

**ESPRIT Multi Academy Trust**

Trustees' Report and Financial Statements

For the Year Ended 31 August 2018



**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Contents**

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	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 10
<b>Governance statement</b>	11 - 13
<b>Statement on regularity, propriety and compliance</b>	14
<b>Statement of Trustees' responsibilities</b>	15
<b>Independent auditors' report on the financial statements</b>	16 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities incorporating income and expenditure account</b>	21
<b>Balance sheet</b>	22
<b>Statement of cash flows</b>	23
<b>Notes to the financial statements</b>	24 - 49

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details**  
**For the Year Ended 31 August 2018**

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**Members**

Mr S Lees  
Mr J Williamson  
Mrs E Gaffney  
Mr G Cartlidge  
Mrs M Yates

**Trustees**

Mrs E Gaffney, Chair of Trustees<sup>1</sup>  
Mr R Johnstone  
Mr S Bray<sup>1</sup>  
Ms M Chadwick  
Mrs K Longson<sup>1</sup>  
Mr S Lees<sup>1</sup>  
Mrs S Moran, Executive Principal & Accounting Officer<sup>1</sup>  
Mrs N Davis (appointed 20 August 2018)  
Mr A Tomkins (appointed 20 August 2018)

<sup>1</sup> Audit committee membership

**Company registered number**

10481082

**Company name**

ESPRIT Multi Academy Trust

**Principal and registered office**

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

**Executive Principal**

Mrs S Moran

**Senior management team**

Mrs S Moran, Executive Principal & Accounting officer  
Mrs S Carrigan, Principal  
Mrs S Machin, Principal  
Mrs Y Glaister, Principal  
Mrs L Lancaster, Business manager

**Independent auditors**

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

**Bankers**

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

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy trust, its Trustees and Advisers**  
**For the Year Ended 31 August 2018**

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**Advisers (continued)**

**Solicitors**

Mark Redler & Co., 23 Greengate Street, Stafford, Staffordshire, ST16 2HS

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

**Structure, governance and management**

**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 purpose of company law.

The charitable company is known as ESPRIT Multi Academy Trust.

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

**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.

**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 provide the Trustees to a maximum aggregated value of £10 million during any one year of membership.

**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.

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

All trustees are provided with the governance handbook and any other document that will support them in their role as a trustee. They are signposted to all policies and procedures which govern the running of the academies. They are encouraged to take part in the induction training course run by Stoke Governor Services once elected. All policies and procedures are reviewed annually by the trustees. Skills audits are completed annually and analysis of these determine high priority CPD, for example, Academies Finance Handbook 2017.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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**Organisational structure**

The structure of the trust consists of a board of trustees and one local community governing body for the three academies. Decisions delegated to the board of trustees are defined in the financial scheme of delegation. Other decisions are delegated to the board of trustees and the local governing body are defined in the overarching scheme of delegation. Management Structure consists of an Executive Principal, a Principal at Grove Academy, a principal at Hamilton Academy and a deputy Principal at Northwood Broom Academy effective 1 September 2018. Grove Academy has additional deputy positions with Northwood and Hamilton Academies having Assistant Principal posts. There is an Executive Business Manager for the Trust, and a Senior Administration and Finance Officer 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.

**Pay policy for 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.

**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**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	-
1%-50%	-
51%-99%	-
100%	-

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

	<b>£</b>	
Total cost of facility time	-	
Total pay bill	-	
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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**Connected organisations, including related party relationships**

There are no connected organisations or related party relationships other than those noted in note 26 to the financial statements.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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**Objectives and Activities**

**Objects and aims**

**The Vision of the Trust**

ESPRIT MAT's vision is to establish world class academies that are centres of excellence for leadership and teaching, learning and where pupils are safe and engaged in their learning.

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

**The Aim of the Trust**

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

**How the Trust realises its vision and aims is simple**

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

**Objectives, strategies and activities**

The main objectives of the Academy Trust during the year ending 31 August 2018 are summarised below:-

**ESPRIT Multi Academy Trust Development Plan Key priorities for Academic Year 2017/18**

- Form and develop a Multi Academy Trust with an effective Governance structure which ensures all Trustees and Governors understand their roles fully.
- Ensure Governance structures and meetings enable Trustees to challenge schools' leaders on all aspects of school life, effective use of staff and resources to ensure the best teaching, learning and outcomes for pupils.
- Implement effective, permanent and sustainable leadership and management structures at a central level within the Academy Trust and at a senior level across all schools.
- Executive Principal to develop/coach and lead changes to SLTs in all schools within the Academy Trust.
- Develop new posts of phase and year group leaders across each school.
- Evidence how the views of pupils and parents are listened to and directly used to impact on our school's effectiveness.
- Embed skilled, permanent and sustainable leadership and management structures.
- Ensure Safeguarding is a priority and continues to be highly effective with a culture of vigilance where pupils' welfare is actively promoted and pupils are listened to and feel safe.

