter Rogers (appointed 1 June 2018)  
Mrs Anna Sutton (appointed 1 June 2018)  
Diocesan Director of Education,  
Church of England Central Education Trust (appointed 1 June 2018)

**Trustees**

Mr Michael Cladingbowl, Trustee (appointed 16 March 2018)  
Mrs Rosamund Garner, Trustee (appointed 16 July 2018)  
Dr Allan Howells, Trustee (appointed 16 March 2018)  
Mr Ian Nurser, Trustee, CEO and Accounting Officer (appointed 16 March 2018)  
Mr Michael Revell, Trustee (appointed 16 March 2018)  
Dr Lesley Rollason, Trustee (appointed 1 July 2018)  
Mr Richard Woolley, Trustee (appointed 16 March 2018)  
Mr Geoffrey Hannan, Trustee (appointed 16 March 2018, resigned 13 August 2018)

**Company registered number**

11259965

**Company name**

-- Empower Trust

**Principal and registered office**

St Peter's Church of England Primary and Nursery School, Shrubbery Gardens, Wem, Shropshire, SY4 5BX

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Company secretary**

Patricia Slater

**Chief executive officer and accounting officer**

Ian Nurser

**Senior management team**

Ian Nurser, CEO

Patricia Slater, CFO

Fiona Russell, Acting Headteacher, St Peters CofE

Sam Scott, Headteacher, Market Drayton Infant

Kerry Simmons, Deputy headteacher, Market Drayton Infant

Tim Hayward, Headteacher, Market Drayton Junior

Sally Brayne, Deputy Headteacher, Market Drayton Junior

Kerry Lynch, Headteacher, Wilfred Owen School

Katie Wilcox, Deputy Headteacher, Wilfred Owen School

Cathy Rutherford, Headteacher, Woodfield Infant School

Rebecca Preece, Deputy Headteacher, Woodfield Infant School

Nicky Hey, Headteacher (0.6 fte), Greenacres Primary

Simon Hey, Headteacher (0.4 fte) and Deputy Headteacher, Greenacres Primary

**Independent auditors**

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

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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 16 March 2018 to 31 August 2018. 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 Multi Academy Trust (also referred to as the "Trust") is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Multi Academy Trust.

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

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

The Multi Academy Trust was incorporated on 16 March 2018 and commenced trading on 1 June 2018.

**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 academy's 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.

**d. Method of recruitment and appointment or election of Trustees**

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

The 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

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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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 Trust's development.

**e. Policies and procedures adopted for the induction and training of Trustees**

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

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

- managing data
- the role of Governors
- safeguarding
- financial management

**f. Organisational structure**

*'As the accountable body, the board is the key decision maker. It may delegate operational matters to executive leaders and governance functions to committees (including LGBs in a MAT) or in some cases to individuals, but the board as a corporate entity remains accountable and responsible for all decisions made and executive leaders operate within the autonomy, powers and functions delegated to them by the board'*  
Academies Financial Handbook, DfE, 2017, p.15

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

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

The Board constitutes committees for finance and standards; these look in detail at resources and progress and attainment across the Trust. At least three Trustees must sit on each of these Board Committees. The Board delegates some of its school level monitoring and scrutinising functions to Local Governing Bodies (LGBs), and uses these committees to promote stakeholder engagement and as a point of consultation and representation.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

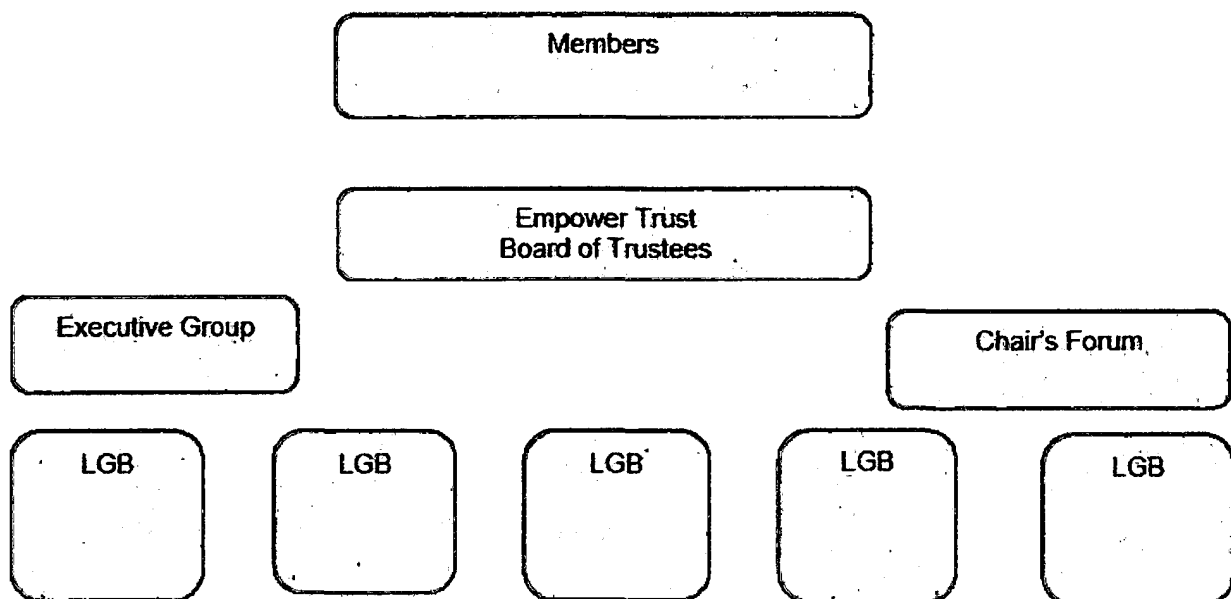
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Trustees do not need to sit on LGBs, and so clear lines of communication to the Board of Trustees are identified in the LGB Terms of Reference. It is usual for the CEO to seek input from the chair of the LGB when undertaking the headteacher's performance 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 chain, 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.



