

Registered number: 10481082

Esprit Multi Academy Trust

Trustees' report and financial statements

For the year ended 31 August 2022



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
Mr S Bray
Mrs E Gaffney (resigned 29 September 2022)
Mr F Gaffney (resigned 29 September 2022)
Mr S Atkins
Mrs N Davis (resigned 22 September 2021)

Trustees

Mr P Atkins, Chair of Trustees¹
Mr P Ralison¹
Mr C Derbyshire (appointed 28 March 2022)¹
Mrs S Moran (appointed 1 September 2022, resigned 8 September 2021)
Mr K Dixon (appointed 28 February 2022, resigned 31 August 2022)
Mr R Johnstone (resigned 6 January 2022)
Ms A Moore (resigned 8 September 2021)
Mrs W Sandbrook (resigned 28 April 2022)
Mrs E Gaffney (resigned 28 February 2022)
Mr L Woodham (resigned 4 April 2022)¹
Ms M Chadwick (resigned 12 September 2021)

¹ Audit committee membership

Company registered number

10481082

Company name

Esprit Multi Academy Trust

Principal and registered office

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

Accounting Officer

Mr T Quinn (until 31 August 2022)
Mrs S Moran (from 1 September 2022)

Senior management team

Mr T Quinn, Accounting officer (until 31 August 2022)
Mrs S Moran, Accounting officer (from 1 September 2022)
Mrs S Carrigan, Principal
Mrs Y Glaister, Principal
Mrs M Williams, Executive Business Manager (Chief Financial Officer)

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Reference and Administrative Details (continued)
For the year ended 31 August 2022

Independent auditors

Dains Audit Limited, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, 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
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Trustees' report
For the year ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 687 (includes non mandatory aged pupils) in the school census on October 2022.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the 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, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

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, Academy Trust Handbook.

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Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

f. Organisational structure

The structure of the trust consists of a board of trustees and four Sub-committees; Finance, Audit and Risk, Change Committee, Pay 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 2022 consists of a Chief Executive 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	3,369,870
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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Trustees' report (continued)
For the year ended 31 August 2022

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 2021/22.

Objectives and activities

a. Objects and aims

ESPRIT MAT's vision is to provide pupils with a high-quality curriculum and wider experiences in safe and supportive schools so that pupils are resilient, engaged and ambitious about their futures. 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 is for the 3 academies who are so geographically closely located to work together to realise the vision and provide an excellent service to the children, parents and local community.

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.

b. 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

1. Our current context and priorities

The trust has undergone a turbulent year from September 2021-August 2022. Collaborative work with the Frank Field trust ceased in August 2022 and a part time CEO was recruited to lead the trust through the next period of development. The recruited CEO works part time, 0.6 FTE and is familiar with the trust as she was previously CEO until August 2021.

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

The trustees made the strategic decision in 2021 to seek to merge with another trust. This remains a priority for the executive team and trust board.

Other priorities include;

- improving the quality of education, standards and behaviour at Grove Academy marketing/ taking action to increase pupil numbers at the infant schools, particularly Hamilton in order to improve financial sustainability
- improve attendance at all academies, particularly for those pupils who are persistently absent
- continue to manage budgets efficiently to reduce/avoid in year deficits
- ensuring the MAT central team has the capacity to support all stakeholders well.

Context of the schools;

Hamilton

- The school location deprivation indicator is in quintile 4 (more deprived) of all schools.
- The pupil base is in quintile 4 (more deprived) of all schools in terms of deprivation.
- This school has 12 out of 17 possible ethnic groups. Those with 5% or more are: 72%: White - British 7%: White - Any other White background

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

School characteristics

		2020		2021		2022
School number on roll	Close to average	215	Below average	185	Below average	149
School % FSM	Above average	25	Close to average	24	Above average	26
School % SEND support	Well above average	19	Well above average	19	Well above average	19
School % EHC plan	Well below average	0.5	Close to average	1.6	Well below average	0
School % EAL	Above average	15	Above average	17	Above average	21
School % stability	Close to average	84	Above average	86	N/A	-

Northwood

- School location deprivation indicator is in quintile 5 (most deprived) of all schools. The pupil base is in quintile 5 (most deprived) of all schools in terms of deprivation.
- Ethnicity this school has 14 out of 17 possible ethnic groups. Those with 5% or more are: 57%: White - British 12%: Asian or Asian British - Pakistani 9%: White - Any other White background 5%: Asian or Asian British - Any other Asian background

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

School characteristics

	2020	2021	2022
School number on roll	Below average 210	Below average 186	Below average 172
School % FSM	Above average 32	Well above average 39	Above average 33
School % SEND support	Well above average 18	Well above average 31	Well above average 30
School % EHC plan	Below average 1	Well below average 0	Well below average 0
School % EAL	Well above average 32	Above average 26	Above average 28
School % stability	Below average 78	Close to average 80	N/A -

Grove

- The school location deprivation indicator was in quintile 5 (most deprived) of all schools.
- The pupil base is in quintile 5 (most deprived) of all schools in terms of deprivation.
- This school has 15 out of 17 possible ethnic groups. Those with 5% or more are: 58%: White - British 9%: Asian or Asian British - Pakistani 9%: White - Any other White background 6%: Asian or Asian British - Any other Asian background 5%: Any other ethnic group.

School characteristics

	2020	2021	2022
School number on roll	Well above average 424	Well above average 420	Well above average 433
School % FSM	Well above average 41	Well above average 45	Well above average 45
School % SEND support	Well above average 26	Well above average 31	Well above average 26
School % EHC plan	Above average 1.9	Above average 2.4	Close to average 1.8
School % EAL	Above average 20	Above average 25	Well above average 34
School % stability	Well above average 89	Above average 88	N/A -

What's going well

All schools in the trust were inspected in 2021-22. Both infant schools secured an outcome judgement of 'good' with Northwood being judged as likely to achieve 'outstanding' in its next inspection.

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Trustees' report (continued)
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Strategic report (continued)

Achievements and performance (continued)

Whilst Grove was judged to require improvement, it is worth noting the journey the school has been on and was likely to have been judged inadequate if Ofsted had visited in 2019.

- Rates of absence for Northwood improving trend and overall absence in summer 2021 for pupils with special educational needs (3.4%) was in the lowest 20% of all schools.
- Hamilton Writing Key stage 1 attainment of the expected standard in writing (75%) was significantly above national and in the highest 20% in 2022.