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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- Ensure staff have access to CPD that impacts on academy priorities, raising standards and improving provision.
- Ensure that there is a robust academy evidence base to justify leadership judgements.
- To ensure all teaching, learning & assessment in our schools is consistently good and better.
- Review approaches to teaching mathematics to ensure adequate time for children to embed the necessary knowledge, understanding and skills to make sustained and substantial progress.
- Review Homework to ensure it is manageable, builds on basic skills and parents are helped to support their child.
- Review marking policy to provide pupils with incisive feedback, in line with the assessment policy, about what pupils can do to improve their knowledge, understanding and skills. The pupils use this feedback effectively.

**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**

**Key performance indicators**

Foundation Stage, Phonics and Key stage 1 Results

Subject	HAMILTON	NORTHWOOD	National 2018
FS - GLD	70	54	71
Y1 Phonics	75	79	83
Y2 Phonics	90	95	92
KSI Reading	72	80	75
KSI Writing	70	77	70
KSI Maths	78	78	76

Key Stage 2 Results

Subject	GROVE	National 2018
KS2 Reading	50	72
KS2 Writing	61	76
KS2 SPAG	65	77
KSI Maths	53	75
KS2 RWM	40	61



### **Going concern**

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

### **Financial review**

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 grant 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 2018, the Academy Trust has restricted general funds income of £4,163,216 (excluding income transferred on conversion) and associated expenditure of £4,652,352 (excluding LGPS pension costs).

The Academy Trust has unrestricted income that relates to trading activities that totals £176,090 and investment income of £335 (excluding unrestricted income transferred on conversion) for the year and related expenditure of £103,067.

During the year the amount transferred on conversion amounted to £5,405,102, this was allocated as follows: £629,072 in unrestricted fund, a deficit of £1,015,839 in relation to restricted fund and £5,791,869 to restricted fixed assets funds.

At 31 August 2018 the net book value of fixed assets was £5,701,529 and the movement in tangible fixed assets are shown in note 13 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 2018 totalled £1,015,000.

At 31 August 2018 the funds of the Academy Trust were as follows: £nil included in general restricted funds, £5,949,197 included in restricted fixed assets funds, deficit balance of £1,015,000 included in restricted pension reserve and £295,637 included in unrestricted funds.

### **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 total value of the funds in the Academy Trust at the 31 August 2018 amounted to £5,229,834.

At 31 August 2018 the restricted fixed asset fund amounting to £5,949,197 which included the net book value of fixed assets of £5,701,529 and £247,668 of unspent capital grant income.

The Local Government Pension Scheme (LGPS) reserve at 31 August 2018 totalled £1,015,000.

General restricted funds amounted to £nil at 31 August 2018.

At 31 August 2018 unrestricted funds carried forward amounted to £295,637.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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**Investments policy**

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

**Principal risks and uncertainties**

Principal risks to the trust are pupil numbers and pension fund deficit transferred to the trust from the Local authority upon conversion. Pupil numbers are affected by high mobility within the local community. All academies within the trust have spaces available which need to be reduced to ensure we are viable in future years. There is significant investment needed in the academy building at Grove Academy, a large amount of this will be funded via the PFI contract.

**Fundraising**

Fundraising during this year has been completed in several ways.

- CIF – Entrust have assisted in applying for CIF funding for two of the academies;
- Parent Forum/In academy fundraising – each academy has hosted events within their school buildings and grounds to raise funds for improving resources or to make specific purchases within their academy;
- School fund collections are made at regular intervals where parents and carers are invited to contribute to events and projects, either by donating cash or by donating products for resale / use in fairs.

**Plans for future periods**

**Future developments**

Key priorities for the Academy Trust during the 2018/19 academic year are:

**Effectiveness of Leadership in and Management of the Trust**

- (a) Executive Principal to develop/coach and lead changes to SLTs in all schools within the Trust.
- (b) Develop new posts of key stage leaders in smaller schools and Year Group Leaders in larger schools across all schools.
- (c) Implement new quality assurance systems between all 3 schools to ensure better consistency in practice thus preventing isolated practice.
- (d) Update the MAT Governance handbook to ensure best practice following external review.
- (e) Review SEN systems across Academy Trust.
- (f) Embed effective safeguarding provision and introduce an electronic system for recording and reporting.