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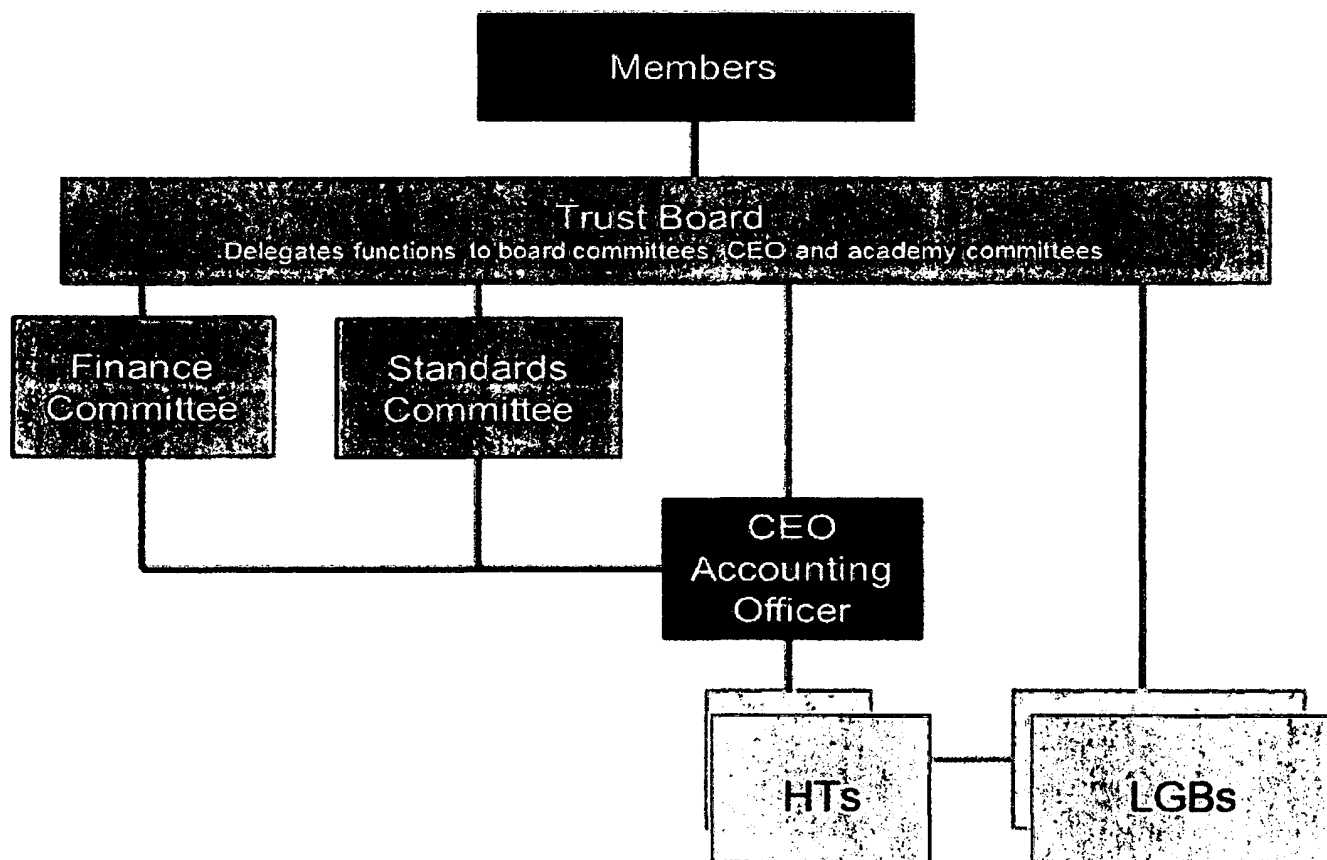
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Delegation to LGB and Board Committees**



**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.

There will be at least five members. 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 Trust.



