

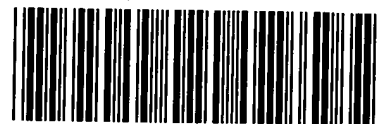
Company Registration Number: 07702119 (England and Wales)

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

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EMPOWER LEARNING ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Mr J McKernan
Mr M Evans
Mr D Forster
Mr G Adams (resigned 25 November 2015)
Ms S Simon

Trustees

Glen Adams¹ (resigned 25 November 2015)
Caroline Brennan (resigned 28 April 2016)
James Brooks ¹
Kevin Cole *
Steven Downham* ¹
Malcolm Evans *¹
Kirsty Fanning *
David Forster *
Victoria Hallett *
David Harries¹
Fatemeh Kamali ¹
Simon London, Head Teacher¹
Michelle McKee *
John McKernan, Chair¹
Sarah Simon
Keith Stewart
Jonathan Walshe *

*Resigned as directors in 27 September 2016

¹ Member of the Finance and Audit Committee

Company Secretary

Nigel Curtis

Senior Management Team

Headteacher	Simon London
Deputy Headteacher	Paul Cotier
Deputy Headteacher	Gordon Bamber
Deputy Headteacher	Maria Ducker (appointed 1/1/16)
Deputy Headteacher	Elaine Ward (resigned 31/12/15)
Assistant Headteacher	Nicola Afteni
Assistant Headteacher	Joe Hales
Assistant Headteacher	Victoria Hallett
Business Manager	Nigel Curtis

Company Name

Empower Learning Academy Trust

Principal and Registered Office

Marlborough Gardens
Upminster
Essex
RM14 1SF

EMPOWER LEARNING ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Company Registration Number 07702119 (England & Wales)

Independent Auditor MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers Lloyds Bank PLC
1-3 Market Place
Romford
Essex
RM1 3AA

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

EMPOWER LEARNING ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law. On the 27th February 2016 the name of the Company was changed from Hall Mead School to Empower Learning Academy Trust and the objects of the Company were also changed to able the Company to become a Multi Academy Trust (MAT), Hall Mead School is the Lead Academy in the Multi Academy Trust with Bower Park Academy and The Brittons Academy joining from the 1st September 2016

The financial statements have been prepared 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

During the year The Trust operated an Academy for pupils aged 11 to 16. It has a pupil capacity of 960 and had a roll of 960 in the school census on January 2016.

STRUCTURE AND GOVERNANCE

Constitution

The Academy is a company limited by guarantee with no share capital (registration number 07702119) and is an exempt charity. As an exempt charity, it is not required to be registered with the Charity Commission and instead is regulated by the Education Funding Agency (EFA) on behalf of the Department of Education. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Articles of Association require there to be at least 3 members of the Charitable Company who are responsible for the statutory and constitutional affairs of the Charitable Company and the appointment of Trustees who are responsible for the management of the Academy.

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.

The members are: - Mr J McKernan
 Mr M Evans
 Mr D Forster
 Mr G Adams (resigned 25 November 2015)
 Ms S Simon

Trustees

The Trustees are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charities legislation, and as such are responsible for all aspects of the operations of the Academy (and may be referred to herein as Governors, Trustees and/or Directors). Further details of the responsibilities of Governors are given in the sections below.

EMPOWER LEARNING ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Governing Body Composition

The Governors who, were in office at 31 August 2016, and served throughout the year and up to the date of this report, except where shown, are included in the Reference and Administrative Details pages of this Annual Report and Financial Statements. The Governing Body comprised of up to nine community governors, six parent governors, three staff governors and the Headteacher.

Governance Code

The Governing Body has adopted a Code of Practice and adheres to the Seven Principles of Public Life set out by the Nolan Committee. It has also set out a Scheme of Delegations and Financial Regulations to codify various matters for the better operation of the Academy's business and within which it expressly reserves specified significant matters for its sole decision.

Governing Body Committees

Membership of committees is reviewed and determined annually. Committee appointments may involve non Governing Body members, but the attendance of those Committee members who are not Governors is not detailed in the table on page 15 for reasons of brevity.

A brief overview of the Constitution and responsibilities of the seven principal committees of the Governing Body is given below. Other panels and working groups are formed as considered appropriate to deal with particular issues as they arise.