### **Quality of Teaching, Learning and Assessment**

Maintain and improve standards in teaching by ensuring that:

- (a) All Leadership SCP teachers model outstanding practice across all aspects of school provision.
- (b) All upper pay scale teachers make a significant impact on the quality of provision in their own classroom and to that of the wider school community.
- (c) All main scale teachers (including UQ grade) triangulate as consistently good practitioners.
- (d) All NQT's have an experienced mentor and complete their year moving towards consistently good practitioners.
- (e) All Teach First/Graduate Trainee participants complete their year securely at RI ready to work towards the National Teaching Standards.
- (f) To ensure that teaching staff have high expectations (re children's best work) and develop presentation and handwriting amongst children and staff.
- (g) Revisit the marking policy to ensure basic skills in children's work is highlighted all of the time to ensure improvements can be made for each individual and that peer and self assessment are routinely used.
- (h) Embed mathematics teaching to ensure children make sustained and substantial progress.
- (i) Ensure an immersion in quality texts enables pupils to read well and widely across the curriculum, with enjoyment, fluency and comprehension.

### **Personal Development, Behaviour and Welfare**

- (a) Staff use safeguarding systems routinely and diligently.
- (b) Attendance policies and procedures are implemented rigorously to ensure 97% attendance.
- (c) Pupils work hard with the school to prevent all forms of bullying.
- (d) Pupils can explain accurately and articulate confidently an age-appropriate understanding of healthy relationships and lifestyles.
- (e) Further develop pupil awareness of how to prevent the misuse of technology. All children to liaise by e-mail.
- (f) Revisit behaviour action plan to identify low level poor attitude issues at speed to ensure no loss of learning time and to ensure that children use positive behaviour strategies at all times and not just under supervision.

### **Outcomes for Children**

- (a) 100% pupils make good or better progress from their individual starting points and each cohort attains in line with or above national.
- (b) Develop assessment tool developed by trust for other curriculum areas of the foundation and arts subjects.
- (c) Close gap between disadvantaged and other pupils across all year groups in KS1 and 2.
- (d) Ensure children working at are at end of KS1 are monitored to ensure continued performance throughout KS2.
- (e) Continue to adequately prepare children for test conditions by providing regular tests in Reading, Writing and Maths.

Individual school development plans recognise the Academy Trust and individual school's key priorities.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on its behalf by:

*E. Jane Gaffney*

**Mrs E Gaffney**  
**Chair of Trustees**

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement**

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**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.

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 4 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
Mrs E Gaffney, Chair of Trustees	4	4
Mr R Johnstone	2	4
Mr S Bray	2	4
Ms M Chadwick	3	4
Mrs K Longson	3	4
Mr S Lees	2	4
Mrs S Moran	4	4
Mrs N Davis (appointed 20 August 2018)	0	0
Mr A Tomkins (appointed 20 August 2018)	0	0

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Gaffney	5	5
Mr S Bray	1	5
Mrs K Longson	2	5
Mr S Lees	3	5
Mrs S Moran	4	5

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**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:

Key Area	Initiative	Outcomes
Shared Resources	MAPA Training / Central Inclusion Hub	MAPA Training has been successfully shared with staff across all three academies reducing costs of sending staff on expensive courses and to offsite training venues. Central Inclusion Hub allowed for inclusion and safeguarding staff to focus on improving the support given to vulnerable children in order to improve consistency across the MAT.
Shared Staffing	Central staffing have been employed in the following roles:  Central Safeguarding Officer Data Protection Officer Sites Manager	Sharing staff in these roles has allowed the sharing of the cost of employment – reducing the potential costs to each academy and improving the ability to secure high calibre staff members.
Cloud based systems	Using cloud-based systems for Finance, HR reporting and storing of documents	The ability for staff to work collaboratively on documents and resources allowing for improved workflows, organisation and access to documents.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

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**The Risk and Control Framework**

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

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

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

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

- Payroll testing
- Purchase transaction testing
- Income transaction testing
- Control account review

On a quarterly basis, the external auditors report to the board of trustees through the audit 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:

*E. Jane Gaffney*

**Mrs E Gaffney**  
**Chair of Trustees**

*SM Moran*

**Mrs S Moran**  
**Accounting Officer**

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

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As Accounting Officer of ESPRIT Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

*SMoran.*

**Mrs S Moran**  
**Accounting Officer**

Date: 5 December 2018



**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities**  
**For the Year Ended 31 August 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:

*E. Jane Gaffney*

**Mrs E Gaffney**  
**Chair of Trustees**

**Date: 5 December 2018**

**Independent Auditors' Report on the Financial Statements to the Members of ESPRIT Multi Academy Trust**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Independent Auditors' Report on the Financial Statements to the Members of ESPRIT Multi Academy Trust**

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of ESPRIT Multi Academy Trust**

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**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.

