

Registered number: 10481082

Esprit Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021



Esprit Multi Academy Trust
(A company limited by guarantee)

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Esprit Multi Academy Trust
(A company limited by guarantee)

Reference and Administrative Details

Members

Mr G Cartlidge
Cllr L Dodd
Mrs N Davis
Mr S Bray
Mrs E Gaffney
Mr F Gaffney
Mr S Atkins

Trustees

Mr P Atkins, Chair of Trustees¹
Mr R Johnstone
Mrs E Gaffney¹
Mr P Ralison¹
Mr L Woodham (appointed 9 December 2020)
Mrs W Sandbrook (appointed 10 May 2021)
Ms M Chadwick (resigned 12 September 2021)
Mrs S Moran, Executive Principal & Accounting Officer (resigned 8 September 2021)¹
Ms A Moore (resigned 8 September 2021)¹
Mr S Lees (resigned 9 December 2020)¹

¹ Audit committee membership

Company registered number

10481082

Company name

Esprit Multi Academy Trust

Principal and registered office

Northwood Broom Academy, Keelings Road, Stoke-on-Trent, ST1 6QA

Accounting Officer

Mr T Quinn (appointed 20 December 2021)

Executive Principal

Mrs S Moran (until 31 August 2021)

Senior management team

Mrs S Moran, Executive Principal & Accounting officer (resigned 31 August 2021)
Mrs S Carrigan, Principal
Mrs Y Glaister, Principal
Mrs M Williams, Acting Executive Business Manager (Chief Financial Officer) (from 22 September 2020)
Mrs L Lancaster, Executive Business Manager (Chief Financial Officer) (until 21 September 2020)

Esprit Multi Academy Trust
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2021

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

Bankers

Lloyds Bank, Fountain Square, Stoke on Trent, Staffordshire, ST1 1LE

Solicitors

Cooks Lawyers, Manchester Business Park, Aviator Way, 3000 Aviator Way, Wythenshawe, Manchester, M22 5TG

Esprit Multi Academy Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Multi Academy Trust operates three academies (one Junior and two infant academies) in Stoke-on-Trent. Its' academies have a combined pupil capacity of 960 and a roll of 738 (includes non-mandatory aged pupils) in the school census on October 2021.

Structure, governance and management

a. Constitution

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Esprit Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as ESPRIT Multi Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be found guilty in relation to the Academy Trust. The academies within the Academy Trust have opted in to the academies risk protection arrangement (RPA) in the year which protect the Trustees to a maximum aggregated value of £10 million during any one year of membership.

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

e. Policies adopted for the induction and training of Trustees

All trustees are provided with the governance handbook and any other document that will support them in their role as a trustee. They are signposted to all policies and procedures which govern the running of the academies. They are encouraged to take part in the induction training course run by Stoke Governor Services once elected. All policies and procedures are reviewed annually by the trustees. Skills audits are completed annually and analysis of these determine high priority CPD, for example, Academies Trust Handbook.

Structure, governance and management (continued)

f. Organisational structure

The structure of the trust consists of a board of trustees and four Trustee committees; Finance, Audit and Risk, Challenge, Risk Management and Health and Safety, Appraisal Committee plus one Local Community Governance Committee (LCGC) for the three academies. Decisions delegated to the board of trustees are defined in the financial scheme of delegation. Other decisions which are delegated to the board of trustees and the Local Community Governance Committee are defined in the overarching scheme of delegation.

The management structure from 1 September 2021 consists of an Accounting Officer, a Principal at Grove Academy, a Principal shared between Hamilton and Northwood Broom with one deputy principal at each academy. Grove Academy also has an Assistant Head Teacher. There is a Chief Finance Officer for the Trust, and an Academy Business Manager in each academy. These posts constitute the senior leadership team of each academy. The Senior Leadership team are responsible for the day to day leadership and management for each academy which includes implementing strategic decisions made by the trust board and local governing body, in line with the trust improvement plan and individual academy improvement plans.

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

All key management have annual appraisals and pay progression is awarded in line with either the managing support staff performance policy or the teacher appraisal policy.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,665,268
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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Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

There are no connected organisations or related party relationships other than those noted in note 27 to the financial statements.

Best Practice Network – Potteries Teaching School Alliance no transactions in 2020/21.

Objectives and activities

a. Objects and aims

ESPRIT MAT's vision is to establish world class academies that are centres of excellence for leadership and teaching, learning and where pupils are safe and engaged in their learning. We aim to make learning magical and every child be the best they can be.

The Academy Trust is driven by the moral purpose of making a significant difference in areas where failure has been ingrained and ambitions stunted.

The Aim of the Trust

The Academy Trust currently has a group of 3 academies who work together to realise the vision and provide an excellent service to the children, parents and local community.

How the Trust realises its vision and aims is simple

Whilst each academy works coherently to realise the aims and the vision of the Academy Trust, they also have their own annual individual academy improvement plans to ensure that each academy is highly effective at meeting its own performance and outcome targets for children in the academy. Each academy maintains its autonomy to deliver on their plans to ensure that each child makes good or better progress given their starting points. Termly monitoring and pupil progress meetings take place and inform improvement plans to drive and improve which are written and shared amongst all staff to ensure pupil progress and attainment remains at the heart of academy improvement.

Objectives and activities (continued)

b. Objectives, strategies and activities

Quality of Education for all pupils

1. Pupils access high quality education both in school and online, ensuring standards in schools match national.
2. All pupils have needs assessed on return to school and all schools plan effectively to meet gaps and accelerate progress, particularly for disadvantaged pupils.
3. Curriculum is broad and balanced in all schools (Focus).

All children are safe, resilient, healthy and well

1. Pupils are ready for learning and show high levels of physical and mental resilience.
2. CPoMs embedded across the MAT and used effectively to safeguard pupils.
3. Attendance data for all groups of pupils is at least at national or rapidly improving.

All children are MAGIC

1. Behaviour systems are reviewed and support targeted to ensure exclusion rates are in line or below national.
2. Every disadvantaged pupil has access to an extra curricular club.
3. Each school earns at least one quality mark.

Strong Leadership, Management and Governance

1. All schools have strong permanent leadership structures.
2. MAT central team have reviewed job descriptions with clear roles and responsibilities.
3. Each school earns at least one quality mark.

Business, Finance and Estates are well planned

1. Mitigating action taken to ensure MAT finances are sustainable.
2. Schools and MAT are safe, well managed and support learning.
3. MAT manages risk well.

c. Public benefit

The trust manages and develops academies within its trust; providing education via a broad and balanced curriculum for children from Early Years Foundation Stage to end of Key Stage 2 within the local community alongside additional before and after school care.

Strategic report

Achievements and performance

a. Key performance indicators

There were no statutory tests in 2019/20 or 2020/21 due to the Coronavirus pandemic. Much of the school improvement work took place from September 2019 - March 2020. The closure of schools to most children until June 2020 and intermittently thereafter has impacted on our work. However, we have ensured that across all Academies, leaders have worked together to explore and develop the wider curriculum expectations under the new Ofsted education framework. They have implemented the Focus approach to curriculum planning to ensure curriculum planning in each school is ambitious and designed to give all pupils, particularly disadvantaged pupils and pupils with SEN and/or disabilities, the knowledge and cultural capital they need to succeed in life. Each school is currently in the process of adapting this resource to ensure that it meets the needs of our community. Each school is targeting different areas of the curriculum to embed first.

Grove

Grove's focus for last year was to develop and embed Reading, Science, History and Geography to ensure that they matched the National Curriculum expectations and offered a broad and balanced curriculum, with an emphasis on pupils retaining knowledge.