In addition to Governors, members of the Senior Leadership Team and other advisors will attend Committee meetings as necessary. The Governing Body as a whole also meets biannually with the Senior Leadership Team to undertake an operating review and receive training covering governor responsibilities.

Curriculum, Learning and Teaching Committee

The Curriculum Learning and Teaching Committee consist of between three and eight members. It meets at least four times per year and reviews and monitors the Academy's curriculum needs and the quality of teaching and learning. The Committee takes a strategic overview of the curriculum to ensure it reflects and reinforces the Academy's aims and values and the Academy meets the needs of the individual pupils and the locality within the framework set by Government; sets and monitors targets for attainment across the curriculum including progress; and approves Academy policies that support the delivery of the curriculum.

Finance and Audit Committee

The Finance and Audit Committee consists of between three and eight members and meets at least six times per year. It monitors Academy accounting policies, considers financial, funding and capital investment issues, and reviews the budget and management accounts. It oversees the strategic financial planning of the Academy; oversees the effective and efficient financial management of the Academy; and provides guidance and assistance to the Headteacher and the Governors in all matters relating to budgeting and finance.

The Finance and Audit Committee's audit functions are led by the vice chair of the committee and the work centres around ensuring the Academy has appropriate and effective systems of internal control and the management of risk.

EMPOWER LEARNING ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Premises, Health and Safety Committee

This Committee consists of between three and eight members and meets at least three times per year. It considers all matters connected with the Academy's premises and all health & safety issues relating to visitors, staff and pupils.

Pay Committee

This Committee consists of between three and eight members and meets at least once a year. It reviews Academy pay policy and determines pay progression.

Pupils and Personnel Committee

This Committee currently consists of between three and eight members and meets at least three times per year. It oversees the effective staffing of the Academy; supports and monitors the performance, continuous professional development and wellbeing of all staff; the contribution the pupils make to the Academy and wider community; and the wellbeing and behaviour of pupils.

Headteacher Performance Management Committee

This Committee currently comprises three Governors, including the Chair, Vice-Chair and one other Governor, elected annually and conducts the Headteacher's annual appraisal and pay review. It is supported by a suitably qualified external consultant appointed annually.

Governor Indemnities

The Articles of Association include provisions for the indemnification of Governors in respect of their actions in connection with the Academy. The Academy has in place Governors' and Officers' insurance for the benefit of Governors and other officers of the Academy. Details of the costs can be found in note 13 in the Financial Statements.

Principal Activities

The principal object and activity of the Charitable Company is the operation and development of Hall Mead School to provide education for pupils of different abilities between the ages of 11 and 16 and to offer a broad and balanced curriculum.

In accordance with the Articles of Association the Charitable Company has adopted a Scheme of Governance approved by the Secretary of State of the Department of Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Method of Recruitment and Appointment or Election of Governors

The recruitment and appointment of Governors is undertaken so far as possible in such a way as to seek to ensure the Governing Body has the balance of skills, knowledge and experience it considers necessary. Parent Governors are subject to election by the parents of pupils and staff Governors are subject to election by employees of the Academy. Community Governors are appointed by the Members of the Academy. The Governing Body also considers succession planning from time to time.

The members of the trust will appoint any new community Governors based on a majority vote.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Policies and Procedures Adopted for the Induction and Training of Trustees

As there are normally only two or three Governors appointed each year, induction tends to be undertaken informally and is tailored specifically to the individual, although all are allocated a mentor from amongst the other Governors. The training provided for new Governors depends upon their own experience although all Governors have access to web-based and traditional training provided by Havering Local Authority for all schools in the area. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors are given a tour of the Academy and a chance to meet staff and students. All Governors have access to copies of policies, procedures, minutes, accounts, budget, plans and other documents they may require to undertake their role as Governors.

Organisational Structure

The Academy's management structure consists of Governors, Headteacher, Senior Leadership Team and the teaching and support staff management teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting the strategic direction of the Academy, challenging and supporting the Academy by monitoring, reviewing and evaluating its performance and ensuring it is accountable to its stakeholders.