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

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

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

**Use of our report**

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



Simon Hawkins (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

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

Date: 5.12.18

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to ESPRIT Multi Academy Trust and the Education & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by ESPRIT Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to ESPRIT Multi Academy Trust and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ESPRIT Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

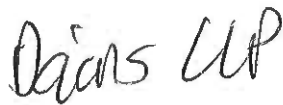
**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to ESPRIT Multi Academy Trust  
and the Education & Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Dains LLP**

Statutory Auditor  
Chartered Accountants

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

Date: 5.12.18

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the Year Ended 31 August 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations & capital grants:						
Transfer from local authority on conversion	2	629,072	(1,015,839)	5,791,869	5,405,102	-
Other donations and capital grants	2	-	-	258,340	258,340	-
Charitable activities:	3					
Funding for academy trust's educational operations		-	4,163,216	-	4,163,216	-
Other trading activities	4	176,090	-	-	176,090	-
Investments	5	335	-	-	335	-
<b>Total income</b>		<b>805,497</b>	<b>3,147,377</b>	<b>6,050,209</b>	<b>10,003,083</b>	<b>-</b>
<b>Expenditure on:</b>						
Raising funds		103,067	-	-	103,067	-
Charitable activities:						
Academy trust educational operations	7	-	4,875,352	106,830	4,982,182	-
<b>Total expenditure</b>	6	<b>103,067</b>	<b>4,875,352</b>	<b>106,830</b>	<b>5,085,249</b>	<b>-</b>
<b>Net income/ (expenditure) before transfers</b>		<b>702,430</b>	<b>(1,727,975)</b>	<b>5,943,379</b>	<b>4,917,834</b>	<b>-</b>
Transfers between Funds	16	(406,793)	400,975	5,818	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>295,637</b>	<b>(1,327,000)</b>	<b>5,949,197</b>	<b>4,917,834</b>	<b>-</b>
Actuarial gains on defined benefit pension schemes	22	-	312,000	-	312,000	-
<b>Net movement in funds</b>		<b>295,637</b>	<b>(1,015,000)</b>	<b>5,949,197</b>	<b>5,229,834</b>	<b>-</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	-	-	-	-
<b>Total funds carried forward</b>		<b>295,637</b>	<b>(1,015,000)</b>	<b>5,949,197</b>	<b>5,229,834</b>	<b>-</b>

The notes on pages 24 to 49 form part of these financial statements.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 10481082**

**Balance Sheet**  
**As at 31 August 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	13		5,701,529		-
<b>Current assets</b>					
Debtors	14	288,216		-	
Cash at bank and in hand		717,710		-	
			<u>1,005,926</u>		
<b>Creditors:</b> amounts falling due within one year	15	(462,621)		-	
<b>Net current assets</b>			<u>543,305</u>		-
<b>Total assets less current liabilities</b>			<u>6,244,834</u>		-
Defined benefit pension scheme liability	22		(1,015,000)		-
<b>Net assets including pension scheme liabilities</b>			<u><u>5,229,834</u></u>		<u><u>-</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds excluding pension liability		5,949,197		-	
Pension reserve		(1,015,000)		-	
Total restricted income funds			<u>4,934,197</u>		-
Unrestricted income funds	16		<u>295,637</u>		-
<b>Total funds</b>			<u><u>5,229,834</u></u>		<u><u>-</u></u>

The financial statements on pages 21 to 49 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

*E. Jane Gaffney*  
**Mrs E Gaffney**  
**Chair of Trustees**

The notes on pages 24 to 49 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 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<u>(206,110)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		335	-
Purchase of tangible fixed assets		(39,730)	-
Capital grants from DfE Group		234,606	-
Cash received on conversion		728,609	-
<b>Net cash provided by investing activities</b>		<u>923,820</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		<b>717,710</b>	<b>-</b>
Cash and cash equivalents brought forward		-	-
<b>Cash and cash equivalents carried forward</b>	19	<u><u>717,710</u></u>	<u><u>-</u></u>

The notes on pages 24 to 49 form part of these financial statements.