The summer 2019 teaching and learning review stated: 'Grove Academy provides a broad curriculum covering the National Curriculum and religious education'. 'The delivery of the curriculum is planned by the year group teams and, as observed during the review, the result was a high level of consistency in the content of lessons seen in the different classes in each year group. This is a strength, reflecting creditably on the impact of the senior leaders and heads of year'.

Grove academy's curriculum for Science, History and Geography is coherently planned and sequenced towards cumulatively sufficient knowledge and skills for future learning and employment. Other subjects are in need of further development in their long- and medium-term planning. Leaders are supporting class teachers to implement long and medium-term planning documents. These are based on a range of schemes such as the Focus curriculum, Pzaz (Science), The Power of PE, Charanga (music), Salut (French) and 3DPSHE. Some teachers are beginning to use character education in Power Maths to support this work, however this is not yet embedded or consistent. Our MAT is underpinned by a MAGIC ethos, however Grove plan to consult stakeholders and develop a new vision statement for Grove to embed and underpin the MAGIC. PHSE and SMSC is relatively well embedded into plans historically evidence was routinely gathered and this will be reinstated.

Further work is needed to fully embed and capture work on fundamental British values, however Grove staff do a great deal to promote these. For example, a range of assemblies and by rewarding 'community heroes' (pupils) for:

- Asking the school to deliver further fire safety advice following a local house fire
- Returning stolen equipment to the police when found in a local park
- Organising fundraising for local charities – saving their pocket money towards this
- Giving their pocket money to homeless people
- Working at home to translate useful phrases for international new arrivals to school

Grove has begun to implement a revised cycle of monitoring to include work scrutinies, lesson observations, pupil and teacher discussions to measure the impact on the curriculum and on individual pupils. Book scrutinies by the time of the start of the pandemic showed a much –improved quantity and quality of work in books.

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

Strategic report (continued)

Achievements and performance (continued)

School Improvement activity this year includes;

- Identifying the lowest attaining 20% of pupils and have implemented RWI phonics to improve their reading ability.
- Worked closely with the Trailblazer Mental Health Support Team and referred pupils to them for support.
- Group pupils with similar needs across classes to ensure that learning is carefully matched to their next development steps, and sometimes operate language groups for pupils who are newly acquiring English as an additional language (this approach was halted after lockdown 2, due to pupils' mental health needs)
- Programmes of study in place for all subjects
- Training on the use of cross curricular writing to enhance coverage.
- Development of science curriculum to ensure work is well planned to be progressive across year groups,
- To allow for daily revision of key concepts, knowledge and vocabulary
- Reviewed timetable to ensure adequate teaching time for all subjects.
- Training has taken place to embed strategies to ensure that pupils retain their learning.
- Implementation of schemes of work in French, Music, ICT, PE, PSHE, Maths and spelling to ensure full coverage of the national curriculum.
- Invested in English SLE to coach all teachers, focusing on NQTs and RQTs in the effective teaching and learning of reading and writing.
- CPD on curriculum development such as Remote Learning, Guided Reading, Times Tables, retaining learning and non negotiables for aspects of teaching and learning.
- The use of specialist, high quality provision to cover classes when teachers had PPA time – with pupils accessing high quality art and PE sessions during these periods (suspended due to Covid)
- Support for writing development through the Opportunity Area
- Implementation of the Educater system to reduce workload.
- Development of a system for better assessing pupil writing.
- £10,000 spend on providing good quality reading books to be used at school and home and relaunched Bug Club online, to support home engagement in reading.
- Introduction of RWI to meet the needs of the lowest attaining readers and purchase of phonic readers to ensure that books were matched to their ability.
- Training in phonics for support staff.

Over several years at Grove there had been a significant decline in pupils developing detailed knowledge and skills across the curriculum and, as a result, their attainment was well below national. Mrs. Carrigan took up her post as principal in September 2018 and implemented a rigorous plan to improve the quality of education to impact on pupil achievement. As a result attainment is now improving at a faster rate than national, therefore closing the gap with national significantly:

- reading gap closed by 16.5% from 2018 – 2019
- writing gap closed by 3% from 2018 – 2019
- maths gap closed by 12% from 2018 – 2019
- combined gap closed by 8% from 2018 – 2019
- GPaS gap closed by 7% from 2018 – 2019

Results in 2020 and 2021 for Year 6 were expected to further close the gap with national, however due to Covid there is no data available to prove this.

Grove's main area for development is maths, plus pupils attaining greater depth in reading, writing and maths (particularly for girls). Rapid improvement is needed in these areas.

Strategic report (continued)

Achievements and performance (continued)

All groups of pupils have attained significantly below national expectations for the last 4 years, however in 2019 attainment for these groups (except girls) was rising at a faster rate than national, thus closing the significant gaps.

After school clubs, offering a wide range such as art, choir, netball, multi skills, dance, taekwondo and guitar were offered up to March 2020 to ensure the curriculum is full of 'WOW' experiences.

Pupils with SEN and/or disabilities achieve rapidly improving outcomes from their starting points and data shows that gaps for pupils with SEND compared to national are closing at a faster rate than national.

Teachers appraisal targets link closely with the career stage expectations to ensure teachers are accountable for their performance and are developing at least in line with expectations. Where this is not the case then pay progression is not granted.

Prior to Covid, pupils were increasingly able to apply mathematical knowledge, concepts and procedures appropriately for their age. Y6 maths data in 2019 was the best in 4 years and internal tracking data showed that in most year groups maths was a relative strength. This was due to the rigorous focus on improving maths teaching since 2018 and introducing the Power Maths scheme, which promotes pupils' reasoning skills. However, during Covid, pupils have lost a great deal of mathematical learning and the teaching of maths is in need of further development to close these gaps. CPD and monitoring of maths was also extremely limited during the pandemic, meaning that a number of teachers, especially NQTs and RQTs did not receive the necessary support in the teaching of maths.

Behaviour at Grove is good; however it is a school priority this year to review the policy to simplify it and ensure that positive behaviour is praised by rewarding the children who are going above and beyond. In 2019/20 the leadership team worked with Paul Dix to review the behaviour policy and will be implementing this in 2021/22.

Attendance continues to be a priority area for Grove and improving whole school attendance is a focus (this is reflected in the SIP).

- We monitor attendance weekly and follow our policy rigorously.
- Our lowest attending groups are SEN and PP and further targeting is needed for these groups.
- Term time holidays, particularly travelling abroad for extended holidays impact on attendance and holiday fines have been introduced.
- Child Missing education processes are rigorous.
- Attendance was an improving picture pre Covid 19. 2018 2019 whole school attendance was 95.3%, improving from 94.7% the previous year. A new Safeguarding and attendance team has impacted well.

Prior to Covid 19 and school closure whole school attendance remained an improving picture.

Hamilton and Northwood

Our two infant academies work ever more closely together and share many of the same priorities, although each academy's uniqueness is celebrated.

Both Infant academies focused last year on developing the wider curriculum as well as the wellbeing and physical development of the children due to covid

In both academies the curriculum is beginning to be coherently planned and sequenced towards cumulatively sufficient knowledge and skills for future learning, particularly reading (including phonics), maths, science, history and geography. A teaching and learning review in Hamilton in 2019 stated, 'A strong feature of the school is the development of reflective practitioners. New initiatives are researched and trialled by 'workstream groups prior to implementation'. There is a similar picture at Northwood Broom, pupils study the full curriculum and a recent

Strategic report (continued)

Achievements and performance (continued)

teaching and learning review states 'The academy offers a broad curriculum, which is underpinned and enriched by the school's 'magic' values. Appropriate emphasis is given to developing the pupils' skills.' (Teaching and Learning review 4.6.19).