The Senior Leadership Team currently comprises the Headteacher, three Deputy Headteachers, three Assistant Headteachers and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group, the Senior Leadership Team are responsible for authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for senior staff will always involve a Governor. Some spending control is devolved to members of the management team, within limits, above which the Senior Leadership Team must countersign.

The teaching management team includes eight Directors of Faculty. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

The support staff management team consists of seven managers and are responsible for 55 Full Time Employees (FTE) members of staff.

Risk Management

The Governors, together with the Senior Leadership Team, have assessed the major risks to which the Academy is exposed; in particular, relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors consider that various systems are in existence to assess risks that the Academy faces. They have introduced systems, including operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains the Governors have, where deemed appropriate, put in place insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the value for money statement included within this report.

Connected Organisations, including Related Party Relationships

The Academy works in partnership with Havering Sixth Form College and Havering College of Further & Higher Education, to which many of the Academy's pupils transfer on completing their education.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Academy is the Sponsor Academy of a Multi Academy Trust with Bower Park Academy and The Brittons Academy with effect from the 1st September 2016. The Academy is also in the Havering Teacher Training Partnership, and is a National Teaching School which administers the training of new teachers in Havering schools funded by NCTL. Funds are held on behalf of these third parties.

The parents of pupils of the Academy are invited to attend and involve themselves in the activities of Hall Mead Friends Association (HMFA), a charity whose aim is to provide additional support to the Academy. During the year the Academy received donations of £55,000. On behalf of the Academy, the Governors wish to record their thanks for the continued support it receives from HMFA.

The Academy also runs The Havering Teacher Training Partnership.

Objectives and Activities

Objects, aims and objectives

As noted above the principal object and activity of the Charitable Company is the operation and development of Hall Mead School to provide education for pupils of different abilities between the ages of 11 and 16, offering a broad and balanced curriculum. The Academy is recognised as a Leading Edge Academy and National Support School. It is also a DfE designated National Teaching School.

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

The main objectives of the Academy during the year ended 31 August 2016 are summarised below:

- the education of young people between the ages of 11 - 16;
- to enable the development of successful learners, confident individuals and responsible citizens;
- to raise the standards of educational achievement of all pupils;
- to raise aspirations and broaden the horizons of all pupils in the Academy;
- to support the employees of the Academy to enable them to achieve the stretching goals set for attainment and progress of students.

Strategies and activities

The Academy's main strategy is encompassed in its mission statement "Traditional values...future thinking". To this end the activities include:

- appropriate learning opportunities for all students to enable them to achieve their best;
- training opportunities for all staff;
- a pastoral system that supports the ethos of the school;
- support for students' progression to the next phase of their learning.

Public Benefit

The Charitable Company's aims are set out in this report. The Governors have complied with their duty under section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the Governors have paid due regard to this guidance in deciding what activities the Charitable Company should undertake.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Academy was awarded Teaching School Status in 2014 and is the lead school in the 'Empower Teaching Alliance'. The Headteacher is a National Leader of Education and as such supports other schools locally and nationally.

Equal opportunity policy

The Governors recognise that equal opportunities should be an integral part of the good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The policy of the Academy is to support the recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

Achievements and Performance

The Academy has just completed its fifth year of operation and has strategic goals related to achievement, progress, engagement, destinations and its provision. These goals have been closely monitored by the Governing Body.

The Academy was inspected by Ofsted in February 2013 and was judged to be outstanding in all four categories and outstanding for Overall Effectiveness.

Total students in the year ended 31 August 2016 numbered 964 (2015 – 963) and the Academy has a full complement in all year groups. The Academy admitted 192 students in September 2015 (2014 -192) from an application of 789 (2014 – 1083) year 6 students.

Examination results 2016

The Academy takes enormous pride in its long history of academic excellence. The Academy's high levels of achievement were again recognised in 2014 with its re-designation as a Leading Edge Academy. Hall Mead performs highly in the full range of achievement measures from progress measures like 'value added' to attainment measures such as the 'English Baccalaureate'. Projected figures for the new 'Progress 8' measure was -0.01.

During the year Hall Mead received an award from SSAT for being in the top 20% of schools nationally for Achievement during 2013/2014 and was admitted into the London Schools Mayor's Gold Club for the exceptional performance of its Pupil Premium Students.