**1. Accounting Policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

ESPRIT Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

**1. Accounting Policies (continued)**

**1.3 Income**

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

**1.6 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 Bank.

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**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. Accounting Policies (continued)**

**1.10 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 costs as detailed in note 15. 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**1. Accounting Policies (continued)**

The LGPS is a funded 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1. Accounting Policies (continued)**

**1.14 Conversion to an academy trust**

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

The assets and liabilities transferred on conversion from Grove Junior School, Hamilton Infant School and Northwood Broom Infant School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

**Leasehold land and buildings**

On the transfer date of 1 September 2018, the Academy Trust was gifted the leasehold rights to the schools' land and buildings by The City of Stoke-on-Trent Council. The school sites' values are based upon the valuation provided by the local authority under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard 102 (section 17). The school site has been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

**Local Government Pension Scheme (LGPS) deficit**

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained schools were transferred to ESPRIT Multi Academy Trust on 1 September 2018. The deficit on the Local Government Pension Scheme has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within the LGPS liability on the balance sheet.

**Cash**

Cash balances at 1 September 2018 in respect of the maintained schools and school funds were transferred to ESPRIT Multi Academy Trust. These cash balances have been credited as a donation in the Statement of Financial Activities under the Unrestricted Funds column and included within the cash and bank balances on the balance sheet.

**Net surplus**

A surplus from the Local Authority at 1 September 2018 was transferred for all three schools to ESPRIT Multi Academy Trust. This surplus has been included in the donation on conversion in the Statement of financial activities under the restricted funds.

Further details of the transaction are set out in note 20.

**1.15 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

**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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Long term leasehold land and buildings**

The long term leasehold land and buildings within the accounts relates to the academy 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 accordance 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.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	629,072	(1,015,839)	5,791,869	5,405,102	-
Capital Grants	-	-	258,340	258,340	-
	<u>629,072</u>	<u>(1,015,839)</u>	<u>6,050,209</u>	<u>5,663,442</u>	<u>-</u>



ESPRIT Multi Academy Trust  
(A company limited by guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	3,127,674	3,127,674	-
Pupil premium	-	275,018	275,018	-
Other DfE/ESFA grants	-	210,503	210,503	-
	-	3,613,195	3,613,195	-
<b>Other government grants</b>				
Nursery education grants	-	332,392	332,392	-
Additional educational needs	-	143,702	143,702	-
Other local authority grants	-	3,000	3,000	-
	-	479,094	479,094	-
<b>Other funding</b>				
Catering income	-	69,327	69,327	-
Other self generated income	-	1,600	1,600	-
	-	70,927	70,927	-
	-	4,163,216	4,163,216	-
<b>Total 2017</b>	-	-	-	-

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
After school club income	153,395	-	153,395	-
Other trading income	1,095	-	1,095	-
Supply teacher insurance income	21,600	-	21,600	-
	176,090	-	176,090	-

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**5. Investment income**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Investment income	<u>335</u>	<u>-</u>	<u>335</u>	<u>-</u>

**6. Expenditure**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>
Expenditure on fundraising trading				
Direct costs	87,279	-	15,788	103,067
Support costs	-	-	-	-
Educational Operations:				
Direct costs	3,334,233	-	129,326	3,463,559
Support costs	368,229	367,433	782,961	1,518,623
	<u>3,789,741</u>	<u>367,433</u>	<u>928,075</u>	<u>5,085,249</u>

Expenditure in 2017 was £nil.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**7. Charitable activities**

	Total funds 2018 £	Total funds 2017 £
<b>Direct costs - educational operations</b>		
Wages and salaries	2,463,343	-
National insurance	216,472	-
Pension cost	654,418	-
Educational supplies	62,291	-
Examination fees	1,365	-
Staff development	14,549	-
Technology costs	38,929	-
Consultancy costs	11,443	-
Travel and subsistence	749	-
	<u>3,463,559</u>	<u>-</u>
<b>Support costs - educational operations</b>		
Wages and salaries	286,601	-
National insurance	20,567	-
Pension cost	61,061	-
Depreciation	106,830	-
LGPS net finance costs	30,000	-
Staff development	45,381	-
Technology costs	66,568	-
Consultancy costs	133,762	-
Recruitment and support	2,302	-
Maintenance of premises & equipment	243,850	-
Catering costs	235,543	-
Cleaning	120,659	-
Rates	20,935	-
Energy	47,308	-
Insurance	75,732	-
Transport	1,752	-
Other support costs	19,772	-
	<u>1,518,623</u>	<u>-</u>
	<u><u>4,982,182</u></u>	<u><u>-</u></u>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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**8. Net income/(expenditure)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>106,830</b>	-
Auditors' remuneration - audit	<b>8,000</b>	-
Auditors' remuneration - other services	<b>2,600</b>	-
Operating lease rentals	<b>29,724</b>	-
PFI costs	<b>212,307</b>	-
	<u><u>          </u></u>	<u><u>          </u></u>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**9. Staff**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,725,183	-
Social security costs	238,932	-
Operating costs of defined benefit pension schemes	721,690	-
	<u>3,685,805</u>	<u>-</u>
Agency staff costs	103,936	-
	<u>3,789,741</u>	<u>-</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Management	9	-
Teachers	35	-
Administration and support	107	-
	<u>151</u>	<u>-</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	0