Our infant academies are underpinned by our MAGIC ethos; values of Motivation, Attitude, Gumption, Independence and Communication, which are related to Disney characters make our core values accessible to young pupils. PHSE and SMSC is relatively well embedded into plans. Historically, detailed evidence was routinely gathered and this will be reinstated.

The following school improvement activities took place within and across both infant academies;

- Leaders supporting class teachers to implement long and medium-term planning documents based on the Focus curriculum.
- Embedded character education and used Disney to embed important core ethical values such as caring, honesty, fairness, responsibility and respect for self and others.
- Ensured targeted vulnerable children have personalised meet and greet and same day intervention where necessary to ensure rapid progress.
- Planned a recovery curriculum and remote learning.
- Embedded Read, Write Inc.
- Embedded Power maths in Reception and provide ongoing support for Year 1 with the new Power Maths approach.
- Continuation of the ESB (English Speaking Board) speaking and listening principles last year to help develop children's confidence in speaking and listening.
- Embedded Talk for Writing and differentiated text activities allow children opportunities to be submersed in texts and orally rehearse before writing.
- Reviewed assessment and consulted teachers to ensure it does not create unnecessary burdens on staff or pupils.
- Agreed new school rules, 'Be ready, be respectful, Be safe.'
- Upskilled subject leaders through coaching.
- Maintained reading as a huge priority through RWI, differentiated texts and a love of reading.
- Planned a covid friendly transition event for Year 2.
- In early years ensured the Nuffield communication screen is used to plan next steps and identify any children who need additional support.
- Ensured Nursery rhymes and daily stories are a non negotiable.
- Targeted support for those staff who need it.

Our pupils develop detailed knowledge and skills across the curriculum and, as a result, achieve well which is reflected in our results from national tests and examinations that meet government expectations.

Hamilton

GLD has increased over time (despite a slight dip in 2019 due to cohort context) and was predicted to increase for 19 20 and would have been in line with the national average. The vast majority of all pupils make good or better progress from their starting points. The academy now needs to focus on ensuring boys, PP and EAL are targeted as well as raising exceeding GLD figures for all pupils.

- Hamilton priorities for 2021 – 2022 for EYFS prioritises the continued strengthening of the reception class provision through embedding Read Write Inc; further balancing of continuous provision and adult led activities and creating a succession plan to ensure effective EYFS leadership continues.
- Year 1 phonics is a priority as rapid improvement is needed. The 2019 20 predicted data was due to be in line with national by the end of the academic year through the rigorous training, coaching and monitoring programme we implemented (RWI).
- Year 2 phonics was below national in 2019. This is a dip and was cohort specific. 2019 Data showed that

Strategic report (continued)

Achievements and performance (continued)

- SEND and EAL were target groups. Year 2 phonics for 2019:2020 were predicted to be broadly in line with national Year 2 Autumn term phonics screen 2020 was in line with the national attainment.
- At the end of key stage 1, the attainment of almost all groups of pupils is broadly in line with national for Reading, Writing and Maths and has been for the last three years. However, 2018:2019 data showed boys attainment has declined. This is an area of focus for this year along with greater depth for PP, boys and EAL, particularly writing
 - Progress overtime data shows that children who spend their 'whole school life' at our academy make strong or substantial progress.
 - Teacher appraisals link closely to improving pupils' outcomes in their class and for subjects they are responsible for.
 - Our pupils are ready for the next stage of education through well planned transitions. Despite Covid 19, our handover meetings still took place. We provide opportunities for the children to work within their new class ahead of the new academic year and ensure children are happy and settled with their friends. Class teachers introduced themselves virtually this academic year and spent the first few days of 2021/22 focusing on transition activities and getting to know the children.
 - We strive to raise our pupils' aspirations through our enrichment curriculum, offering performance, cooking and healthy eating, design and technology, community project journalist, mindfulness and self-reflection and environmental explorers to all pupils. We have created a 'child enrichment booklet', which allows pupils to celebrate the new life skills they have acquired. Our curriculum is full of 'WOW' experiences to ensure learning is fun.
 - Our pupils with SEN and/or disabilities achieve the best possible outcomes from their starting points.
 - Published data shows that we are below national at GLD and Year 1/2 phonics (year 2 retakes), but above national at the end of key stage 1 for children who are identified for school support.
 - Rigorous monitoring shows Pupils' work across the curriculum is of good quality. An external book scrutiny report (13.6.18) states 'Leaders are confident in evaluating the quality of books and identifying strengths and areas for development. Overall very high standards reflecting the quality of teaching across the school.'
 - Moderation is routinely carried out across year groups, key stages, across MAT school as well as external to the MAT (prior to covid) to ensure accuracy in teacher judgements.
 - Triangulation of evidence (from observations, book scrutinies and data) shows that the Quality of education across the school is improving.
 - Teaching in the majority of the school is at least good, with 2 classes being judged as outstanding.
 - Teachers appraisal targets link closely with the career stage expectations to ensure teachers are accountable for their performance and are developing at least in line with expectations.
 - There are high expectations for pupils' behaviour and conduct. The majority of the pupils are confident, self assured learners and their excellent learning behaviours have a strong, positive impact on their progress. Teaching and learning review (21.3.18) states, 'Pupils in all classes demonstrate excellent behaviour for learning. Routines are well established from an early age and as a result, pupils are confident, self assured learners. They look smart in their uniforms and show pride in the academy' (T&L review 7.5.2019). Where pupils do not show good learning behaviour the academy's positive behaviour policy is applied rigorously and fairly including addressing any low-level behaviours. Implementing our new behaviour policy, which has been completed with the support of Paul Dix, is a priority for 2021/22.

Attendance continues to be a priority area for Hamilton Academy and improving whole school attendance is a focus (this is reflected in our SIP).

- We monitor attendance weekly and follow our policy rigorously.
- Our lowest attending groups are SEN/PP/EAL and further targeting is needed for these groups.
- Term time holidays impact on attendance and holidays fines have been introduced.
- Child Missing education processes are rigorous.
- Attendance was an improving picture pre Covid 19. 2018 2019 whole school attendance was 95.33% and 2019 2020 until Covid 19 and school closure whole school attendance was 95.90%.Attendance

Strategic report (continued)

Achievements and performance (continued)

remains a high priority including persistently absent and vulnerable groups. PP / EAL / SEN.

Northwood Broom

Our pupils develop detailed knowledge and skills across the curriculum and, as a result, achieve well, which is reflected in our results from national tests and examinations that meet government expectations. GLD has increased over a three-year period and was predicted to increase for a fourth year and would have been in line with the national average. The vast majority of all pupils make good or better progress from their starting points.