Percentage achieving a good pass in English and Maths 68% (2015 National 56%)

Percentage achieving the English Baccalaureate 35%

Percentage A*/A grades of total entries 24% (2015 National 21%)

Attainment 8; 52.31

Progress 8 -0.01

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators

Other than the attainment targets for academic achievement, the Governing Body, uses both financial and other non financial key performance indicators to manage the Academy. The Academy maintains a strong management information function which is focussed on regular and accurate reporting. Financial KPIs are measured continuously.

During the year the following key performance indicators were used:

Pupil numbers in year 7 (192)

Staff Turnover 8.47%

Cash income in excess of expenditure (excluding the pension liability and capital grants/depreciation) £ (222,000)

Average cash balance £435K

Going Concern

As referred to on page 3 the Trust became a Multi Academy Trust on the 1 September 2016, acting as the lead academy following the transfer of assets and liabilities of two other academies, Bower Park Academy and The Brittons Academy. As a result of this the Trustees of the MAT need to consider the budgeted position for these two academies as well as the lead academy. The Trustees are also mindful of the uncertain effects of government policy, particularly in relation to the proposed National Funding Formula.

The MAT has prepared a consolidated budget for the 2016-17 Academic year as well as a consolidated cashflow forecast to December 2017. Excluding the pension and fixed asset reserves of the three individual academies the consolidated budget for 2016-17 shows a projected deficit of approximately £140,000 and the consolidated cashflow forecast at December 2017 shows an overdrawn cash balance of approximately £198,000. The Academy is also facing rising costs that are beyond its direct control, in particular pension provision for teaching and support staff and the apprenticeship levy.

The Trustees are therefore putting into place plans to ensure expenditure will not exceed funding. Since approximately 85% of the Academy's expenditure is staff related, the Trustees and the Trust Leadership Team are undertaking a major review of all staffing across the three Academies to identify potential headcount reductions and in particular to centralise various functions which will result in financial savings.

On a more positive note Pupil Admission Numbers (PAN) are expected to increase in two Academies in 2017/18 by 48 pupils per new year of entry which will attract more funding. Furthermore, as the MAT structure is developed, the Trustees and Leadership team plan to exploit the potential economies of scale and efficiencies that this provides.

On the basis that the cost-cutting plans will be effective in balancing the budget, the Board of Trustees have concluded that there is a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing its financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial Review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Those grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy has also been in receipt of capital grants from the EFA through the bid process for the Academies capital maintenance fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities', FRS102, (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure was incurred of £7,188,796 (2015 - £6,828,583). As income received was only £6,787,056 (2015 - £6,629,123) resulting in a deficit of £401,740 (2015 - deficit £199,460).

At 31 August 2016 the net book value of fixed assets was £13,896,189 (2015 - £14,073,413) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In accordance with FRS102, the Academy received an actuarial assessment of the financial position of Academy staff who are members of the Local Government Pension Scheme (LGPS), but in common with other academies it received no detailed information about the financial position of Academy staff who are members of the Teachers Pension Scheme (TPS). The LGPS assets, liabilities and deficit in respect of the Academy staff are included within the Balance Sheet as at 31 August 2016 and supporting notes to the accounts (see note 24). The assets, liabilities and deficit of the TPS in respect of the Academy staff are not included within the Balance Sheet for the reason explained in note 1 of the financial statements.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected costs. The Academy's current level of free reserves (total funds less the amounts held in fixed assets and restricted funds) is £(21,644) (2015 - £14,625). The Governors intend to build up the Academy's free reserves over time when financial conditions allow.

The pension reserve is in deficit due to the Academy's share of the LGPS liabilities exceeding its share of the assets.

The trust believes that funds provided in year for the education of pupils should be spent on those pupils in year therefore the reserves held are low and in previous years this has been agreed not to exceed £30,000.

At 31 August 2016 the total funds comprised:

Unrestricted	£(21,644)
Restricted: Fixed asset funds	£13,919,589
General	£119,505
Pension reserve	<u>£(2,602,000)</u>
	<u>£11,415,450</u>

EMPOWER LEARNING ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Investment Policy

Hall Mead School has an investment Policy which is reviewed annually by the Finance and Audit Committee. It covers the principal purpose and guidelines to ensure the Academy manages its cash balances to provide for the day to day working capital needs.