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

Key risks/challenges we face and actions

Capacity of the central team to support schools. Sustainability of the trust - Trust merger	Undergoing consultation with other trusts to explore capacity to support. Secured 10 days system leader support from Co-op Academies Trust linked to the DfE Trust and School Improvement Offer in the 2022/23 academic year. Met with RSC office to discuss trust merger. Working with trustees and executive team to explore <u>a number of trusts</u> .
Grove progress and attainment scores	Staff recruitment and training. Focused action plan. School to school support.
School improvement capacity across the trust.	Links with other trusts. Good practice visits to other schools
Grove Ofsted outcome – reputational damage	Consultation with parents. Infant and junior. School improvement work.
Hamilton pupil numbers and finance	Exploration to improve numbers.
Grove premises – external limitations for pupils	Merger.

2. Finance and operations

At the end of 2021-22, the academy trust had an overall revenue reserve of £1,034,445.

Hamilton Finance

In 2021-22, this school had an in-year surplus of £75,214.

Northwood Finance

In 2021-22, this school had an in-year surplus of £120,554.

Grove Finance

In 2021-22, this school had an in-year surplus of £253,280.

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

3. Progress and attainment

Hamilton

Progress and attainments charts

Reading, writing and mathematics - 2022

		KS2 Progress	KS2 Attainment	KS1 Attainment	Phonics Attainment
Reading	2022	N/A	N/A	In line with national (40 pupils)	In line with national (45 pupils)
Writing	2022	N/A	N/A	Sig above national (40 pupils)	N/A
Mathematics	2022	N/A	N/A	In line with national (40 pupils)	N/A

Data for 2022 supports leader's self evaluation. This is a good school with elements that are better than good. Attainment in reading and maths at the end of key stage 1 is in line with other schools nationally. Attainment in writing is significantly better than other schools. Phonics in Y1 is in line with national. In school progress measures show that pupils make better than average progress from their low starting points.

Northwood

Progress and attainments charts

Reading, writing and mathematics - 2022

		KS2 Progress	KS2 Attainment	KS1 Attainment	Phonics Attainment
Reading	2022	N/A	N/A	In line with national (42 pupils)	In line with national (48 pupils)
Writing	2022	N/A	N/A	In line with national (42 pupils)	N/A
Mathematics	2022	N/A	N/A	In line with national (42 pupils)	N/A

Data for 2022 supports leader's self evaluation. This is a good school with many elements that are better than good. Attainment in reading, writing and maths at the end of key stage 1 is in line with other schools nationally. Phonics in Y1 is in line with national. In school progress measures show that pupils make significantly better than average progress from their very low starting points.

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

Grove

Progress and attainments charts

Reading, writing and mathematics - 2022

		KS2 Progress	KS2 Attainment	KS1 Attainment	Phonics Attainment
Reading	2022	Sig below national (106 pupils)	Sig below national (118 pupils)	N/A	N/A
Writing	2022	Sig below national (110 pupils)	Sig below national (118 pupils)	N/A	N/A
Mathematics	2022	Sig below national (106 pupils)	Sig below national (118 pupils)	N/A	N/A

Grove attainment and progress data.

Performance data for 2022 should not be directly compared with 2019 and earlier. Nor should comparisons be made between schools. This is because schools may have been affected differently by COVID-19.

Reading - Key stage 2 progress in reading (-2.6) was significantly below national and in the lowest 20% in 2022. However, this shows a marked improvement from progress data in 2018 (-5.4) and 2019 (-4.8)

Attainment at key stage 2 – 2022 – at the expected standard (100+) in reading (59%) and the high standard (110+) in reading (11%) was significantly below national and in the lowest 20% in 2022. However, it is worth noting that these results are an improvement on 2016-2018 scores.

Writing - Key stage 2 progress in writing (-3.2) was significantly below national and in the lowest 20% in 2022.

Attainment at key stage 2 – 2022 - Key stage 2 attainment of the expected standard in writing (43%) was significantly below national and in the lowest 20% in 2022.

Mathematics - Key stage 2 progress in mathematics (-2.3) was significantly below national and in the lowest 20% in 2022. Although disappointing, these progress scores are a marked improvement on 2018 and 2019 scores.

Attainment at key stage 2 – 2022 - at the expected standard (100+) in mathematics (53%) was significantly below national and in the lowest 20% in 2022.

Other attainment measures

	KS2 EGPS	KS2 combined RWM
2022	Sig below national (118 pupils)	Sig below national (118 pupils)

Key stage 2 attainment of the expected standard (100+) in reading, writing and mathematics (35%) was significantly below national and in the lowest 20% in 2022.

Key stage 2 attainment of the expected standard (100+) in the English grammar, punctuation and spelling test (55%) and the high standard (110+) in the English grammar, punctuation and spelling test (13%) was significantly below national and in the lowest 20% in 2022.

Key stage 2 attainment of the expected standard in science (61%) was significantly below national and in the lowest 20% in 2022.

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Trustees' report (continued)
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Strategic report (continued)

Achievements and performance (continued)

School improvement capacity across the trust

This is an area where we need to seek support. The CEO holds a part time position therefore her time is limited. The infant schools work very closely together and engage in additional CPD. They are securely good schools and are on a journey to outstanding.

Grove has access to 10 days NLE support through the DFE support for RI schools. However, this does not provide enough support to make the rapid progress we seek to make.

In addition, whilst the 3 schools work collaboratively, this does not provide the full range of 'networking' opportunities that would enable the sharing of best practice.

CPD on improving outcomes

At the infant schools it is clear to see the impact of both in house and commissioned CPD on outcomes. Regular 'Read write Inc' training has ensured phonics is well taught and embedded. Reading and mathematics training have had similar high impact. Wider subjects are being implemented and staff trained in a well-planned order.

Quality assurance work done across the trust

Prior to September 2021 there was a cycle of quality assurance across the trust which involved both internal leaders and external professionals commissioned by the trust. In 2021-22 there was limited quality assurance work undertaken. However, all three schools were inspected by Ofsted. In addition, the infant schools were moderated in KS1 by both the LA and an external moderator. Academy leaders have maintained their own cycle of quality assurance.

4. SEND

Hamilton

SEND characteristics

Type of resourced provisions: No resourced provision
Number of pupils with SEND who are disadvantaged: 8

	SEND support (21)		
SEND primary need	Y1	Y2	Total
Moderate Learning Difficulty	1	3	4
Social, Emotional and Mental Health	1	0	1
Speech, Language and Communication Needs	10	6	16
Year group totals	12	9	21

There were no SEN EHC pupils in this school.