- Northwood's improvement Plan 2021 – 2022 for EYFS prioritises the continued strengthening of the reception class provision through embedding Read Write Inc; further balancing of continuous provision and adult led activities; and continued development of the EYFS leader.
- The 2018 2019 data highlighted how boys, SEN and EAL children were a priority for our academy. Predicated data for 2019 2020 showed a similar picture. Based on the current cohort the academy needs to also concentrate on listening and attention, understanding, speaking and listening and moving and handling.
- Year 1 phonics is also a priority area as the 2018 2019 data showed a dip in phonics results and implementing Read Write Inc. However, the 2019 20 predicted data was due to be in line with national by the end of the academic year through the rigorous training, coaching and monitoring programme we implemented (RWI).
- Year 2 phonics was below national in 2019. This dip was cohort specific. 2019 Data showed that PP and EAL were target groups. Year 2 phonics for 2019 2020 was predicted to be broadly in line with national the year 2 phonics screen in the autumn term 2020 was slightly above the national attainment.
- By the end of key stage one, the attainment of Reading is in line with national, and Writing and Maths broadly in line with national. Progress overtime data shows that children who spend their 'whole school life' at our academy make strong or substantial progress and children who have achieved GLD transform in to EXP at the end of key stage one.
- 2018 2019 data showed a slight decline in PP and EAL attainment, which is mainly due to children arriving in our academy since nursery. For those children who spend their 'whole school life' at our academy the majority do achieve at least EXP at the end of key stage one. Given this, boys, PP and EAL remain a priority especially in writing. Teaching and Learning review (4.6.19) outlines how "There were no significant gaps in the performance of different pupils in year 2 in 2018."
- Pupil progress is carefully tracked from their starting points for all pupils (including disadvantaged pupils and pupils with SEND). Tracking shows it is improving across most subject areas. Any child identified as falling behind, a rapid intervention and monitoring takes place.
- Teacher appraisals link closely to improving pupils' outcomes in their class and for subjects they are responsible for.
- Our pupils are ready for the next stage of education through well planned transitions. Staff partake in handover discussions around the 'unique child' which includes Inclusion Lead and SAO (Safeguarding and Attendance Officer) as well as their current and new class teacher. Despite Covid 19, our handover meetings still took place. We provide opportunities for the children to work within their new class ahead of the new academic year and ensure children are happy and settled with their friends. Class teachers introduced themselves virtually this academic year and spent the first few days of 2021 22 focusing on transition activities and getting to know the children. Child voice is represented as all children chose 3 friends they would like to be in a class with.
- We strive to raise our pupils' aspirations through our enrichment curriculum, offering performance, cooking and healthy eating, design and technology, community project journalist, mindfulness and self-reflection and environmental explorers to all pupils. We have created a 'child enrichment booklet', which allows pupils to celebrate the new life skills they have acquired. Our curriculum is full of 'WOW' experiences to ensure learning is fun.
- Our pupils with SEN and/or disabilities achieve the best possible outcomes from their starting points. A development point moving forwards is to ensure we measure and report on the progress SEND children make towards their personalised targets. Published data shows we are below national at GLD and Year 2 phonics (year 2 retakes), but above for year 1 phonics and at the end of key stage 1 for children who

Strategic report (continued)

Achievements and performance (continued)

- are identified for school support.
- Behaviour at Northwood Broom is good; however it is a school priority this year to embed the new behaviour policy and ensure we are praising positive behaviour by rewarding the children who are going above and beyond. In 2019/20 we worked with Paul Dix to review our behaviour policy. We implemented it in 2020/21 and we are now in the process of embedding the restorative conversation as a preventative behaviour strategy.

Attendance continues to be a priority area for Northwood Broom Academy and improving whole school attendance is a focus (this is reflected in our SIP).

- We monitor attendance weekly and follow our policy rigorously.
- Our lowest attending groups are SEN/PP/EAL and further targeting is needed for these groups.
- Term time holidays, particularly travelling abroad for extended holidays impact on attendance and holiday fines have been introduced.
- Child Missing education processes are rigorous.
- Attendance was an improving picture pre Covid 19. 2018:2019 whole school attendance was 95.01% and the newly appointed Safeguarding Attendance lead taking a rigorous approach has impacted well. 2019:2020 until Covid 19 and school closure whole school attendance remained an improving picture and was 95.27%

We share expertise across the MAT, for example curriculum working groups. We are linked to the Potteries Teaching school and have a number of SLEs across the MAT who support their colleagues in their area of expertise including Early years, assessment, maths and English.

b. Going concern

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

Strategic report (continued)

Achievements and performance (continued)

c. Financial review

During academic year 2020-21, ESPRIT academies continued to be impacted by the ongoing pandemic, causing increased cleaning costs and staff and pupil absences. Government made available grants for schools to access to offset these additional costs.

The main streams of funding during the year were grants received from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA).

All grants received from the ESFA and LA during the period and the associated expenditure are shown as restricted general funds in the Statement Of Financial Activities.

During the year ended 31 August 2021, the Academy Trust has restricted general funds income of £4,580,398 and associated expenditure of £4,3647,354 (excluding LGPS pension costs).

The Academy Trust has unrestricted income that relates to trading activities that totals £122,960 and related expenditure of £65,544.

At 31 August 2021 the net book value of fixed assets was £5,827,540 and the movement in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The Local Government Pension Scheme (LGPS) liability at 31 August 2021 totalled £3,837,000.

At the 31 August 2021, Hamilton Academy had a deficit fund carried forward of £111,289. A balanced budget for Hamilton has been set for academic year 2021-22. Staffing levels were maintained during 2020-21 due to the continuing coronavirus pandemic and teaching staff pregnancies. However, a planned restructure of staff was completed during the summer term 2021, which resulted in redundancies. Consideration is to be given to the continued PFI costs that greatly affects the amount of operational revenue available and that due to reduced pupil numbers, revenue income is also reduced.

The principal risks to the trust are documented and managed using a risk register that is regularly reviewed. The trust has carried out a careful review of the risks and uncertainties it faces in the forthcoming year:

- Pressures emanating from Government policy direction for Multi Academy Trusts to grow, either by taking on additional schools or merging with other established trusts
- Downgrading of the current OFSTED rating for any ESPRIT academy following inspection
- Potential loss of reputation and community confidence leading to reducing pupil numbers
- Inability to sufficiently increase pupil numbers
- Succession planning within trust governance and leadership
- Budgetary pressures brought about by reduced public sector funding and funding formula changes
- Ongoing impact caused by COVID 19 pandemic; staff absences, reduced income for nursery and BASC.

Plans in place to mitigate these risks include:

- Regular review of annual academy improvement plans at all academies within the trust
- Robust self-evaluation procedures
- An organisational structure with clearly defined roles, responsibilities and authorisation levels
- Documented terms of reference and policies for the governance of the trust
- Financial planning, budgeting and regular reporting to trustees, sub-committees and detailed scrutiny of financial risk
- Robust due diligence process in place for the long-term vision and sustainability of the trust direction.

Esprit Multi Academy Trust
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

Key factors that are likely to affect the trust going forward:

The resignation and subsequent vacancy of the CEO / Accounting Officer in August 2021 has been filled via one-year commercial Service Level Agreement with Frank Field Education Trust, with the possibility of a further one-year extension, and is supported by the existing Deputy Executive Principal.

a. Reserves policy

The Academy Trust reserves policy is included within the Financial Regulations policy. The cash reserves for the Academy Trust are freely available for general purposes and are held in instant access bank accounts.

The trust has a reserves policy within the Financial regulations policy, which is reviewed annually and states that the target is to hold a reserve of 2% of the previous years GAG. The purpose of the reserves is to ensure financial stability and allow the trust to adjust quickly to changing financial circumstances when necessary.

The total value of the funds in the Academy Trust at the 31 August 2021 amounted to £2,612,365.

At 31 August 2021 the restricted fixed asset fund amounting to £5,876,312 which included the net book value of fixed assets of £5,827,540 and £48,772 of unspent capital grant income.

The Local Government Pension Scheme (LGPS) reserve at 31 August 2021 totalled £3,837,000.

General restricted funds amounted to £414,783 at 31 August 2021.

At 31 August 2021 unrestricted funds carried forward amounted to £158,270.

b. Investment policy

The trust investment policy is included within the Financial Regulations policy. There are currently no investments held by the trust.

c. Principal risks and uncertainties

Principal risks to the trust are pupil numbers, pension fund deficit transferred to the trust from the Local authority upon conversion and the impact of COVID on school budgets. Pupil numbers are affected by high mobility within the local community and increased private landlord housing. Additional risk identified is that two of the three academies are infant academies and therefore 25% of their academy population is funded at a lower level to their peers. Other risks include retaining our more experienced, skilled and therefore more expensive staff. COVID has led to fewer pupils taking up nursery provision. COVID has also significantly impacted on school budgets due to reduced BASC income, increased cleaning costs and absent staff costs.