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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**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.

The Academies Financial Handbook 2017 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 which carries out this function.

**The role of the Local Governing Body**

The Board of Trustees establish Local Governing Bodies (LGBs) as 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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Delegated functions include:

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

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 Trust's financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability; avoiding waste and securing value for money.

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

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

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**g. Pay policy for key management personnel**

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

Empower Trust has seven Trustees. With the exception of Ian Nurser (CEO) all other Trustees are unremunerated.

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

**h. Trade union facility time**

Empower Trust contributes to Shropshire Council's arrangements for Trade Union facility time.

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

Total cost of facility time	4,224
Total pay bill	1,807,301
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. Connected organisations, including related party relationships**

There are no related parties, which either control or significantly influence the decisions and operations of Empower Trust.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Objectives and Activities**

**a. Objects and aims**

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

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

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

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

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

**Ensuring the Trust and academies are financially sustainable**

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

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

**Academy Performance**

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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2018 Academy performance is being used as a baseline for future improvement and to identify individual and collective strengths and weaknesses. Academy performance targets are agreed and individual Academy Improvement Plans have been established to address the priorities of each individual Academy. An over-arching Trust Improvement Plan complements these and identifies central support and resources to promote rapid improvement. Performance targets are challenging yet achievable – for example, two academies have agreed provisional targets with challenging yet realistic expectations set in excess of any levels of attainment previously achieved.

Although performance differs between Academies, overall average attainment across the Trust lags behind the national average. Although many gaps have been closed between 2017 and 2018 this cannot be accepted as good enough and further targeted support has been directed to addressing the key areas of weakness. The aim is to ensure that individual Academy performance improves and that overall Trust performance is at least in line with national averages in 2019. The ongoing strategic educational objective of the Trust is that no school falls below floor and that they aim to achieve Outstanding within five years, with nothing less than Good in any OFSTED inspection.

#### **Quality**

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

The Empower Trust central team will continue to focus on developing capacity and providing high quality services. The Empower Trust central team, working collaboratively with headteachers and SBMs, has provided the impetus for improvements in central services. The views of Headteachers will be surveyed during the Spring Term 2019 as a way to measure the effectiveness of central services. Our aim is every headteacher in the Trust feels better supported than when they were heads of local authority maintained schools and 100% would elect to join Empower Trust again today.

An innovative teaching and learning project has been launched designed to encourage teachers to develop innovative ways of improving the quality of teaching and learning and rates of progress and attainment. The successful strategies will be shared and spread across the academies. In addition, we have launched two other CPD programmes aimed at supporting and developing teachers in their first 4 years of teaching and for developing leadership skills for those new to leadership positions.

#### **b. Public benefit**

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

#### **c. Main activities undertaken to further the charity's purposes for the public benefit**

All of the activities of the Trust carried out in the year are in pursuance of Trust's objectives and are considered to be for the public benefit. Pupils from all of the schools live within the local catchment area.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Strategic report**

**a. Going concern**

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

**b. Achievements and performance**

2018 outcomes form the baseline against which future performance will be measured. Although overall average Trust attainment is currently below national averages, there are significant variations between academies with Woodfield Infants significantly outperforming national expectations at KS1 and St.Peter's CE Primary and Nursery School and St.George's Junior School significantly outperforming national expectations at KS2.

Overall EYFS Good Level of Development is below national averages but the gap has closed slightly since 2017. KS1 Phonics Check outcomes are above national averages and, once again, the attainment has improved over 2017 results. Overall KS1 attainment at Expected+ is below national averages but the gap has closed significantly in both Reading and Writing. Overall KS1 Trust attainment at Greater Depth is broadly in line with national averages.

At KS2 overall Trust attainment is below national averages. However, in 2018 there was a significant increase in the percentages of children attaining at Greater Depth in KS2 in Reading, Mathematics and GPS, with the gap between Trust and national averages being considerably diminished.

Overall, the Trust's main objectives based on the data are:

- Raise KS1 attainment to National levels in Maths and Reading, especially to focus on Greater Depth.
- Raise overall Phonics attainment to above the national average.
- KS2 Attainment at Expected+ and Greater Depth needs to be further raised to be at least in line with National results – through a focus on further raising expectations and the pace of learning.
- Raise the percentage of children achieving expectations at Reading, Writing and Maths (RWM) score in line or above National averages – focus on consistently high quality first teaching and further raise expectations of children's attainment.