Data would indicate that there are increasing numbers of pupils attending school with speech, language and communication needs. School staff would support this and have noticed pupils are entering school with poorer speech and language skills. This in turn impacts on behaviour. Early identification of need and lack of LA resources impacts on school staff being able to get the help that pupils need in a timely way. Given the level of need it is disappointing that no pupils are in receipt of an EHC plan.

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

Northwood

SEND characteristics

Type of resourced provisions: No resourced provision
Number of pupils with SEND who are disadvantaged: 14

SEND primary need	SEND support (30)		
	Y1	Y2	Total
Moderate Learning Difficulty	0	3	3
Social, Emotional and Mental Health	3	5	8
Speech, Language and Communication Needs	15	4	19
Year group totals	18	12	30

There were no SEN EHC pupils in this school.

Data would indicate that there are increasing numbers of pupils attending school with speech, language and communication needs. School staff would support this and have noticed pupils are entering school with poorer speech and language skills. This in turn impacts on behaviour. There is a significant number of pupils with social, emotional and mental health needs. Early identification of need and lack of LA resources impacts on school staff being able to get the help that pupils need in a timely way. Given the level of need it is disappointing that no pupils are in receipt of an EHC plan.

Grove

SEND characteristics

Type of resourced provisions: No resourced provision
Number of pupils with SEND who are disadvantaged: 71

SEND primary need	SEND support (114)				
	Y3	Y4	Y5	Y6	Total
Specific Learning Difficulty	0	0	0	2	2
Moderate Learning Difficulty	10	10	11	12	43
Social, Emotional and Mental Health	5	9	15	10	39
Speech, Language and Communication Needs	8	4	6	4	22
Hearing Impairment	0	0	1	1	2
Visual Impairment	0	1	0	0	1
Physical Disability	0	3	0	0	3
Autistic Spectrum Disorder	1	0	0	0	1
School Support NSA	0	0	1	0	1
Year group totals	24	27	34	29	114

SEND primary need	EHC Plan (8)				
	Y3	Y4	Y5	Y6	Total
Moderate Learning Difficulty	1	0	0	1	2
Social, Emotional and Mental Health	0	1	0	1	2
Speech, Language and Communication Needs	0	1	0	2	3
Physical Disability	0	0	1	0	1
Year group totals	1	2	1	4	8

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Trustees' report (continued)
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Strategic report (continued)

Achievements and performance (continued)

Grove has high numbers of pupils in need of SEND support, approximately 25% of school population. The LA has recognised that some children have significant needs and require alternative provision. The LA have funded Grove to provide different provision for a small number of pupils who struggle to learn in an average sized class. Whilst this does help to delay and/or prevent some pupils from being permanently excluded this cannot be a permanent solution as the pupils do not have access to the specialist provision they require.

5. Absence

Hamilton

Overall absence in summer 2022 (2.7%) was in the lowest 20% of all schools. Overall absence in autumn 2021 (2.3%) was in the lowest 20% of all schools. The rate of overall absence (2.7%) in summer 2022 was in the lowest 20% of schools with a similar level of deprivation. The rate of overall absence (2.3%) in autumn 2020 was in the lowest 20% of schools with a similar level of deprivation. There is nothing significant or exceptional to highlight for persistent absence in summer 2022 when compared with all schools.

Persistent absence in autumn 2021 (3.7%) was in the lowest 20% of all schools. The rate of persistent absence (7.2%) in summer 2022 was in the lowest 20% of schools with a similar level of deprivation. The rate of persistent absence (3.7%) in autumn 2021 was in the lowest 20% of schools with a similar level of deprivation.

Persistent absence for pupils whose first language was not English (21.7%) was in the highest 20% of all schools in 2021-22 as well as in 2020-21 and 2019-20. Overall absence for pupils with special educational needs (3.9%) was in the lowest 20% of all schools in 2021-22.

Attendance at Hamilton has been a strength since the current school leadership. Covid has had a negative impact on school attendance and leaders rightly recognize that this is an area to prioritise, particularly for those pupils whose first language is not English.

Northwood

The rate of overall absence (4.2%) in summer 2022 was in the lowest 20% of schools with a similar level of deprivation. There is nothing significant or exceptional to highlight for overall absence compared to schools with a similar level of deprivation.

The rate of persistent absence (9.8%) in summer 2022 was in the lowest 20% of schools with a similar level of deprivation. There is nothing significant or exceptional to highlight for persistent absence compared to schools with a similar level of deprivation in autumn 2021, therefore no conclusions can be drawn from this data.

Overall absence in autumn 2021 for pupils whose first language was not English (5.2%) was in the highest 20% of all schools.

Attendance at Northwood remains a key priority.

Grove

Overall absence in summer 2022 (6.5%) was in the highest 20% of all schools. Overall absence in autumn 2021 (5.8%) was in the highest 20% of all schools. The rate of overall absence (5.8%) in autumn 2021 was in the highest 20% of schools with a similar level of deprivation. Persistent absence in summer 2022 (20.9%) was in the highest 20% of all schools. Persistent absence in autumn 2021 (16.7%) was in the highest 20% of all schools.

Attendance at Grove remains a key priority and there is much work to be done with reducing persistent absentees.

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Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

6. Suspensions & permanent exclusions

Hamilton

Across the whole school, there were no suspensions in 2021-22. There were no permanent exclusions in the whole school in 2021-22. The national average for this year was close to zero. There were none in 2020-21 or 2019-20 either, but there was 1 in 2018/19.

Northwood

The rate of total suspensions (1.1%) was in the highest 20% in 2021-22 as well as in 2020-21 and 2019-20. Of the 2 pupils in the whole school with at least one suspension in 2021-22, neither was suspended on more than one occasion.

Of the 2 total suspensions in the whole school in 2021-22, both were for physical assault against a pupil.

There were no permanent exclusions in the whole school in 2021-22. The national average for this year was close to zero. There were no permanent exclusions in the previous two years either.