All academies within the trust have pupil vacancies and these need to be filled to ensure we are viable in future years. There is significant investment needed in the academy building at Grove Academy, the PFI contract has funded a complete roof replacement, this has not improved the learning space inside or outside of the building.

Fundraising

Fundraising during this year has been completed in several ways, although due to COVID this is much reduced when compared to previous years.

- Parent Forum/In academy fundraising prior to March 2020 – each academy has hosted events within their school buildings and grounds to raise funds for improving resources or to make specific purchases within their academy.
- School fund collections are made at regular intervals where parents and carers are invited to contribute to events and projects, either by donating cash or by donating products for resale / use in fairs.

Plans for future periods

Key priorities for the Academy Trust during the 2021/22 academic year are:

Quality of Education for all pupils (each school also has an individual school raising attainment plan)

1. Pupils access high quality education both in school and online, ensuring standards in schools match national

- School SEFs written and correct priorities identified
- School improvement plans implemented
- Leader appraisals and interim reviews

CONTINUE TO EMBED

- Educater
- Power maths
- RWI

Each school sets targets to ensure our expectations remain high. We look at national data and children's prior attainment in order to agree realistic targets. For 2020 21 Covid 19 has impacted on both pupil and staff attendance and targets reflect this.

GROVE TARGETS

Reading 81% (national 2019 = 73%)
Writing 87% (national 2019 = 78%)
Maths 82% (national 2019 = 79%)
GPAS 86% (national 2019 = 78%)
Combined 55% (national 2019 = 65%)

HAMILTON TARGETS

GLD (73%), Y1 phonics (85%) and KS1 (R75%, W72%, M80% Phonics 85%) YN GLD 50% Y1 RWM 70 72%

NORTHWOOD TARGETS

GLD (71%), Y1 phonics (91%) and KS1 (R79%, W72%, M76% Phonics 93%) YN GLD 50% Y1 RWM 70 72%

2. All pupils have needs assessed on return to school and all schools plan effectively to meet gaps and accelerate progress particularly for disadvantaged pupils

- Assessment tools implemented to support teacher assessment
- Support and challenge given by leaders to staff to ensure accurate assessment
- Review use of Educater to produce progress reports
- Staff trained in use of Educater

Plans for future periods (continued)

CONTINUE TO EMBED

- Power Maths
- RWI
- Wider Curriculum

TARGETS

Every child who has attended for 2+ years makes good progress

GROVE – continue to narrow gap in reading and maths and halt decline in writing

YEAR	READING	WRITING	MATHS
2018	5.4	3.2	5.9
2019	4.8	4.5	4.9
2022 TARGET	3.5	3.5	3.5

HAMILTON 10% VALUE ADDED YR – Y2 PROGRESS 80%

NBA 10% VALUE ADDED YR – Y2 PROGRESS 64%

3. Curriculum is broad and balanced in all schools

CONTINUE TO EMBED

- Focus curriculum planning
- Wider curriculum

TARGETS

The infant schools retain a good judgement and Grove secures at least RI.

Grove 75% teaching is good or better and NQTs are operating in line with career stage expectations. Support is in place to improve where necessary.

Hamilton 100% teaching is good or better.

Northwood 100% teaching is good or better.

All children are safe, resilient, healthy and well

1. Pupils are ready for learning and show high levels of physical and mental resilience

- Schools work to embed child centred ethos
- Nurture curriculum embedded
- Pastoral staff effective in roles

IMPLEMENT

- Baseline for recovery gaps for PSHE
- Focus on mental health and well-being
- Parental engagement with reading strategy

CONTINUE TO EMBED

Behaviour strategies

TARGETS

Permanent and fixed term exclusions for each school are in line or below national

2. CPOMs embedded across the MAT and used effectively to safeguard pupils.

CONTINUE TO EMBED

- CPOMS with all staff
- Cross MAT working

Plans for future periods (continued)

3. Attendance data for all groups of pupils is at least at national or rapidly improving

CONTINUE TO EMBED

- Attendance strategies
- Develop Covid 19 approach to attendance management

TARGETS

Attendance targets for all schools are in line with national average.

All children are MAGIC (Each school has an individual plan)

1. Behaviour systems are reviewed and support targeted to ensure exclusion rates are in line or below national

EACH SCHOOL HAS A ROBUST BEHAVIOUR IMPLEMENTATION PLAN

IMPLEMENT

- New Paul Dix approach to behaviour management
- Baseline for behaviour undertaken and personalised planning
- Focus on nurture and mental health and well-being

Pupils are well prepared for life in modern Britain and can articulate clearly (age appropriate) the similarities and differences between themselves and their peers and incidences of discrimination are minimal.

TARGETS

For Bullying, racist, disability and homophobic reportable incidents for each school are below the national average.

2. Every disadvantaged pupil has access to an extra-curricular club

During Covid the emphasis will be on the targeted support children need to be ready to learn to ensure gaps are narrowed.

3. Each school earns at least one quality mark

During Covid this will be under review.

Strong Leadership, management and Governance

1. All schools have strong permanent leadership

IMPLEMENT

- Review of leadership roles
- Review of SLEs
- Finance monitoring

CONTINUE TO EMBED

- School Leadership teams
- Cross MAT support

TARGET

MAT leadership judged strong

Plans for future periods (continued)

2. MAT central team have reviewed job descriptions with clear roles and responsibilities

IMPLEMENT PLANS FOR

- Estates Management

CONTINUE TO EMBED

- Business and Finance plans
- Inter MAT support

TARGET

In year deficit reduced by 50%

3. Governance at all levels is highly effective

IMPLEMENT

- Review roles of central team
- Restructure plans
- Review of clerking

CONTINUE TO EMBED

- Recruitment of trustees
- Recruitment of members

Business, Finance and Estates are well planned

1. Mitigating action taken to ensure MAT finances are sustainable

IMPLEMENT

- deficit recovery plan
- sites/ estates plan
- procurement plan – review all central SLAs
- central business team plan
- Individual school marketing plans
- robust risk assessments in place
- review roles of central team
- review of office roles across schools
- finance plan in place

2. Schools and MAT are safe, well managed and support learning

IMPLEMENT

- MAT marketing plans
- Robust risk assessments

3. MAT MANAGES RISK WELL

IMPLEMENT

- COVID and other risk assessments regularly reviewed

Esprit Multi Academy Trust

(A company limited by guarantee)

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

Funds held as custodian on behalf of others

There are no funds held on custodian on behalf of others.

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 the Trustees have taken all steps that ought to have been taken as a Trustee in order to be 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 13 December 2021 and signed on its behalf by:



Mr P Atkins
Chair of Trustees

Esprit Multi Academy Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr P Atkins, Chair of Trustees	4	5
Mr R Johnstone	4	5
Ms M Chadwick	0	5
Mrs S Moran, Executive Principal & Accounting Officer	5	5
Ms A Moore	4	5
Mrs E Gaffney	5	5
Mr P Ralison	4	4
Mr L Woodham	3	3
Mrs W Sandbrook	3	3
Mr S Lees	0	1

The Board of Trustees maintained effective oversight of funds by having four Executive Business Manager Reports during the year and monthly Management Accounts. In addition, the Board of Trustees Audit Committee met four times during the year in addition to the Full Trustee Board meetings.