Interest bearing deposit accounts may be held with sound financial institutions only. Treasury deposits, with maturity dates which do result in the cash funds being unavailable for longer than 6 weeks are permissible.

Periodically (at least every 3 months) the rates are reviewed to ensure reasonable interest rates are being achieved.

Principal Risks and Uncertainties

As detailed above the Governors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The key areas of risk have been categorised as: strategic and reputational, operational, compliance, financial, demographic and physical assets. The principal risks and uncertainties are centred around changes in the level of funding from the EFA. In addition, the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy's Balance Sheet and the Teachers Pension Scheme (TPS), not recognised on the Academy's Balance Sheet and explained further in note 1 of the financial statements.

The principal risks facing the Academy are:

- Reputation risk – mitigated by continued high performance at GCSE, "Outstanding" Ofsted judgement 2013, rigorous self evaluation including external input from registered Ofsted Inspector, National Support School/Teaching School/Leading Edge School, the Headteacher being a National Leader of Education and Membership of "Going 4 Great" network of outstanding London schools.
- Performance risk mitigated by annual curriculum review and improvement planning process, need to fulfil KPIs for Teaching School status, access to latest advice and professional development through 'Going 4 great' network, Leading Edge network, Teaching School network and Havering Learning Partnership.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs mitigated by oversubscription thanks to high performance at GCSE, outstanding Ofsted judgement and national recognition of quality through National Support School/Teaching School/Leading Edge School and Headteacher being a National Leader of Education. The trust are undertaking a restructure of staffing to ensure value for money and are proactive in obtaining grants/funding from central or other sources for our capital works,
- Risks associated with personnel mitigated by an ethos which ensure staff welfare is a key focus for the Human Resources Manager, subscription to Employee Assistance Programme, highly effective professional development and appraisal systems and strong, well established teacher training programme under Teaching School.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

EMPOWER LEARNING ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body accepts managed risk as an inevitable part of the trusts operations but maintains an objective not to run unacceptable levels of risk planning in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risk mitigation is dealt with by the Senior Leadership Team.

Plans for Future Periods

The Trustees and Governors have explored in depth undertaking rigorous due diligence and determined that the Trust becoming the lead in a Multi Academy Trust (MAT) with two local secondary schools, Bower Park Academy and The Brittons Academy, This was to ensure that the success of Hall Mead School can be shared with in the two schools such that pupils are given the opportunities offered by outstanding teaching and learning. On the 1st September 2016 the other schools joined the MAT.

At the annual Conference on 22 November the Governors and Senior Leadership Team undertook the following analyses:

- An evaluation of its Academy Improvement Plan.
- An evaluation of the 2016 GCSE results using the Progress 8 framework and modelled for the 15/16 cohort;
- An assessment of 'Teaching Over Time' using the new Ofsted Framework.
- Assess "Building Base Camp" Learning Challenge.
- An evaluation of the rates of Boys' progress by combining approaches to seating plans, pastoral interventions and classroom strategies.
- An evaluation of the new Progress 8 target setting and tracking system.
- Continue and progress Teaching School Action Plan.

Key aspects determined to be addressed as a result of this were:

- Accountability – Reform
- M.A.T- Develop
- Teaching School- Develop
- Funding- Reform
- Expansion-Pupil Numbers
- System-Reform

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

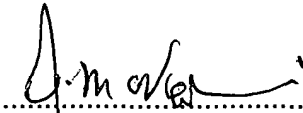
Auditor

In so far as the trustees are aware:

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

The auditors, MHA MacIntyre Hudson, are willing to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2016 and signed on the board's behalf by:


.....
J McKernan
Chair of Trustees

EMPOWER LEARNING ACADEMY TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Empower Learning 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 Governing Body has delegated the day-to-day responsibility of running the Academy to the Headteacher, 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 Hall Mead School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weakness or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and the Statement of Trustees' Responsibilities.