Grove

For the whole school, the rate of total suspensions (1.7%) was in the highest 20% in 2021-22 as well as in 2020-21 and 2019-20. Of the 7 pupils in the whole school with at least one suspension in 2021-22, 1 was suspended on more than one occasion and none received 10 or more suspensions during the year. Of the 8 total suspensions in the whole school in 2021-22, the following reasons each accounted for more than 10%: verbal abuse/threatening behaviour against an adult (3), persistent disruptive behaviour (3), damage (2). There were no permanent exclusions in the whole school in 2020/21. The national average for this year was close to zero. However, there was 1 permanent exclusion in 2019/20 but none in 2018/19.

7. Staffing and workforce

- > Northwood staff turnover (30%) was in the **highest 20%** in 2020/21. Although not a feature in the ISDR Grove turnover of staff has been considerable.
- > Survey results from staff and parents mostly positive. Grove inspection survey identified some concerns linked to communication with parents and behaviour of pupils. Recent surveys suggest parents have increased confidence and satisfaction.
- > Appraisal complete for teachers.

8. External partnerships

- > Grove leaders are working with an NLE on school improvement linked to the curriculum. A Modern foreign languages leader is working with teachers to develop the MFL curriculum offer at Grove.
- > Grove is working with the maths hub.
- > The Northwood and Hamilton head teacher continues to work as an EY Ofsted inspector and has provided school to school support for a local primary school.
- > Leaders at all schools continue to work with local services such as multi agencies for safeguarding, LA, NHS CAMHs and challenge wherever necessary.

Grove School Improvement activity this year includes;

- Implementing RWI phonics with pupils early in the stages of learning to read.

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Trustees' report (continued)
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Strategic report (continued)

Achievements and performance (continued)

- Working with the Trailblazer Mental Health Support Team to support pupils.
- Group pupils with similar needs across classes to ensure that learning is carefully matched to their next development steps, and operate language groups for pupils who are newly acquiring English.
- Programmes of study in place for all subjects.
- Training on the use of cross curricular writing to enhance coverage.
- Development of science curriculum.
- 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.
- 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.
- Training in phonics for support staff.

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.

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.

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.

Financial review

During academic year 2021-22, ESPRIT academies continued to be impacted by the pandemic, causing increased cleaning costs and staff and pupil absences. 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 2022, the Academy Trust has restricted general funds income of £4,540,023 and associated expenditure of £4,168,700 (excluding LGPS pension costs).

Esprit Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

The Academy Trust has unrestricted income that relates to trading activities that totals £175,021 and related expenditure of £69,213.

At 31 August 2022 the net book value of fixed assets was £5,706,007 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 2022 totalled £433,000.

At the 31 August 2022, Hamilton Academy had a deficit fund carried forward of £36,075. 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.
- 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, increased staffing costs 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
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Trustees' report (continued)
For the year ended 31 August 2022

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 2022 amounted to £6,376,916.

At 31 August 2022 the restricted fixed asset fund amounting to £5,775,471 which included the net book value of fixed assets of £5,706,007 and £69,464 of unspent capital grant income.

The Local Government Pension Scheme (LGPS) reserve at 31 August 2022 totalled £433,000.

General restricted funds amounted to £770,367 at 31 August 2022.

At 31 August 2022 unrestricted funds carried forward amounted to £264,078.

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 the continued impact of COVID, fundraising efforts remain reduced when compared to pre-COVID years.

- 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.

Esprit Multi Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Plans for future periods

Key priorities for the Academy Trust during the 2022/23 academic year are:

Key Priorities for the Trust Academic Year 2022-23

1. Stabilise the trust and schools and prepare for next steps

- Lead the organisation well by:
 - Establish effective working relationships with Senior Leaders and Teaching Staff at Northwood Broom, Hamilton and Grove Academies.
 - Establish effective working relationships with Parents, Governors and Trustees.
 - Engage effectively with the Office of the Regional Schools Director.
 - Work with trustees to establish trust's executive team with clearly defined roles and responsibilities
 - Ensure effective working relationships for the central team at Esprit MAT.
 - Ensure schools have leadership teams which positively impact on school improvement priorities.
 - CEO role is clear to all stakeholders and communication plan is written and delivered across the trust so that all leaders, staff, pupils and parents report feeling well informed and actively contribute to consultations.
 - All schools have a planned approach to staff workload and wellbeing and all staff report feeling well supported by leaders.
- Manage the organisation well by:
 - Develop a two year strategy for ESPRIT Trust including priorities for each of the three individual academies.
 - Identify leadership issues in each school and agree a plan to address issues.
 - Identify support needed in each school and source most appropriate support – commission and collaborate as necessary
 - Identify any leadership staffing vacancies current/imminent and support recruitment where needed
 - Grove Academy shows improvement towards a Good outcome at the next Ofsted inspection.
 - Self-evaluation and academy development planning is robust and accurate.
 - performance measures and outcomes for 2022 – 2023 signed-off by the Trust Board.
 - All audits are presented to the Trust Board (or Education Standards committee).
 - establish an executive team and reporting lines and ensure all reporting is accurate and timely
 - Review budgets to ensure funds are well managed and impact on pupil outcomes
 - Ensure the trust operates compliantly with all national requirements
- Shaping the future:
 - Facilitate, lead and actively engage with trustees, governors, parents, children and staff to gather and understand different perspectives and ensure these perspectives inform the trust's strategy.
 - Provide the required educational leadership and support necessary to review the values and ethos of the trust building on our existing identity.
 - Support in the revision of member, governor and Trustee membership to ensure MAT governance can run effectively
 - Engage in all due diligence processes necessary to prepare for trust merger
 - Engage in partnership working with local and/or national bodies to support trust capacity to deliver best outcomes for pupils and staff.

Esprit Multi Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Plans for future periods (continued)

2. Improve Quality of Education across the trust, and particularly at Grove by ensuring the curriculum is broad, ambitious and designed to give all pupils, particularly disadvantaged pupils and pupils with SEND, the knowledge and cultural capital they need to succeed in life.