The Audit Committee is a sub committee of the main board of Trustees. Its purpose is to advise the Board on matters relating to the Academy Trust's audit arrangements and systems of internal control.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Gaffney	3	4
Mr P Atkins	4	4
Mr P Ralison	4	4

Governance Statement (continued)

Review of value for money

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

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

- Staffing restructure across all schools due to reducing pupil numbers
- BASC – although income has reduced due to continued COVID restrictions
- Implementing SRMA action plan for any potential cost savings to be shared with members at the next AGM
- Implementation of systems to safeguard income – parent pay debt avoidance
- Power maths scheme to improve teachers workload and reduce photocopying and resources costs
- Read Write Inc implemented to improve teachers workload and reduce photocopying and resources costs
- Focus curriculum resources
- Resources shared across the MAT and common training initiatives, e.g. Educator and Read Write Inc
- Staffing shared across the MAT, e.g. Inclusion support staff
- Cloud based systems to support quicker and more effective communication and information sharing e.g. drop Box and CPoms.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in ESPRIT Multi Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

Governance Statement (continued)

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Wylie & Bisset.

The internal audit role includes giving advice on financial controls, safeguarding and governance. In particular the checks carried out in the current period included:

- a review of processes relating to purchasing, income, cash and banking, debit cards, VAT, payroll and fixed assets.
- a review to provide assurance to the Trust, via the Audit Committee, that the safeguarding and prevent arrangements are adequate and in line with best practice.
- a review to ensure the Trust's Corporate Governance arrangements are appropriate and represent good practice.

On a termly basis, the reviewer reports to the board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

- on discharge of the financial decisions to help the committee consider actions and assess year on year progress;
- the work of the external auditors;
- the work of the internal auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Esprit Multi Academy Trust

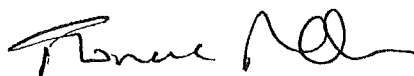
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Governance Statement (continued)

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Mr P Atkins
Chair of Trustees
Date: 13 December 2021



Mr T Quinn
Accounting Officer
Date: 20 December 2021

Esprit Multi Academy Trust

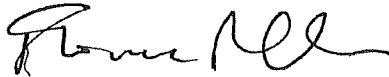
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Statement on Regularity, Propriety and Compliance

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

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

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



Mr T Quinn

Accounting Officer

Date: 20 December 2021

Esprit Multi Academy Trust

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Statement of Trustees' responsibilities For the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 13 December 2021 and signed on its behalf by:



Mr P Atkins
Chair of Trustees

Esprit Multi Academy Trust
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Independent Auditors' Report on the financial statements to the Members of Esprit Multi Academy Trust

Opinion

We have audited the financial statements of Esprit Multi Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditors' Report on the financial statements to the Members of Esprit Multi Academy Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Independent Auditors' Report on the financial statements to the Members of Esprit Multi Academy Trust (continued)

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and other management, and from our commercial knowledge and experience of the academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Esprit Multi Academy Trust
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Independent Auditors' Report on the financial statements to the Members of Esprit Multi Academy Trust (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Simon Hawkins (Senior Statutory Auditor)
for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

20 December 2021

Esprit Multi Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Esprit Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Esprit Multi Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Esprit Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Esprit Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 July 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Esprit Multi Academy Trust
(A company limited by guarantee)

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

Conclusion

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



Dains LLP

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 20-12-21

Esprit Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	3,477	-	21,315	24,792	31,889
Charitable activities:	4					
Funding for academy trust's educational operations		-	4,580,398	-	4,580,398	4,526,786
Other trading activities	5	119,398	-	-	119,398	113,652
Investments	6	85	-	-	85	272
Total income		122,960	4,580,398	21,315	4,724,673	4,672,599
Expenditure on:						
Raising funds	7	65,544	-	-	65,544	79,724
Charitable activities: Academy trust educational operations	8	-	4,634,354	137,093	4,771,447	4,726,571
Total expenditure		65,544	4,634,354	137,093	4,836,991	4,806,295
Net income/ (expenditure)		57,416	(53,956)	(115,778)	(112,318)	(133,696)
Transfers between funds	17	-	(21,680)	21,680	-	-
Net movement in funds before other recognised gains/(losses)		57,416	(75,636)	(94,098)	(112,318)	(133,696)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(953,000)	-	(953,000)	(541,000)
Net movement in funds		57,416	(1,028,636)	(94,098)	(1,065,318)	(674,696)
Reconciliation of funds:						
Total funds brought forward		100,854	(2,393,581)	5,970,410	3,677,683	4,352,379
Net movement in funds		57,416	(1,028,636)	(94,098)	(1,065,318)	(674,696)
Total funds carried forward		158,270	(3,422,217)	5,876,312	2,612,365	3,677,683

The notes on pages 36 to 63 form part of these financial statements.

Esprit Multi Academy Trust

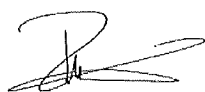
(A company limited by guarantee)

Registered number: 10481082

Balance Sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	5,827,540	5,942,953
Current assets			
Debtors	15	99,566	258,962
Cash at bank and in hand	21	950,245	534,601
		<u>1,049,811</u>	<u>793,563</u>
Creditors: amounts falling due within one year	16	(427,986)	(441,833)
Net current assets		<u>621,825</u>	<u>351,730</u>
Total assets less current liabilities		<u>6,449,365</u>	<u>6,294,683</u>
Net assets excluding pension liability		<u>6,449,365</u>	<u>6,294,683</u>
Defined benefit pension scheme liability	23	(3,837,000)	(2,617,000)
Total net assets		<u>2,612,365</u>	<u>3,677,683</u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	5,876,312	5,970,410
Restricted income funds	17	414,783	223,419
		<u>6,291,095</u>	<u>6,193,829</u>
Restricted funds excluding pension liability	17	6,291,095	6,193,829
Pension reserve	17	(3,837,000)	(2,617,000)
Total restricted funds	17	<u>2,454,095</u>	<u>3,576,829</u>
Unrestricted income funds	17	<u>158,270</u>	<u>100,854</u>
Total funds		<u>2,612,365</u>	<u>3,677,683</u>

The financial statements on pages 33 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr P Atkins

Chair of Trustees

Date: 13 December 2021

The notes on pages 36 to 63 form part of these financial statements.

Esprit Multi Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	415,924	78,250
Cash flows from investing activities	20	(280)	(7,630)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		415,644	70,620
Cash and cash equivalents at the beginning of the year		534,601	463,981
Cash and cash equivalents at the end of the year	21, 22	<u>950,245</u>	<u>534,601</u>

The notes on pages 36 to 63 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Esprit Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

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**

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold land	- 0.8% straight line
Long-term leasehold property	- 2% straight line
Property Improvements	- 2% straight line
Computer equipment	- 25% straight line

Assets under construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.6 Interest receivable

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

1.7 Operating leases

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

1. Accounting policies (continued)

1.8 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.

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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.

1.12 Taxation

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

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Long term leasehold land and buildings

The long term leasehold land and buildings within the accounts relates to the academt premises which were donated to the academy on conversion on 125 year lease from The Council of the City of Stoke-on-Trent. The leasehold land and buildings were valued using the local authority valuation. They are being depreciated in a ccordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, as management is not able to reliably measure open market rate.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	3,477	-	3,477	10,200
Capital Grants	-	21,315	21,315	21,689
	<u>3,477</u>	<u>21,315</u>	<u>24,792</u>	<u>31,889</u>
Total 2020	<u>10,200</u>	<u>21,689</u>	<u>31,889</u>	

Esprit Multi Academy Trust
(A company limited by guarantee)

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

4. Funding for the academy trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020* £
DfE/ESFA grants			
General Annual Grant (GAG)	3,333,082	3,333,082	3,317,218
Other DfE/ESFA grants			
Pupil Premium	353,046	353,046	359,482
Teachers pension grant	132,869	132,869	124,153
UFSM grant	91,144	91,144	105,548
Rates relief	16,052	16,052	19,727
PE and sports grant	54,480	54,480	54,650
Other DfE/ESFA grants	61,750	61,750	55,486
	<u>4,042,423</u>	<u>4,042,423</u>	4,036,264
Other Government grants			
Additional educational needs	91,893	91,893	31,970
Nursery education grants	279,350	279,350	328,898
Other local authority grants	-	-	10,975
	<u>371,243</u>	<u>371,243</u>	371,843
Other income from the academy trust's educational operations	78,872	78,872	49,788
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	57,680	57,680	-
Other DfE/ESFA COVID-19 funding	30,180	30,180	68,891
	<u>87,860</u>	<u>87,860</u>	68,891
	<u>4,580,398</u>	<u>4,580,398</u>	4,526,786
Total 2020	<u>4,526,786</u>	<u>4,526,786</u>	

* Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals, Teachers pension grant, Rates relief and PE and sports grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The multi academy trust received funding of £57,680 for catch-up premium and costs incurred in respect of this funding totalled £57,680.