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

**c. Key performance indicators**

The following KPIs have been set for the Trust as conditions of a DfE MAT Development Fund Grant:

**Objective 1: Trust expansion**

- Set up as a MAT in order to improve at least two schools.

**Objective 2: Educational Outcomes**

- The Wilfred Owen School, Market Drayton Junior School and Greenacres Primary School will report improvements in the percentage of pupils meeting expected standard at KS2, as compared to the national averages and overall trends, by Summer 2019 (or Summer 2020) (Compared to 2017 data)
- All current schools and those joining the trust in 2017/18 (or 2018/19) will report meaningful improvements in progress scores in Reading, Writing and Maths at KS2, as compared to the national averages and overall trends, by Summer 2019 (or Summer 2020) (Compared to 2017 data)

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**TRUSTEES' REPORT (continued)**  
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**Objective 3a: Teaching**

- To use leadership development to improve the quality of teaching in new schools joining the trust via delivery of CPD and staff training with external validation of outcomes in the next 12 months.

**Objective 3b: Sustainability**

- Ensure the sustainability of the senior leadership posts or this activity within the trust from March 2019.

**Objective 3c: Disadvantaged pupils**

- Implement a clear Pupil Premium and parental engagement strategy to close the gap for disadvantaged pupils in the new schools to the smallest in any of the other Trust schools; and at least in line with other local schools that are successful in closing the gap for their disadvantaged pupils.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Financial review**

**a. Reserves policy**

In the Trustees' view, the reserves should provide the Trust 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 Trust's reserves at a level which is at least equivalent to 4 weeks operational expenditure. The Trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the Trust'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 £11,975,301. Total reserves at the Balance Sheet date were £11,975,301. Of this, £16,428,844 was in respect of the Fixed Assets Reserve (reserve set aside for future depreciation of the company's assets), a deficit of £5,738,000 in respect of future potential pension liabilities. The Trust held restricted capital funds of £188,390 in respect of capital grants received and not yet spent.

**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 £1,284,457 of which £1,192,195 was unrestricted and £92,262 restricted. A rigorous financial planning process is in place to ensure that all our Academies are able to operate within their agreed funding allocation, reserves level should be the equivalent to 3 months' operational expenditure. Deficits on individual Academies are not permitted in anything other than exceptional circumstances. Any planned deficit permitted must be covered by reserves in total and a process of licensed cumulative deficits will operate for those academies.

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

**b. Principal risks and uncertainties**

During our first 6 months of operation, the Board of Empower Trust has made significant progress in establishing comprehensive risk assessment and management arrangements. All known risks associated with the operations of Empower Trust are to be included in the Empower Trust risk register along with an assessment of likelihood, impact and details of any mitigating action. Ownership of risks is delegated to a specific Trust Officer. Each Officer's risks are reviewed monthly in rotation by the CEO. The risk summary will be a standing item on the weekly operations meeting.



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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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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 will be managed as a project with its own dedicated risk register, reviewed at project meetings, held at least every two weeks. Upon opening, the academy's relevant risks will then be transferred to the central risk register. High impact risks include:

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

**c. Financial risk management objectives and policies**

The key current risks are described above in the section on risk management. The squeeze on public expenditure continues to bite for schools. The combined impact of increases in teachers' pension contributions, increasing national insurance contributions for school staff and a sharp reduction in the Education Services Grant has meant that academy funding continues to fall in real terms.

As well as maintaining robust levels of reserves, robust school level financial planning and budgeting arrangements have been implemented to ensure local and Empower Trust wide financial challenges are identified and addressed early. The Trust examines the financial health of each academy each term at a Board meeting. More detailed scrutiny is undertaken by the Finance Committee, at least termly, where information from review of management accounts is considered with other information from: Independent checking reviews; monitoring of financial activity by central Trust finance staff.

These processes will continue to be strengthened during 2019 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.

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**Fundraising**

The Trust does not rely on fundraising activity to support its financial position. Throughout the year small fundraising events take place at the individual school to raise monies for external charities.