- Leaders have developed a coherently planned and effective curriculum in reading, writing, mathematics and at least 4 other subjects that explicitly sets out;
 - the knowledge and skills that pupils will gain
 - how components are sequenced so that content is taught in a logical progression, systematically and explicitly, for all pupils to acquire the intended knowledge and skills set out in clear end points
 - the ambition leaders have to give pupils, particularly disadvantaged pupils and pupils with SEND, the knowledge they need to take advantage of opportunities, responsibilities and experiences in later life
 - the teaching materials to be used which do not create unnecessary workload for staff
- Leaders regularly monitor and support staff to:
 - use rigour in curriculum and subject-specific planning
 - ensure disadvantaged pupils or pupils with SEND do not receive a reduced curriculum
 - monitor pupil progress and achieve the best outcomes
 - have expert knowledge of the subjects that they teach or, deliver the planned curriculum well
 - consider the most important knowledge or concepts that pupils need to know and focus on these, and prioritise feedback, retrieval practice and assessment.
- Leaders ensure that in lessons and work, teachers,
 - present information clearly and promote appropriate discussion
 - check pupils' understanding systematically, address misconceptions and adapt teaching as necessary to correct these
 - deliver the subject curriculum in a way that allows pupils to transfer key knowledge to long-term memory
 - adapt, design and develop the curriculum to meet the needs of pupils with SEND
 - ensure new knowledge and skills build on what has been taught before and pupils can work towards clearly defined end points
 - use assessment to check pupils' understanding to inform teaching, and address any gaps in learning
 - support pupils to work with increasing fluency and independence
 - have high expectations re children's best work and develop presentation and handwriting amongst children and staff.
 - ensure pupils read well and widely across the curriculum, with enjoyment, fluency and comprehension. Using phonics to support those at the earliest stages of reading.

3. Ensure schools have the highest expectations for pupil's behaviour, conduct and attendance so that schools compare favourably with national expectations.

- Leaders have high expectations of pupil's behaviour, monitor it closely and support staff to;
 - create a safe, calm, orderly and positive environment in the school where low-level disruption is not tolerated
 - set clear routines and expectations for the behaviour of pupils across all aspects of school life, not just in the classroom
 - follow clear and effective behaviour and attendance policies with clearly defined consequences that are applied consistently and fairly by all staff
 - reward pupils' motivation and positive attitudes to learning
 - commit to a positive and respectful school culture in which staff know and care about pupils
 - create an environment in which pupils feel safe, and in which bullying, discrimination, sexual harassment, sexual abuse and sexual violence – online or offline – are not accepted and are dealt with quickly, consistently and effectively whenever they occur

Esprit Multi Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Plans for future periods (continued)

- talk about how they and pupils are affected by pupils' challenging behaviour
 - make sure that pupils follow appropriate routines and not tolerate low-level disruption
 - not tolerate any form of bullying, if they occur, they are dealt with quickly and effectively and are not allowed to spread
 - encourage pupils to be resilient and take pride in achievements.
- Leaders ensure all policies linked to behaviour, safeguarding and attendance are up to date, understood by all stakeholders and effectively applied
 - behaviour policies in place regarding harmful sexual behaviour, includes details of appropriate sanctions that should be consistently applied and that reflect and are consistent with the messages that are taught across the curriculum
 - policies reflect the school's high expectations and leaders ensure their consistent, fair implementation
 - any suspensions from school are analysed and there is a strategy for reintegrating a pupil who returns to school following a suspension and for managing their future behaviour
 - any exclusions are legal and justified and schools can demonstrate how they are doing all that they can to support pupils at risk of exclusion, including through tenacious attempts to engage local support services.
 - Leaders are focused on improving school attendance to at least national levels
 - Leaders evaluate pupils' attendance and the impact of strategies used to improve pupils' attendance.
 - Staffing across the Trust will be used to target poorest attendance
 - Leaders consider pupils' weak attendance in their safeguarding systems and the clarity of their attendance recording
 - Leaders ensure pupils' punctuality in arriving at school and at lessons is closely monitored
 - Leaders analyse absence and persistent absence rates for all pupils, and for different groups compared with national averages for all pupils; this includes the extent to which low attenders are improving their attendance over time and whether attendance is consistently low

4. Individual school development plans recognise the Trust's key priorities.

- The school's curriculum intent and implementation are embedded securely and consistently across the school. It is evident from what teachers do that they have a firm and common understanding of the school's curriculum intent and what it means for their practice. Across all parts of the school, series of lessons contribute well to delivering the curriculum intent.
- The work given enables pupils, over time and across the school, to consistently achieve the aims of the curriculum, which is coherently planned and sequenced towards cumulatively sufficient knowledge and skills for future learning and employment.
- Pupils' work across the curriculum is consistently of a high quality.
- Pupils consistently achieve highly, particularly the most disadvantaged. Pupils with SEND achieve exceptionally well.

Funds held as custodian on behalf of others

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

Esprit Multi Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2022 and signed on its behalf by:

DocuSigned by:

Paul Atkins

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.....
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 6 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	6	6
Mr P Ralison	6	6
Mr C Derbyshire	3	3
Mrs S Moran	4	4
Mrs W Sandbrook	1	5
Mr L Woodham	1	4
Mrs E Gaffney	2	2
Mr K Dixon	1	2
Mr R Johnstone	2	2

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 Finance, Audit and Risk 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
Mr P Atkins	6	6
Mr P Ralison	6	6
Mr C Derbyshire	4	4
Mr L Woodham	2	3

Esprit Multi Academy Trust
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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 – not replacing vacant staff due to reduced 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
- Efficient school level budget management
- Maths schemes to improve teachers workload and reduce photocopying and resources costs
- Read Write Inc continued investment to improve teachers workload and reduce photocopying and resources costs
- Range of purchased curriculum schemes to reduce teacher workload
- Resources shared across the MAT and common training initiatives
- Staffing shared across the MAT, e.g. Inclusion support staff
- Cloud based systems to support quicker and more effective communication and information sharing 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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance, Audit and Risk 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

Esprit Multi Academy Trust
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Governance Statement (continued)

The risk and control framework (continued)

- 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 this option has been chosen as it represents best value for money.

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 Board of 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:

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

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.

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

DocuSigned by:
Paul Atkins
.....483164DE87DD4E7.....
Mr P Atkins
Chair of Trustees
Date: 7 December 2022

DocuSigned by:
Stephanie Moran
.....CB8DA7CC4DFE48C.....
Mrs S Moran
Accounting Officer

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

On appointment of a new Trustee in the year the Trust did not notify the DfE via the get information about schools register within 14 days, although this has since been updated.

DocuSigned by:
Stephanie Moran
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Mrs S Moran
Accounting Officer
Date: 7 December 2022

Esprit Multi Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2022

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:

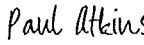
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

DocuSigned by:

.....483164DE87DD4E7.....
Mr P Atkins
Chair of Trustees
Date: 7 December 2022

Esprit Multi Academy Trust
(A company limited by guarantee)

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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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.