**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 benefit (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £391,476 (2017 - £Nil).

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**10. 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% of the general annual grant received by the academies plus any specific support costs.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Northwood Broom Academy	84,729	-
Hamilton Academy	80,789	-
Grove Academy	170,953	-
	<u>336,471</u>	<u>-</u>
Total	<u>336,471</u>	<u>-</u>

**11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
Mrs S Moran, Executive Principal & Accounting Officer	Remuneration	75,000-80,000	N/a
	Pension contributions paid	20,000-25,000	N/a

During the year ended 31 August 2018, expenses totalling £584 (2017 - £NIL) were reimbursed to 1 Trustee (2017 - 0).

**12. Trustees' and Officers' Insurance**

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

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**13. Tangible fixed assets**

	Long-term leasehold property £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>				
Additions	-	5,818	33,912	39,730
Transferred on conversion	5,767,329	1,300	-	5,768,629
At 31 August 2018	<u>5,767,329</u>	<u>7,118</u>	<u>33,912</u>	<u>5,808,359</u>
<b>Depreciation</b>				
Charge for the year	105,895	935	-	106,830
At 31 August 2018	<u>105,895</u>	<u>935</u>	<u>-</u>	<u>106,830</u>
<b>Net book value</b>				
At 31 August 2018	<u>5,661,434</u>	<u>6,183</u>	<u>33,912</u>	<u>5,701,529</u>
At 31 August 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**14. Debtors**

	2018 £	2017 £
Trade debtors	14,252	-
VAT recoverable	112,094	-
Prepayments and accrued income	161,870	-
	<u>288,216</u>	<u>-</u>

**15. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	230,929	-
Other taxation and social security	54,632	-
Other creditors	60,809	-
Accruals and deferred income	116,251	-
	<u>462,621</u>	<u>-</u>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**15. Creditors: Amounts falling due within one year (continued)**

	2018 £	2017 £
<b>Deferred income</b>		
Resources deferred during the year	68,318	-
Deferred income at 31 August 2018	68,318	-

Amount included in deferred income related to grant income for the year 2018/19.

**16. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	-	805,497	(103,067)	(406,793)	-	295,637
General annual grant (GAG)	-	3,127,674	(3,528,649)	400,975	-	-
Pupil premium	-	363,179	(363,179)	-	-	-
Other DfE/ESFA grants	-	210,503	(210,503)	-	-	-
Nursery grants	-	332,392	(332,392)	-	-	-
Other government grants	-	146,702	(146,702)	-	-	-
Other restricted funds	-	70,927	(70,927)	-	-	-
Pension reserve	-	(1,104,000)	(223,000)	-	312,000	(1,015,000)
	-	3,147,377	(4,875,352)	400,975	312,000	(1,015,000)
Assets transferred on conversion	-	5,768,629	(106,220)	-	-	5,662,409
DfE/ESFA capital grants	-	281,580	-	-	-	281,580
Capital expenditure from GAG	-	-	(610)	5,818	-	5,208
	-	6,050,209	(106,830)	5,818	-	5,949,197
Total restricted funds	-	9,197,586	(4,982,182)	406,793	312,000	4,934,197
Total of funds	-	10,003,083	(5,085,249)	-	312,000	5,229,834



**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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**16. Statement of funds (continued)**

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 represents 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.