**Plans for future periods**

**a. Future developments**

The Trust will continue to strive to provide outstanding education and improve the levels of performance and progress at all levels. To achieve this, we will aim to continue to attract high quality teachers and support staff and develop our employees to achieve their potential. Empower Trust aims to prioritise the embedding of policies and practices in the first full year of operation. It may grow beyond the current 7 Academies (as at 1st September 2018) but only envisages increasing the number by a maximum of one other school during 2019. Improvement targets for each converting with a 'required to improve' Ofsted judgement 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 aims to develop another Academy as a Teaching School within two years. 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**

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

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Multi 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 Multi Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

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

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

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

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's 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 21 December 2018 and signed on its behalf by:



**Mr Michael Revell**  
Trustee

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Empower Trust and the Secretary of State for Education. The Accounting Officer is 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 once during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Michael Cladingbowl, Trustee	1	1
Mrs Rosamund Garner, Trustee	1	1
Dr Allan Howells, Trustee	1	1
Mr Ian Nurser, Trustee, CEO and Accounting Officer	1	1
Mr Michael Revell, Trustee	1	1
Dr Lesley Rollason, Trustee	0	1
Mr Richard Woolley, Trustee	0	1
Mr Geoffrey Hannan, Trustee	0	0

**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 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 Trust's has delivered improved value for money during the year by:

- Implementation of a central academy function
- Recruitment of centralised staff to provide financial and HR support to individual schools
- Introducing a network of best practice across the schools within the Trust

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 period 16 March 2018 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the period 16 March 2018 to 31 August 2018 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 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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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

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

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

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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**Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 21 December 2018 and signed on their behalf, by:



**Mr Michael Revell**  
Trustee



**Mr Ian Nurser**  
Accounting Officer

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Empower Trust I have considered my responsibility to notify the 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 2017.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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: 21/12/18

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 21 December 2018 and signed on its behalf by:



**Mr Michael Revell**  
Trustee



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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of Empower Trust (the 'Trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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

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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 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, 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 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 Trust's or to cease operations, or have no realistic alternative but to do so.

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**EMPOWER TRUST**  
(A company limited by guarantee)

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

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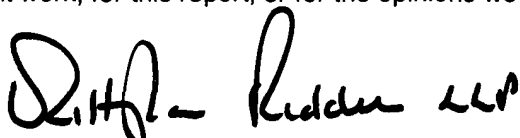
**Auditors' responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the 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 Trust's 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 Trust and its members, as a body for our audit work, for this report, or for the opinions we have formed.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

**Whittingham Riddell LLP**

Chartered Accountants  
Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date:

*21 December 2018*

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**EMPOWER TRUST**  
(A company limited by guarantee)

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

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In accordance with the terms of our engagement letter dated 6 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Empower Trust during the period 16 March 2018 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Empower Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Empower Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Empower Trust and the 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 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 16 March 2018 to 31 August 2018 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 2017 to 2018 issued by the 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 Trust's income and expenditure.

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EMPOWER TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 16 March 2018 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Malpass BA FCA  
For and on behalf of

**Whittingham Riddell LLP**

Chartered Accountants  
Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date:



**EMPOWER TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
<b>INCOME FROM:</b>					
Donations & capital grants:					
Transfer from local authority on conversion	3	1,325,419	(5,255,456)	16,407,290	12,477,253
Other donations and capital grants	3	-	24	54,100	54,124
Charitable activities:	4				
Funding for the academy trust's educational operations		-	2,125,417	-	2,125,417
Teaching school		-	46,240	-	46,240
Other trading activities	5	-	16,187	-	16,187
Investments	6	68	-	-	68
<b>TOTAL INCOME</b>		<b>1,325,487</b>	<b>(3,067,588)</b>	<b>16,461,390</b>	<b>14,719,289</b>
<b>EXPENDITURE ON:</b>					
Charitable activities		-	2,497,442	32,546	2,529,988
<b>TOTAL EXPENDITURE</b>	7	<b>-</b>	<b>2,497,442</b>	<b>32,546</b>	<b>2,529,988</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>1,325,487</b>	<b>(5,565,030)</b>	<b>16,428,844</b>	<b>12,189,301</b>
Transfers between Funds	17	(133,292)	133,292	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>1,192,195</b>	<b>(5,431,738)</b>	<b>16,428,844</b>	<b>12,189,301</b>
Actuarial losses on defined benefit pension schemes	21	-	(214,000)	-	(214,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>1,192,195</b>	<b>(5,645,738)</b>	<b>16,428,844</b>	<b>11,975,301</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,192,195</b>	<b>(5,645,738)</b>	<b>16,428,844</b>	<b>11,975,301</b>

All of the Trust's activities derive from acquisitions in the current financial period.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	14		16,240,454
<b>CURRENT ASSETS</b>			
Debtors	15	1,560,630	
Cash at bank and in hand		560,319	
		<u>2,120,949</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	<u>(648,102)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,472,847</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>17,713,301</u>
Defined benefit pension scheme liability	21		<u>(5,738,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>11,975,301</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted income funds:			
Restricted income funds	17	92,262	
Restricted fixed asset funds	17	16,428,844	
		<u>16,521,106</u>	
Restricted income funds excluding pension liability		(5,738,000)	
Pension reserve		<u>(5,738,000)</u>	
Total restricted income funds			<u>10,783,106</u>
Unrestricted income funds	17		<u>1,192,195</u>
<b>TOTAL FUNDS</b>			<u><u>11,975,301</u></u>