The multi academy trust received funding of £30,180 for COVID-19 emergency support and digital education platform, costs incurred in respect of this funding totalled £30,180.

Esprit Multi Academy Trust
(A company limited by guarantee)

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

4. Funding for the academy trust's educational operations (continued)

Other income from the academy trust's educational operations include catering income and other self-generated income.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
After school club income	62,598	62,598	45,120
Staff services	3,657	3,657	8,481
Supply teacher insurance income	6,630	6,630	21,097
Other trading income	46,513	46,513	38,954
	<u>119,398</u>	<u>119,398</u>	<u>113,652</u>
Total 2020	<u>113,652</u>	<u>113,652</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	85	85	272
	<u>272</u>	<u>272</u>	
Total 2020	<u>272</u>	<u>272</u>	

Esprit Multi Academy Trust
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	65,544	-	-	65,544	79,724
Educational Operations:					
Direct costs	3,238,585	12,134	94,838	3,345,557	3,366,581
Allocated support costs	363,787	468,903	593,200	1,425,890	1,359,990
	<u>3,667,916</u>	<u>481,037</u>	<u>688,038</u>	<u>4,836,991</u>	<u>4,806,295</u>
Total 2020	<u>3,701,325</u>	<u>306,331</u>	<u>798,639</u>	<u>4,806,295</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	3,345,557	1,425,890	4,771,447	4,726,571
Total 2020	<u>3,366,581</u>	<u>1,359,990</u>	<u>4,726,571</u>	

Esprit Multi Academy Trust
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	3,238,585	3,254,355
Educational supplies	13,901	23,174
Staff development	3,934	13,907
Technology costs	53,852	43,307
Consultancy costs	25,038	12,576
Other costs	9,705	15,378
Recruitment and other staff expenses	542	3,884
	<u>3,345,557</u>	<u>3,366,581</u>

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
LGPS net finance cost	46,000	37,000
Staff costs	363,787	392,883
Depreciation	137,093	128,528
Catering	209,577	276,982
Staff development	2,429	522
Technology costs	59,515	32,437
Other costs	143,673	81,319
Maintenance of premises & equipment	203,842	176,383
Cleaning	86,499	69,827
Rates	14,080	14,080
Security	1,365	2,587
Energy	60,283	63,790
Legal and professional	64,563	49,194
Transport	808	854
Other premises costs	32,376	33,604
	<u>1,425,890</u>	<u>1,359,990</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	137,093	128,528
Operating lease rentals	15,770	29,724
PFI costs	238,167	232,511
Fees paid to auditors for:		
- audit	8,650	8,400
- other services	2,170	2,120
	<u>401,850</u>	<u>401,283</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,501,908	2,584,966
Social security costs	232,802	225,007
Pension costs	835,810	843,926
	<u>3,570,520</u>	<u>3,653,899</u>
Agency staff costs	28,814	32,978
Staff restructuring costs	68,582	14,448
	<u>3,667,916</u>	<u>3,701,325</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	54,998	-
Severance payments	13,584	14,448
	<u>68,582</u>	<u>14,448</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff severance payments are non-statutory/non-contractual severance payments totalling £6,350 (2020: £nil). Individually, the payments were: £2,648, £2,392 and £1,310.

c. Staff numbers

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

	2021 No.	2020 No.
Management	9	10
Teachers	32	30
Administration and support	77	80
	<u>118</u>	<u>120</u>

10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
	<u> </u>	<u> </u>

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £347,116 (2020 - £354,577).

11. Central services

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

- Finance
- Legal support
- Estates
- Governance support
- Compliance & data protection

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

The charge to the academies is 10% (2020 - 8%) of the general annual grant received by the academies plus any specific support costs.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Northwood Broom Academy	78,423	111,000
Hamilton Academy	71,876	111,000
Grove Academy	183,014	184,920
Total	<u> </u> 333,313	<u> </u> 406,920

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Mrs S Moran - Executive Principal & Accounting Officer	Remuneration	85,000 -	85,000 -
		90,000	90,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £144 paid to 1 trustee).

13. Trustees' and Officers' insurance

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

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

14. Tangible fixed assets

	Long-term leasehold land and buildings £	Property Improvements £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	5,767,329	437,285	89,810	6,294,424
Additions	-	21,680	-	21,680
At 31 August 2021	<u>5,767,329</u>	<u>458,965</u>	<u>89,810</u>	<u>6,316,104</u>
Depreciation				
At 1 September 2020	317,686	7,626	26,159	351,471
Charge for the year	105,896	8,746	22,451	137,093
At 31 August 2021	<u>423,582</u>	<u>16,372</u>	<u>48,610</u>	<u>488,564</u>
Net book value				
At 31 August 2021	<u>5,343,747</u>	<u>442,593</u>	<u>41,200</u>	<u>5,827,540</u>
At 31 August 2020	<u>5,449,643</u>	<u>429,659</u>	<u>63,651</u>	<u>5,942,953</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,827	1,699
VAT repayable	21,332	77,358
Prepayments and accrued income	75,407	179,905
	<u>99,566</u>	<u>258,962</u>

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

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	117,377	166,946
Other taxation and social security	48,051	51,631
Other creditors	65,405	68,735
Accruals and deferred income	197,153	154,521
	<u>427,986</u>	<u>441,833</u>
	2021 £	2020 £
Deferred income at 1 September	63,818	63,221
Resources deferred during the year	64,054	63,818
Amounts released from previous periods	(63,818)	(63,221)
	<u>64,054</u>	<u>63,818</u>

Amount included in deferred income related to grant income received in advance for the year 2021/22.

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Notes to the Financial Statements
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	100,854	122,960	(65,544)	-	-	158,270
Restricted funds						
General Annual Grant (GAG)	217,733	3,333,082	(3,120,038)	(21,680)	-	409,097
Pupil Premium	-	353,046	(353,046)	-	-	-
Teachers pension grant	-	132,869	(132,869)	-	-	-
UIFSM grant	-	91,144	(91,144)	-	-	-
Rates relief	-	16,052	(16,052)	-	-	-
PE and sports grant	5,686	54,480	(54,480)	-	-	5,686
Other DfE/ESFA grants	-	61,750	(61,750)	-	-	-
Nursery Grants	-	279,350	(279,350)	-	-	-
Other government grants	-	91,893	(91,893)	-	-	-
Catch-up premium	-	57,680	(57,680)	-	-	-
Other DfE/ESFA COVID-19 funding	-	30,180	(30,180)	-	-	-
Other restricted funds	-	78,872	(78,872)	-	-	-
Pension reserve	(2,617,000)	-	(267,000)	-	(953,000)	(3,837,000)
	(2,393,581)	4,580,398	(4,634,354)	(21,680)	(953,000)	(3,422,217)
Restricted fixed asset funds						
Assets donated on conversion	5,449,969	-	(106,220)	-	-	5,343,749
DfE/ESFA capital grants	518,144	21,315	(29,419)	-	-	510,040
Capital expenditure from GAG	2,297	-	(1,454)	21,680	-	22,523
	5,970,410	21,315	(137,093)	21,680	-	5,876,312
Total Restricted funds	3,576,829	4,601,713	(4,771,447)	-	(953,000)	2,454,095

17. Statement of funds (continued)

Total funds	<u>3,677,683</u>	<u>4,724,673</u>	<u>(4,836,991)</u>	<u>-</u>	<u>(953,000)</u>	<u>2,612,365</u>
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The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted general funds

The restricted general funds represent grants received for the Academy Trust's operational activities and development, restricted trip income and other restricted income.