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Grove Academy	52,129	-
Hamilton Academy	40,543	-
Northwood Broom Academy	52,714	-
Central services	150,251	-
Total before fixed asset fund and pension reserve	<u>295,637</u>	<u>          </u>
Restricted fixed asset fund	5,949,197	
Pension reserve	(1,015,000)	
Total	<u><u>5,229,834</u></u>	<u><u>          </u></u>

**ESPRIT Multi Academy Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**16. Statement of funds (continued)**

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Northwood Broom academy	818,594	90,895	105,303	178,897	1,193,689	-
Hamilton academy	769,331	71,143	103,807	210,419	1,154,700	-
Grove academy	1,415,043	107,090	150,253	371,662	2,044,048	-
Central services	225,544	99,101	12,952	25,385	362,982	-
	<u>3,228,512</u>	<u>368,229</u>	<u>372,315</u>	<u>786,363</u>	<u>4,755,419</u>	

**Statement of funds - prior year**

	Balance at 16 November 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Total of funds	-	-	-	-	-	-

A current year 12 months and prior year 12 months combined position is consistent with the current year 12 months position due to no movement in the previous 12 months.

**17. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	5,701,529	5,701,529
Current assets	295,637	462,621	247,668	1,005,926
Creditors due within one year	-	(462,621)	-	(462,621)
Provisions for liabilities and charges	-	(1,015,000)	-	(1,015,000)
	<u>295,637</u>	<u>(1,015,000)</u>	<u>5,949,197</u>	<u>5,229,834</u>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**17. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
2017 £	2017 £	2017 £	2017 £
-	-	-	-

**18. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	4,917,834	-
<b>Adjustment for:</b>		
Depreciation charges	106,830	-
Dividends, interest and rents from investments	(335)	-
Increase in debtors	(264,482)	-
Increase in creditors	462,621	-
Capital grants from DfE and other capital income	(258,340)	-
Defined benefit pension scheme obligation inherited	1,104,000	-
Defined benefit pension scheme cost less contributions payable	193,000	-
Defined benefit pension scheme finance cost	30,000	-
Assets from local authority on conversion	(5,768,629)	-
Cash received from local authority on conversion	(728,609)	-
<b>Net cash used in operating activities</b>	<b>(206,110)</b>	<b>-</b>

**19. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	717,710	-
<b>Total</b>	<b>717,710</b>	<b>-</b>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**20. Conversion to an academy trust**

On 1 September 2017 Grove Junior School, Hamilton Infant School and Northwood Broom Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ESPRIT Multi Academy Trust from Stoke-on-Trent City Council for £NIL consideration.

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

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	£	£	£	£
Tangible fixed assets				
- Leasehold land and buildings	-	-	5,767,329	5,767,329
- Other tangible fixed assets	-	-	1,300	1,300
Budget surplus/(deficit) on LA funds	617,208	88,161	23,240	728,609
LGPS pension surplus/(deficit)	-	(1,104,000)	-	(1,104,000)
Net assets/(liabilities)	<u>617,208</u>	<u>(1,015,839)</u>	<u>5,791,869</u>	<u>5,393,238</u>

The above net assets include £728,609 that was transferred as cash. Included in this value was £167,768 of income that relates to MAT central income.

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**Grove Junior School**

On 1 September 2017 Grove Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ESPRIT Multi academy trust from The City of Stoke-on-Trent Council.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	2,704,482	2,704,482
- Other fixed assets	-	-	1,300	1,300
Budget surplus/(deficit) on LA funds	254,860	55,475	10,663	320,998
	<u>254,860</u>	<u>55,475</u>	<u>2,716,445</u>	<u>2,899,780</u>
Net assets (excluding LPS deficit)	<u>254,860</u>	<u>55,475</u>	<u>2,716,445</u>	<u>2,899,780</u>

The above net assets include £320,998 that were transferred as cash.

The leasehold land and buildings have been transferred on a 125 year lease from The City of Stoke-on-Trent Council.

The LPS pension deficit transferred to this school is included in the table for the MAT as a whole (the first table shown in note 20).

**Hamilton Infant School**

On 1 September 2017 Hamilton infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ESPRIT Multi academy trust from The City of Stoke-on-Trent Council.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	1,914,488	1,914,488
Budget surplus/(deficit) on LA funds	136,024	8,983	2,515	147,522
	<u>136,024</u>	<u>8,983</u>	<u>1,917,003</u>	<u>2,265,778</u>
Total	<u>136,024</u>	<u>8,983</u>	<u>1,917,003</u>	<u>2,265,778</u>

The above net assets include £147,522 that were transferred as cash.

The leasehold land and buildings have been transferred on a 125 year lease from The City of Stoke-on-Trent Council.

The LPS pension deficit transferred to this school is included in the table for the MAT as a whole (the first table shown in note 20).