The financial statements on pages 28 to 54 were approved by the Trustees, and authorised for issue, on 21 December 2018 and are signed on their behalf, by:



**Mr Michael Revell**  
Trustee

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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	Note	2018 £
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	19	<u>560,251</u>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments		<u>68</u>
<b>Net cash provided by investing activities</b>		<u>68</u>
<b>Change in cash and cash equivalents in the period</b>		<b>560,319</b>
Cash and cash equivalents brought forward		<u>-</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>560,319</u></u>

All of the cash flows are derived from acquisitions in the current financial period.



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**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Empower Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Expenditure**

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

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 125 years, straight line
Leasehold property	- 125 years, straight line

Where the Trust has been granted use of school buildings under Church Supplemental Agreement, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of 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 incorporating income and expenditure account.

**1.6 Debtors**

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

**1.7 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.

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Liabilities and provisions**

Liabilities and provisions 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

**1.9 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**1.10 Taxation**

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

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the 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 incorporating income and expenditure account 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.

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**EMPOWER TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 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 the following schools to an academy trust have been valued at their fair value.

- Greenacres Primary School
- Market Drayton Infant and Nursery School
- Market Drayton Junior School
- St Peter's CE Primary and Nursery School
- The Wilfred Owen School
- Woodfield Infant School
- North Shropshire Teaching School Alliance

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 Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 2.

**1.13 Fund accounting**

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

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

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

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**EMPOWER TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 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 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.

**Critical areas of judgement are:**

**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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

**Land and Buildings introduced on conversion**

In the absence of the ESFA valuation reports for the period ended 31 August 2018, the values introduced have been determined by reference to the reinstatement estimate the assets were held at by the Local Authority.

For the year ended 31 August 2018 the values introduced have been determined by reference to the latest available valuation held at by the Local Authority as permitted under the provisions of the Academies Accounts Direction. This is in the absence of the ESFA valuation report for this year and lack of availability of an insurance valuation.

**St Peter's CE Primary and Nursery School**

The school occupies the premises at St Peter's 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 in the accounts. The net effect on the financial statements is nil.

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**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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**2. CONVERSION TO AN ACADEMY TRUST**

On 1 June 2018 the following schools 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.

- Greenacres Primary School
- Market Drayton Infant and Nursery School
- Market Drayton Junior School
- St Peter's CE Primary and Nursery School
- The Wilfred Owen School
- Woodfield Infant School
- North Shropshire Teaching School Alliance

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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	16,273,000	16,273,000
School fund on conversion	-	175,864	-	175,864
Budget surplus/(deficit) on LA funds	1,325,419	-	134,290	1,459,709
LGPS pension surplus/(deficit)	-	(5,452,000)	-	(5,452,000)
Teaching school on conversion	-	20,680	-	20,680
Net assets/(liabilities)	<u>1,325,419</u>	<u>(5,255,456)</u>	<u>16,407,290</u>	<u>12,477,253</u>



**EMPOWER TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
School fund surplus received on conversion	-	175,864	-	175,864
LA surplus / deficit received on conversion	1,325,419	-	134,290	1,459,709
Pension liability received on conversion	-	(5,452,000)	-	(5,452,000)
Land and buildings received on conversion	-	-	16,273,000	16,273,000
Teaching school surplus received on conversion	-	20,680	-	20,680
Subtotal detailed disclosure	<u>1,325,419</u>	<u>(5,255,456)</u>	<u>16,407,290</u>	<u>12,477,253</u>
Investment Advance for Capital Project	-	-	54,100	54,100
Donations	-	24	-	24
Subtotal	<u>-</u>	<u>24</u>	<u>54,100</u>	<u>54,124</u>
	<u><u>1,325,419</u></u>	<u><u>(5,255,432)</u></u>	<u><u>16,461,390</u></u>	<u><u>12,531,377</u></u>

**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	1,621,506	1,621,506
Start up grants	-	175,000	175,000
	-	1,796,506	1,796,506
<b>Other government grants</b>			
Other DfE group grants	-	33,236	33,236
Local authority grants	-	116,518	116,518
SEN Income	-	50,487	50,487
Early Years Funding	-	109,311	109,311
	-	309,552	309,552
<b>Other funding</b>			
Catering income	-	12,856	12,856
Other income	-	1,448	1,448
School fund income	-	51,295	51,295
	-	65,599	65,599
	-	2,171,657	2,171,657

**5. TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
<b>Charity trading income</b>			
Lettings	-	4,116	4,116
Music income	-	773	773
Other facilities and services income	-	11,298	11,298
	-	16,187	16,187
Net income from trading activities	-	16,187	16,187