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Esprit Multi Academy Trust
(A company limited by guarantee)

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 Education 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
(A company limited by guarantee)

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 academy trust'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 Audit Limited

Statutory Auditor
Chartered Accountants

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

7 December 2022

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 7 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

On appointment of a new Trustee in the year the Trust did not notify the DfE via the get information about schools register within 14 days, although this has since been updated.



Dains Audit Limited

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

Date: 7 December 2022

Esprit Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	1,629	-	20,692	22,321	24,792
Other trading activities	5	167,758	-	-	167,758	119,398
Investments	6	128	-	-	128	85
Charitable activities: Funding for academy trust's educational operations	4	5,506	4,540,023	-	4,545,529	4,580,398
Total income		175,021	4,540,023	20,692	4,735,736	4,724,673
Expenditure on:						
Raising funds	7	57,167	-	-	57,167	65,544
Charitable activities: Academy trust educational operations	7	12,046	4,546,700	137,272	4,696,018	4,771,447
Total expenditure		69,213	4,546,700	137,272	4,753,185	4,836,991
Net income/ (expenditure)		105,808	(6,677)	(116,580)	(17,449)	(112,318)
Transfers between funds	17	-	(15,739)	15,739	-	-
Net movement in funds before other recognised gains/(losses)		105,808	(22,416)	(100,841)	(17,449)	(112,318)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	3,782,000	-	3,782,000	(953,000)
Net movement in funds		105,808	3,759,584	(100,841)	3,764,551	(1,065,318)

Esprit Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	158,270	(3,422,217)	5,876,312	2,612,365	3,677,683
Net movement in funds	105,808	3,759,584	(100,841)	3,764,551	(1,065,318)
Total funds carried forward	264,078	337,367	5,775,471	6,376,916	2,612,365

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 40 to 67 form part of these financial statements.

Esprit Multi Academy Trust
(A company limited by guarantee)

Balance sheet
As at 31 August 2022

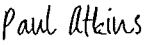
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	5,706,007	5,827,540
		<u>5,706,007</u>	<u>5,827,540</u>
Current assets			
Debtors	15	115,664	99,566
Cash at bank and in hand		1,378,075	950,245
		<u>1,493,739</u>	<u>1,049,811</u>
Creditors: amounts falling due within one year	16	(389,830)	(427,986)
Net current assets		<u>1,103,909</u>	<u>621,825</u>
Total assets less current liabilities		<u>6,809,916</u>	<u>6,449,365</u>
Net assets excluding pension liability		<u>6,809,916</u>	<u>6,449,365</u>
Defined benefit pension scheme liability	23	(433,000)	(3,837,000)
Total net assets		<u><u>6,376,916</u></u>	<u><u>2,612,365</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	5,775,471	5,876,312
Restricted income funds	17	770,367	414,783
		<u>6,545,838</u>	<u>6,291,095</u>
Restricted funds excluding pension asset	17	6,545,838	6,291,095
Pension reserve	17	(433,000)	(3,837,000)
Total restricted funds	17	<u>6,112,838</u>	<u>2,454,095</u>
Unrestricted income funds	17	<u>264,078</u>	<u>158,270</u>
Total funds		<u><u>6,376,916</u></u>	<u><u>2,612,365</u></u>

Registered number: 10481082

Esprit Multi Academy Trust
(A company limited by guarantee)

Balance sheet (continued)
As at 31 August 2022

The financial statements on pages 35 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

483164DE87DD4E7...

Mr P Atkins
Chair of Trustees
Date: 7 December 2022

The notes on pages 40 to 67 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	422,749	415,924
Cash flows from investing activities			
	20	5,081	(280)
		<u>427,830</u>	<u>415,644</u>
Change in cash and cash equivalents in the year		427,830	415,644
Cash and cash equivalents at the beginning of the year		950,245	534,601
Cash and cash equivalents at the end of the year	21, 22	<u><u>1,378,075</u></u>	<u><u>950,245</u></u>

The notes on pages 40 to 67 form part of these financial statements

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 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.

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

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 fundraisin activities events and non-charitable trading.

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

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.

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

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.

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

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.

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	1,629	-	1,629	3,477
Capital Grants	-	20,692	20,692	21,315
	<u>1,629</u>	<u>20,692</u>	<u>22,321</u>	<u>24,792</u>
<i>Total 2021</i>	<u>3,477</u>	<u>21,315</u>	<u>24,792</u>	

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

4. Funding for the academy trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational Operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,460,587	3,460,587	3,333,082
Other DfE/ESFA grants				
Pupil Premium	-	365,140	365,140	353,046
Teachers pension grant	-	10,651	10,651	132,869
UIFSM grant	-	78,914	78,914	91,144
Rates relief	-	14,080	14,080	16,052
PE and sports grant	-	54,220	54,220	54,480
Other DfE/ESFA grants	-	85,612	85,612	61,750
	-	4,069,204	4,069,204	4,042,423
Other Government grants				
Additional educational needs	-	68,199	68,199	91,893
Nursery education grants	-	245,441	245,441	279,350
Other local authority grants	-	7,285	7,285	-
	-	320,925	320,925	371,243
Other income from the academy trust's educational operations	5,506	111,324	116,830	78,872
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	38,570	38,570	57,680
Other DfE/ESFA COVID-19 funding	-	-	-	30,180
	-	38,570	38,570	87,860
	5,506	4,540,023	4,545,529	4,580,398
<i>Total 2021</i>	-	4,580,398	4,580,398	

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

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
After school club income	68,902	68,902	62,598
Staff services	3,106	3,106	3,657
Supply teacher insurance income	33,685	33,685	6,630
Other trading income	62,065	62,065	46,513
	<u>167,758</u>	<u>167,758</u>	<u>119,398</u>
<i>Total 2021</i>	<u>119,398</u>	<u>119,398</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	128	128	85
	<u>85</u>	<u>85</u>	
<i>Total 2021</i>	<u>85</u>	<u>85</u>	

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on fundraising trading activities:					
Direct costs	57,167	-	-	57,167	65,544
Educational Operations:					
Direct costs	2,964,128	-	207,718	3,171,846	3,345,557
Allocated support costs	348,575	472,991	702,606	1,524,172	1,425,890
	<u>3,369,870</u>	<u>472,991</u>	<u>910,324</u>	<u>4,753,185</u>	<u>4,836,991</u>
<i>Total 2021</i>	<u>3,667,916</u>	<u>481,037</u>	<u>688,038</u>	<u>4,836,991</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	<u>3,171,846</u>	<u>1,524,172</u>	<u>4,696,018</u>	<u>4,771,447</u>
<i>Total 2021</i>	<u>3,345,557</u>	<u>1,425,890</u>	<u>4,771,447</u>	