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**Conversion to an academy trust (continued)**

**Northwood Broom Community School**

On 1 September 2017 Northwood Broom Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ESPRIT Multi academy trust from The City of Stoke-on-Trent Council.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total £</b>
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	1,148,359	1,148,359
Budget surplus/(deficit) on LA funds	58,556	23,703	10,062	92,321
	<u>58,556</u>	<u>23,703</u>	<u>1,158,421</u>	<u>1,331,680</u>
<b>Total</b>	<b>58,556</b>	<b>23,703</b>	<b>1,158,421</b>	<b>1,331,680</b>

The above net assets include £92,321 that were transferred as cash.

The leasehold land and buildings have been transferred on a 125 year lease from The City of Stoke-on-Trent Council.

The LGPS pension deficit transferred to this school is included in the table for the MAT as a whole (the first table shown in note 20).

**21. Capital commitments**

At 31 August 2018 the academy trust had capital commitments as follows:

	<b>2018 £</b>	<b>2017 £</b>
Contracted for but not provided in these financial statements	<u>203,421</u>	<u>-</u>

## **22. Pension commitments**

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

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

Contributions amounting to £49,268 were payable to the schemes at 31 August 2018 (2017 - £nil) and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £262,000 (2017 - £nil).

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

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**22. Pension commitments (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £328,000 (2017 - £nil), of which employer's contributions totalled £262,000 (2017 - £nil) and employees' contributions totalled £66,000 (2017 - £nil). The agreed contribution rates for future years are 22.6% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	- %
Rate of increase in salaries	2.70 %	- %
Rate of increase for pensions in payment / inflation	2.30 %	- %
Inflation assumption (CPI)	2.30 %	- %
Commutation of pensions to lump sums pre-April 2008	50.00 %	- %
Commutation of pensions to lump sums post -April 2008	75.00 %	- %

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

	2018	2017
Retiring today		
Males	22.1	-
Females	24.4	-
Retiring in 20 years		
Males	24.1	-
Females	26.4	-

	At 31 August 2018	At 31 August 2017
<b>Sensitivity analysis</b>	<b>£</b>	<b>£</b>
Discount rate -0.5%	345,000	-
Salary increase rate +0.5%	53,000	-
CPI rate +0.5%	288,000	-



**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**22. Pension commitments (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	812,000	-
Gilts	221,000	-
Corporate bonds	93,000	-
Property	35,000	-
	<u>1,161,000</u>	<u>-</u>
Total market value of assets	<u>1,161,000</u>	<u>-</u>

The actual return on scheme assets was £78,000 (2017 - £nil).

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

	2018 £	2017 £
Current service cost	(455,000)	-
Interest income	23,000	-
Interest cost	(53,000)	-
	<u>(485,000)</u>	<u>-</u>
Total	<u>(485,000)</u>	<u>-</u>
Actual return on scheme assets	<u>78,000</u>	<u>-</u>

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

	2018 £	2017 £
Upon conversion	1,875,000	-
Current service cost	455,000	-
Interest cost	53,000	-
Employee contributions	66,000	-
Actuarial gains	(273,000)	-
	<u>2,176,000</u>	<u>-</u>
Closing defined benefit obligation	<u>2,176,000</u>	<u>-</u>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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**22. Pension commitments (continued)**

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

	2018 £	2017 £
Upon conversion	771,000	-
Interest income	23,000	-
Actuarial gains	39,000	-
Employer contributions	262,000	-
Employee contributions	66,000	-
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,161,000</u>	<u>-</u>

**23. Operating lease commitments**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	29,724	-
Between 1 and 5 years	45,495	-
	<hr/>	<hr/>
Total	<u>75,219</u>	<u>-</u>

**24. Other financial commitments**

At 31 August 2018 the Academy trust had commitments under non-cancellable PFI contracts of:

	2018 £	2017 £
Within 1 year	220,340	-
Between 1 and 5 years	881,360	-
After more than 5 years	312,148	-
	<hr/>	<hr/>
<b>Total</b>	<u>1,413,848</u>	<u>-</u>

**ESPRIT Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

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**25. 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.

**26. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

J B S Joinery Limited is connected to ESPRIT Multi Academy Trust as the company is controlled by the spouse of a member of key management.

The trust purchased services from J B S Joinery Limited totalling £61,117 during the period. There were no amounts outstanding at 31 August 2018.

The trust made the purchases at arms length in accordance with its financial regulations.

In entering into these transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook 2017.

The element above £2,500 has been provided 'at no more than cost' and J B S Joinery Limited has provided a statement of assurance confirming this.