**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

**6. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Bank interest	68	-	68

**7. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £
Activities:				
Direct costs	1,316,236	-	168,180	1,484,416
Support costs	491,065	150,302	404,205	1,045,572
	<u>1,807,301</u>	<u>150,302</u>	<u>572,385</u>	<u>2,529,988</u>

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £
Educational Activities	1,484,416	1,045,572	2,529,988

**Analysis of direct costs**

	Educational Activities £	Total 2018 £
Pension income	39,000	39,000
Educational supplies	40,999	40,999
Legal and professional	24,330	24,330
Educational visits	24,700	24,700
Catering costs	41,955	41,955
Wages and salaries	902,852	902,852
National insurance	92,516	92,516
Pension cost	318,064	318,064
	<u>1,484,416</u>	<u>1,484,416</u>

**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of support costs**

	<b>Educational Activities £</b>	<b>Total 2018 £</b>
Staff costs	493,869	493,869
Depreciation	32,546	32,546
Technology costs	46,462	46,462
Premises costs	32,228	32,228
Insurance	53,071	53,071
Printing, postage and stationary	14,727	14,727
Bank charges	395	395
Repairs and maintenance	118,074	118,074
Legal and professional	133,335	133,335
Other costs	9,339	9,339
Staff training	10,431	10,431
Rent and rates	33,158	33,158
Cleaning costs	12,330	12,330
School fund expenditure	25,745	25,745
Provisions	21,337	21,337
Admin supplies	8,525	8,525
	<u>1,045,572</u>	<u>1,045,572</u>

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018 £</b>
Depreciation of tangible fixed assets: - owned by the charity	<b>32,546</b>
Auditors' remuneration - audit	<b>6,300</b>
	<u><u>38,846</u></u>

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**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £
Wages and salaries	1,393,302
Social security costs	106,683
Operating costs of defined benefit pension schemes	307,316
	<hr/> 1,807,301 <hr/>

**b. Staff numbers**

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

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

No employee received remuneration amounting to more than £60,000 in either year.

**c. Key management personnel**

The key management personnel of the Trust comprises the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust in the period was £242,583.

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**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**11. CENTRAL SERVICES**

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

- Central finance function
- Central HR function
- Central procurement

The Trust charges for these services on the following basis:

A top slice percentage is applied of 4%. This includes:

The actual amounts charged during the year were as follows:

	2018 £
Greenacres Primary School	7,125
Market Drayton Infant and Nursery School	10,501
Market Drayton Junior School	13,335
St Peter's CofE Infant and Nursery School	14,755
Wilfred Owen School	9,279
Woodfield Infant School	9,560
	<hr/>
Total	64,555 <hr/>

**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

During the period ended 31 August 2018, no Trustees received any reimbursement of expenses. to # Trustees).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold property £	Total £
<b>Cost</b>			
Additions	9,719,000	6,554,000	16,273,000
At 31 August 2018	9,719,000	6,554,000	16,273,000
<b>Depreciation</b>			
At 16 March 2018	-	-	-
Charge for the period	19,438	13,108	32,546
At 31 August 2018	19,438	13,108	32,546
<b>Net book value</b>			
At 31 August 2018	9,699,562	6,540,892	16,240,454

Assets introduced on conversion related entirely to land and buildings. Three 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.

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's 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.

**15. DEBTORS**

	2018 £
Other debtors	62,652
Prepayments and accrued income	1,497,978
	<u>1,560,630</u>

Included within accrued income are balances due from the Local Authority in relation to revenue and capital conversion balances.

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**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

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**16. CREDITORS: Amounts falling due within one year**

	2018 £
Trade creditors	256,595
Other taxation and social security	101,863
Other creditors	65,458
Accruals and deferred income	224,186
	<hr/> 648,102 <hr/>
	£
<b>Deferred income</b>	
Resources deferred during the year	170,850
Deferred income at 31 August 2018	170,850 <hr/>

The deferred income relates to Early Years funding, school meals contributions made by parents and a Teaching School grant for the 2018/2019 Autumn term.



**EMPOWER TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

**17. STATEMENT OF FUNDS**

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

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

**Unrestricted funds** - The surplus balances received on conversion are being used to support the in year deficit of the restricted funds.