Pension reserve

The pension reserve represents the Academy Trust's share of pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

The restricted fixed asset fund relates to grant funding received from the ESFA to carry out works of capital nature, capital expenditure from GAG, and also the donation of assets on conversion.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	89,130	124,124	(79,724)	(32,676)	-	100,854
Restricted general funds						
General Annual Grant (GAG)	-	3,317,218	(3,132,161)	32,676	-	217,733
Pupil Premium	-	359,482	(359,482)	-	-	-
Other DfE/ESFA grants	-	359,564	(353,878)	-	-	5,686
Nursery Grants	-	328,898	(328,898)	-	-	-
Other government grants	-	42,945	(42,945)	-	-	-
Other restricted funds	-	49,788	(49,788)	-	-	-
Covid Support Income	-	68,891	(68,891)	-	-	-
Pension reserve	(1,814,000)	-	(262,000)	-	(541,000)	(2,617,000)
	(1,814,000)	4,526,786	(4,598,043)	32,676	(541,000)	(2,393,581)
Restricted fixed asset funds						
Assets donated on conversion	5,556,189	-	(106,220)	-	-	5,449,969
DfE/ESFA capital grants	517,307	21,689	(20,852)	-	-	518,144
Capital expenditure from GAG	3,753	-	(1,456)	-	-	2,297
	6,077,249	21,689	(128,528)	-	-	5,970,410
Total Restricted funds	4,263,249	4,548,475	(4,726,571)	32,676	(541,000)	3,576,829
Total funds	4,352,379	4,672,599	(4,806,295)	-	(541,000)	3,677,683

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Grove Academy	276,269	134,021
Hamilton Academy	(111,289)	(55,259)
Northwood Broom Academy	173,330	103,174
Central Services	234,743	142,337
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	573,053	324,273
Restricted fixed asset fund	5,876,312	5,970,410
Pension reserve	(3,837,000)	(2,617,000)
	<hr/>	<hr/>
Total	2,612,365	3,677,683
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Hamilton Academy	(111,289)
	<hr/> <hr/>

A balanced budget for Hamilton has been set for academic year 2021-22. Staffing levels were maintained during 2020-21 due to the continuing coronavirus pandemic and teaching staff pregnancies. However, a planned restructure of staff was completed during the summer term 2021, which resulted in redundancies. Consideration is to be given to the continued PFI costs that greatly affects the amount of operational revenue available and that due to reduced pupil numbers, revenue income is also reduced.

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

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Northwood Broom academy	678,881	62,715	68,269	179,871	989,736	1,052,886
Hamilton academy	701,913	58,176	68,054	225,336	1,053,479	1,019,379
Grove academy	1,493,245	87,974	87,101	396,586	2,064,906	1,956,258
Central Services	140,898	154,922	54	26,255	322,129	387,244
Academy trust	3,014,937	363,787	223,478	828,048	4,430,250	4,415,767

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	5,827,540	5,827,540
Current assets	158,270	842,770	48,772	1,049,812
Creditors due within one year	-	(427,987)	-	(427,987)
Provisions for liabilities and charges	-	(3,837,000)	-	(3,837,000)
Total	158,270	(3,422,217)	5,876,312	2,612,365

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

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,942,953	5,942,953
Current assets	100,854	665,252	27,457	793,563
Creditors due within one year	-	(441,833)	-	(441,833)
Provisions for liabilities and charges	-	(2,617,000)	-	(2,617,000)
Total	<u>100,854</u>	<u>(2,393,581)</u>	<u>5,970,410</u>	<u>3,677,683</u>

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	<u>(112,318)</u>	<u>(133,696)</u>
Adjustments for:		
Depreciation	137,093	128,528
Capital grants from DfE and other capital income	(21,315)	(21,689)
Interest receivable	(85)	(272)
Defined benefit pension scheme cost less contributions payable	221,000	225,000
Defined benefit pension scheme finance cost	46,000	37,000
Decrease/(increase) in debtors	159,396	(110,528)
Decrease in creditors	(13,847)	(46,093)
Net cash provided by operating activities	<u>415,924</u>	<u>78,250</u>

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	85	272
Purchase of tangible fixed assets	(21,680)	(142,109)
Capital grants from DfE Group	21,315	134,207
Net cash used in investing activities	<u>(280)</u>	<u>(7,630)</u>

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

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	950,245	534,601
Total cash and cash equivalents	950,245	534,601

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	534,601	415,644	950,245
	534,601	415,644	950,245

23. Pension commitments

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

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

Contributions amounting to £65,405 were payable to the schemes at 31 August 2021 (2020 - £57,855) and are included within creditors.

Teachers' Pension Scheme

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

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

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £342,000 (2020 - £333,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £336,000 (2020 - £351,000), of which employer's contributions totalled £274,000 (2020 - £284,000) and employees' contributions totalled £62,000 (2020 - £67,000). The agreed contribution rates for future years are 26.2 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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Notes to the Financial Statements
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23. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.30	2.60
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20
Commutation of pensions to lump sums pre-April 2008	50.00	50.00
Commutation of pensions to lump sums post-April 2008	75.00	75.00

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

	2021	2020
	Years	Years
Retiring today		
Males	21.4	21.2
Females	24.0	23.6
Retiring in 20 years		
Males	22.5	22.1
Females	25.7	25.0

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(205)	(152)
Discount rate -0.1%	205	152
Salary increase rate +0.1%	18	15
Salary increase rate -0.1%	(18)	(15)
CPI rate +0.1%	184	134
CPI rate -0.1%	(184)	(134)
1 year increase in member life expectancy	265	-
1 year decrease in member life expectancy	(265)	-

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23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	1,984,000	1,378,000
Bonds	531,000	405,000
Property	196,000	162,000
Cash and other liquid assets	84,000	81,000
Total market value of assets	2,795,000	2,026,000

The actual return on scheme assets was £446,000 (2020 - £27,000).

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

	2021 £	2020 £
Current service cost	(495,000)	(509,000)
Interest income	37,000	34,000
Interest cost	(83,000)	(71,000)
Total amount recognised in the Statement of Financial Activities	(541,000)	(546,000)

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

	2021 £	2020 £
At 1 September	4,643,000	3,454,000
Current service cost	495,000	509,000
Interest cost	83,000	71,000
Employee contributions	62,000	67,000
Actuarial losses	1,362,000	553,000
Benefits paid	(13,000)	(11,000)
At 31 August	6,632,000	4,643,000

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23. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	2,026,000	1,640,000
Interest income	37,000	34,000
Actuarial gains	409,000	12,000
Employer contributions	274,000	284,000
Employee contributions	62,000	67,000
Benefits paid	(13,000)	(11,000)
At 31 August	2,795,000	2,026,000

24. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Within 1 year	4,434	15,770
Between 1 and 5 years	15,518	-
	19,952	15,770

25. Other financial commitments

At 31 August 2021 the academy trust had commitments under non-cancellable PFI contracts of:

	2021 £	2020 £
Within 1 year	239,617	238,167
Between 1 and 5 years	624,259	853,430
	863,876	1,091,597

26. 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.

27. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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