Esprit Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	2,964,128	3,238,585
Educational supplies	26,442	13,901
Staff development	7,669	3,934
Technology costs	60,278	53,852
Consultancy costs	79,124	25,038
Other costs	31,457	9,705
Recruitment and other staff expenses	2,748	542
	<u>3,171,846</u>	<u>3,345,557</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
LGPS net finance cost	66,000	46,000
Staff costs	348,575	363,787
Depreciation	137,272	137,093
Catering	285,309	209,577
Staff development	2,960	2,429
Technology costs	47,180	59,515
Other costs	98,205	143,673
Maintenance of premises & equipment	159,745	203,842
Cleaning	109,074	86,499
Rates	14,080	14,080
Security	1,738	1,365
Energy	59,972	60,283
Legal and professional	140,240	64,563
Transport	3,349	808
Other premises costs	50,473	32,376
	<u>1,524,172</u>	<u>1,425,890</u>

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets:		
- owned by the charity	137,272	137,093
Operating lease rentals	4,868	15,770
PFI costs	244,211	238,167
Fees paid to auditors for:		
- audit	9,350	8,650
- other services	3,300	2,170
	<u>9,350</u>	<u>8,650</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,154,213	2,501,908
Social security costs	199,192	232,802
Pension costs	852,099	835,810
	<u>3,205,504</u>	<u>3,570,520</u>
Agency staff costs	164,366	28,814
Staff restructuring costs	-	68,582
	<u>3,369,870</u>	<u>3,667,916</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	54,998
Severance payments	-	13,584
	<u>-</u>	<u>68,582</u>

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10. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Management	6	9
Teachers	31	32
Admin and support	61	77
	<u>98</u>	<u>118</u>

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
	<u>-</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £278,091 (2021 - £347,116).

During the year, the Trust obtained exceptional approval from the ESFA for the appointment of an Accounting Officer that was not employed by the Trust. The trust made off-payroll arrangements payments to the Frank Field Education Trust for their use of an Accounting Officer which amounted to £80,000 (2021 - N/A).

During the year, the trust made a one off honorarium payment to an employee for their services to the trust above their contracted role. The total cost of this honorarium payment including employers NIC's and pension was £5,580 (2021 - £Nil).

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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 5% (2021 - 10%) of the general annual grant received by the academies plus any specific support costs.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Northwood Broom Academy	38,718	78,423
Hamilton Academy	37,830	71,876
Grove Academy	96,481	183,014
Total	173,029	333,313

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:

	2022	2021
	£	£
Mrs S Moran, Executive Principal & Accounting Officer (until 8 September 2021)	N.A	85,000 - 90,000
Pension contributions paid	N.A	20,000 - 25,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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.

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14. Tangible fixed assets

	Long-term leasehold land and buildings £	Property Improve- ments £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	5,767,329	458,965	89,810	6,316,104
Additions	-	-	15,739	15,739
At 31 August 2022	<u>5,767,329</u>	<u>458,965</u>	<u>105,549</u>	<u>6,331,843</u>
Depreciation				
At 1 September 2021	423,582	16,372	48,610	488,564
Charge for the year	105,895	7,107	24,270	137,272
At 31 August 2022	<u>529,477</u>	<u>23,479</u>	<u>72,880</u>	<u>625,836</u>
Net book value				
At 31 August 2022	<u>5,237,852</u>	<u>435,486</u>	<u>32,669</u>	<u>5,706,007</u>
At 31 August 2021	<u>5,343,747</u>	<u>442,593</u>	<u>41,200</u>	<u>5,827,540</u>

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	628	2,827
VAT repayable	26,324	21,332
Prepayments and accrued income	88,712	75,407
	<u>115,664</u>	<u>99,566</u>

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16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	107,627	117,377
Other taxation and social security	45,943	48,051
Other creditors	57,376	65,405
Accruals and deferred income	178,884	197,153
	<u>389,830</u>	<u>427,986</u>
	2022 £	2021 £
Deferred income at 1 September	64,054	63,818
Resources deferred during the year	56,777	64,054
Amounts released from previous periods	(64,054)	(63,818)
	<u>56,777</u>	<u>64,054</u>

Amount included in deferred income related to grant income received in advance for the year 2022/23.

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17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	158,270	175,021	(69,213)	-	-	264,078
Restricted funds						
General Annual Grant (GAG)	409,097	3,460,587	(3,089,264)	(15,739)	-	764,681
Pupil Premium	-	365,140	(365,140)	-	-	-
Teachers Pension grant	-	10,651	(10,651)	-	-	-
UIFSM grant	-	78,914	(78,914)	-	-	-
Rates relief	-	14,080	(14,080)	-	-	-
PE and sports grant	5,686	54,220	(54,220)	-	-	5,686
Other DfE/ESFA grants	-	85,612	(85,612)	-	-	-
Nursery grants	-	245,441	(245,441)	-	-	-
Other government grants	-	75,484	(75,484)	-	-	-
Catch-up premium	-	38,570	(38,570)	-	-	-
Other restricted funding	-	111,324	(111,324)	-	-	-
Pension reserve	(3,837,000)	-	(378,000)	-	3,782,000	(433,000)
	<u>(3,422,217)</u>	<u>4,540,023</u>	<u>(4,546,700)</u>	<u>(15,739)</u>	<u>3,782,000</u>	<u>337,367</u>

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17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Assets donated on conversion	5,343,749	-	(105,896)	-	-	5,237,853
DfE/ESFA capital grants	510,040	20,692	(29,488)	-	-	501,244
Capital expenditure from GAG	22,523	-	(1,888)	15,739	-	36,374
	<u>5,876,312</u>	<u>20,692</u>	<u>(137,272)</u>	<u>15,739</u>	<u>-</u>	<u>5,775,471</u>
Total Restricted funds	<u>2,454,095</u>	<u>4,560,715</u>	<u>(4,683,972)</u>	<u>-</u>	<u>3,782,000</u>	<u>6,112,838</u>
Total funds	<u><u>2,612,365</u></u>	<u><u>4,735,736</u></u>	<u><u>(4,753,185)</u></u>	<u><u>-</u></u>	<u><u>3,782,000</u></u>	<u><u>6,376,916</u></u>

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 2022.