**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 purpose. Restricted general funds comprise all other restricted funds received and include grants from the Department of Education

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**17. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £
Greenacres Primary School	60,129
Market Drayton Infant and Nursery School	313,509
Market Drayton Junior School	238,189
St Peter's CofE Infant and Nursery School	242,926
Woodfield Infant School	227,702
Wilfred Owen Primary School	135,548
North Shropshire Teaching School Trust	66,711 (257)
Total before fixed asset fund and pension reserve	1,284,457
Restricted fixed asset fund	16,428,844
Pension reserve	(5,738,000)
Total	<u>11,975,301</u>

**ANALYSIS OF ACADEMIES BY COST**

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 depreciat- ion £	Total 2018 £
Greenacres Primary School	160,605	32,939	5,166	54,692	253,402
Market Drayton Infant and Nursery School	344,103	66,109	10,260	88,389	508,861
Market Drayton Junior School	262,348	83,784	32,434	46,084	424,650
St Peter's CofE Infant and Nursery School	296,777	87,250	4,359	85,057	473,443
Woodfield Infant School	144,439	31,530	9,762	87,026	272,757
Wilfred Owen Primary School	172,275	35,377	4,170	74,855	286,677
St George's Junior School	-	-	-	6,929	6,929
	<u>1,380,547</u>	<u>336,989</u>	<u>66,151</u>	<u>443,032</u>	<u>2,226,719</u>

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £
Net income for the year (as per Statement of Financial Activities)	12,189,301
<b>Adjustment for:</b>	
Depreciation charges	32,546
Dividends, interest and rents from investments	(68)
Increase in debtors	(1,560,630)
Increase in creditors	648,102
Defined benefit pension scheme obligation inherited	5,452,000
Assets received on conversion	(16,273,000)
FRS102 Pension Cost	72,000
<b>Net cash provided by operating activities</b>	<u><u>560,251</u></u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £
Cash in hand	560,319
<b>Total</b>	<u><u>560,319</u></u>

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**21. PENSION COMMITMENTS**

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

As described in note 2 the LGPS obligation relates to the employees of the 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Contributions amounting to £65,458 were payable to the schemes at 31 August 2018 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**21. PENSION COMMITMENTS (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department of Education to finalise this valuation. Early indications from the valuation are that the amounts employers will be required to pay towards the scheme may increase substantially from September 2019.

The employer's pension costs paid to TPS in the period amounted to £124,476.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £179,000, of which employer's contributions totalled £146,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years are 20% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	<b>2018</b>
Discount rate for scheme liabilities	<b>2.80 %</b>
Rate of increase in salaries	<b>3.60 %</b>
Rate of increase for pensions in payment / inflation	<b>2.20 %</b>
Inflation assumption (CPI)	<b>2.10 %</b>

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

	<b>2018</b>
Retiring today	
Males	<b>23.1</b>
Females	<b>26.3</b>
Retiring in 20 years	
Males	<b>25.3</b>
Females	<b>28.6</b>

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**21. PENSION COMMITMENTS (continued)**

	At 31 August 2018 £'000
<b>Sensitivity analysis</b>	
Discount rate +0.1%	5,598
Mortality assumption - 1 year increase	5,842
CPI rate +0.1%	5,881
Pay Growth +0.1%	5,770
The Academy Trust's share of the assets in the scheme was:	
	Fair value at 31 August 2018 £
Equities	139,000
Other bonds	61,000
Property	14,000
Cash and other liquid assets	7,000
Other	53,000
Total market value of assets	<u>274,000</u>

The actual return on scheme assets was £6,000.

The amounts recognised in the Statement of Financial Activities incorporating income and expenditure account are as follows:

	2018 £
Current service cost	(175,000)
Past service cost	(4,000)
Interest cost	(39,000)
Total	<u>(218,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £
Upon conversion	5,545,000
Current service cost	175,000
Interest on pension liabilities	40,000
Actuarial losses	219,000
Member contributions	33,000
Closing defined benefit obligation	<u>6,012,000</u>

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**21. PENSION COMMITMENTS (continued)**

Movements in the fair value of the Trust's share of scheme assets:

	2018 £
Upon conversion	93,000
Interest income	1,000
Actuarial losses	5,000
Administration expenses	(4,000)
Employer contributions	146,000
Member contributions	33,000
	<hr/>
Closing fair value of scheme assets	274,000
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**22. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £
<b>Amounts payable:</b>	
Within 1 year	12,831
Between 1 and 5 years	17,402
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Total	30,233
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**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

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**25. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £
<b>INCOME</b>		
<b>DIRECT INCOME</b>		
Grant Income	46,240	
<b>OTHER INCOME</b>		
Surplus received on conversion	20,680	
<b>TOTAL INCOME</b>		66,920
<b>EXPENDITURE</b>		
<b>DIRECT EXPENDITURE</b>		
Professional Services	209	
<b>TOTAL EXPENDITURE</b>		209
<b>SURPLUS FROM ALL SOURCES</b>		<u>66,711</u>
<b>TEACHING SCHOOL BALANCES AT 16 MARCH 2018</b>		-
<b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2018</b>		<u><u>66,711</u></u>