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
Unrestricted funds	100,854	122,960	(65,544)	-	-	158,270
Restricted general 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	-	30,180	(30,180)	-	-	-
Other restricted funding	-	78,872	(78,872)	-	-	-
Pension reserve	(2,617,000)	-	(267,000)	-	(953,000)	(3,837,000)
	<u>(2,393,581)</u>	<u>4,580,398</u>	<u>(4,634,354)</u>	<u>(21,680)</u>	<u>(953,000)</u>	<u>(3,422,217)</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
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
	<u>5,970,410</u>	<u>21,315</u>	<u>(137,093)</u>	<u>21,680</u>	<u>-</u>	<u>5,876,312</u>
Total Restricted funds	<u>3,576,829</u>	<u>4,601,713</u>	<u>(4,771,447)</u>	<u>-</u>	<u>(953,000)</u>	<u>2,454,095</u>
Total funds	<u><u>3,677,683</u></u>	<u><u>4,724,673</u></u>	<u><u>(4,836,991)</u></u>	<u><u>-</u></u>	<u><u>(953,000)</u></u>	<u><u>2,612,365</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Grove Academy	529,549	276,269
Hamilton Academy	(36,075)	(111,289)
Northwood Broom Academy	293,884	173,330
Central Services	247,087	234,743
	<u>1,034,445</u>	<u>573,053</u>
Total before fixed asset funds and pension reserve	1,034,445	573,053
Restricted fixed asset fund	5,775,471	5,876,312
Pension reserve	(433,000)	(3,837,000)
	<u>6,376,916</u>	<u>2,612,365</u>
Total	<u><u>6,376,916</u></u>	<u><u>2,612,365</u></u>

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17. Statement of funds (continued)

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

	Deficit £
Hamilton Academy	(36,075)

The academy trust is taking the following action to return the academy to surplus:

A balanced budget for Hamilton has been set for the academic year 2022-23. The school achieved a surplus in the year however it remains in a deficit position due to previous brought forward funds. 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.

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 2022 £	Total 2021 £
Northwood Broom academy	611,770	58,213	85,122	182,605	937,710	989,736
Hamilton academy	559,516	62,951	77,853	263,554	963,874	1,053,479
Grove academy	1,474,252	92,279	148,776	454,184	2,169,491	2,064,906
Central Services	6,590	135,132	-	25,116	166,838	322,129
Academy trust	2,652,128	348,575	311,751	925,459	4,237,913	4,430,250

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	5,706,007	5,706,007
Current assets	264,078	1,160,197	69,464	1,493,739
Creditors due within one year	-	(389,830)	-	(389,830)
Provisions for liabilities and charges	-	(433,000)	-	(433,000)
Total	264,078	337,367	5,775,471	6,376,916

Analysis of net assets between funds - prior 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	842,769	48,772	1,049,811
Creditors due within one year	-	(427,986)	-	(427,986)
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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19. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(17,449)	(112,318)
Adjustments for:		
Depreciation	137,272	137,093
Capital grants from DfE and other capital income	(20,692)	(21,315)
Interest receivable	(128)	(85)
Defined benefit pension scheme cost less contributions payable	312,000	221,000
Defined benefit pension scheme finance cost	66,000	46,000
(Increase)/decrease in debtors	(16,098)	159,396
Decrease in creditors	(38,156)	(13,847)
Net cash provided by operating activities	422,749	415,924

20. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	128	85
Purchase of tangible fixed assets	(15,739)	(21,680)
Capital grants from DfE Group	20,692	21,315
Net cash provided by/(used in) investing activities	5,081	(280)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,378,075	950,245
Total cash and cash equivalents	1,378,075	950,245

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22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	950,245	427,830	1,378,075
	<u>950,245</u>	<u>427,830</u>	<u>1,378,075</u>

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 £57,376 were payable to the schemes at 31 August 2022 (2021 - £65,405) 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.

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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 £309,000 (2021 - £342,000).

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 2022 was £285,000 (2021 - £336,000), of which employer's contributions totalled £234,000 (2021 - £274,000) and employees' contributions totalled £ 51,000 (2021 - £62,000). The agreed contribution rates for future years are 26.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.45	3.30
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90
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:

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21.2	21.4
Females	23.8	24.0
<i>Retiring in 20 years</i>		
Males	22.2	22.5
Females	25.5	25.7

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(106)	(205)
Discount rate -0.1%	106	205
Salary increase rate +0.1%	10	18
Salary increase rate -0.1%	(10)	(18)
CPI rate +0.1%	97	184
CPI rate -0.1%	(97)	(184)
1 year increase in member life expectancy	137	265
1 year decrease in member life expectancy	(137)	(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:

	At 31 August 2022	At 31 August 2021
	£	£
Equities	2,162,000	1,984,000
Bonds	480,000	531,000
Property	270,000	196,000
Cash and other liquid assets	90,000	84,000
Total market value of assets	3,002,000	2,795,000

The actual return on scheme assets was £(64,000) (2021 - £446,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£	£
Current service cost	(546,000)	(495,000)
Interest income	48,000	37,000
Interest cost	(114,000)	(83,000)
Total amount recognised in the Statement of financial activities	(612,000)	(541,000)

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

	2022	2021
	£	£
At 1 September	6,632,000	4,643,000
Current service cost	546,000	495,000
Interest cost	114,000	83,000
Employee contributions	51,000	62,000
Actuarial (gains)/losses	(3,898,000)	1,362,000
Benefits paid	(10,000)	(13,000)
At 31 August	3,435,000	6,632,000

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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:

	2022 £	2021 £
At 1 September	2,795,000	2,026,000
Interest income	48,000	37,000
Actuarial (losses)/gains	(116,000)	409,000
Employer contributions	234,000	274,000
Employee contributions	51,000	62,000
Benefits paid	(10,000)	(13,000)
At 31 August	<u>3,002,000</u>	<u>2,795,000</u>

24. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Within 1 year	7,905	4,434
Between 1 and 5 years	17,593	15,518
	<u>25,498</u>	<u>19,952</u>

25. Other financial commitments

At 31 August 2022 the academy trust had commitments under non-cancellable PFI contracts of:

	2022 £	2021 £
Within 1 year	244,211	239,617
Between 1 and 5 years	392,346	624,259
	<u>636,557</u>	<u>863,876</u>

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For the year ended 31 August 2022

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 Academy Trust 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.