The Full Governing Body meets at least six times per year and most of its committees meet no less than three times per year. The meetings held during the year and the current individual members of each Committee are detailed below together with their attendance record.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

	Governing Body	Curriculum Learning and Teaching Committee	Finance and Audit Committee	Premises, Health & Safety Committee	Headteachers Performance	Pay Committee	Pupils and Personnel
John McKernan (Chair)	5/6		4/7	3/3	1/1	2/2	0/3
David Forster (Vice chair) *	4/6	3/3			1/1	2/2	
Glen Adams (resigned 25/11/15)	1/1		2/2				
Caroline Brennan (resigned 28/4/16)	4/6						2/3
James Brooks	6/6		7/7	3/3			
Kevin Cole *	6/6			2/3			
Steven Downham *	5/6	2/3	6/7				
Malcolm Evans *	3/6		4/7			0/2	
Kirsty Fanning *	5/6		3/4				
Victoria Hallett (Mat Leave)	0/6		4/7				
David Harries	3/6	1/3	5/7				
Fatemeh Kamali	3/4		1/7				
Simon London	6/6	2/3	7/7	3/3		2/2	3/3
Michelle McKee	6/6	2/3					3/3
Sarah Simon	5/6	2/3			1/1	2/2	3/3
Keith Stewart	5/6			2/2		1/2	3/3
Jonathan Walshe	5/6	3/3		2/3			2/2

With effect from 27 September 2016 * Trustees resigned as directors/trustees.

REVIEW OF VALUE FOR MONEY

Over the last financial year, Empower learning Academy Trust has taken a wide range of steps to ensure that the educational standards and levels of achievement for all pupils have continued to improve. This has resulted in continued high performance in the Academy Trust's GCSE results at a time of turbulence in the examination system nationally. 68% of Hall Mead School pupils achieved good passes in English and Maths including English and Maths, 24% of all GCSEs grades were at A*/A. The new 'Progress 8' figure for the Academy is -0.01 meaning on average Hall Mead students achieve a rate of progress which met national expectations. This provides clear evidence that the value achieved for students from the quality of our teaching by Academy staff is self evident.

EMPOWER LEARNING ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trust has produced a detailed financial analysis of how the Pupil Premium funding was spent and the impact of the funding for individual pupils which is available on the website. Similarly, funding for catch up groups for pupils is calculated in the same way. The use of the funding for staffing, intervention programmes and aspiration raising initiatives has led to this year's Disadvantaged Pupils having no gap in performance compared to their non-Pupil Premium peers. This year the Academy was recognised by the London Mayor's Office for its consistent work in enabling Disadvantaged Students to overcome barriers to learning and eliminate the gaps in their performance. Consequently, the Academy was awarded membership of the Mayor's 'London School Gold Club' for 2015/16.

The Trust has focussed on targeted improvement linked to the Academy Operating Plan to ensure maximum impact on outcomes for pupils and this plan has been carefully evaluated with Governors at the Academy's Annual Improvement Planning Conference to ensure that initiatives have provided value for money in terms of Key Performance Indicators.

The Plan includes keeping the staffing structure under review and deploying staff efficiently to support individual pupils and the curriculum. This is evident in the short-term use of a temporary Senior Leadership Team structure, the re-structuring of Senior Leadership Team pay ranges interim middle leadership appointments and adjustments made to the curriculum to meet the demands of the new 'Progress 8' measure without increasing the teaching budget.

The Trust was awarded Teaching School status in April 2014 and is the lead within the local Teaching School Alliance, the 'Empower Teaching Alliance' which consists of local secondary schools and academies. The Trust is a National Support School and the Headteacher is a National Leader of Education. Funding from the National College is used to run the network and this has been 'future proofed' by having all Alliance schools agree to an annual membership fee for the core package of support and professional development as well as sign up to an agreed pricing structure for bespoke support. The additional cost of the administrative staffing required to support the Alliance has been agreed in conjunction with the Havering Teacher Training Partnership so that the Trust's own budget is not impacted negatively by this responsibility. School to school support work within this programme has had a demonstrable impact, resulting for example in one supported local academy moving from an Ofsted "RI to Good" during the year of Teaching School support.

The Trust has a strong financial governance oversight with significant relevant expertise on the Finance and Audit Committee. Over the year, it has challenged financial decision-making to ensure the effectiveness of spending. Examples of this include challenges around costs for Local Authority services, financial services and the future staffing structure.

The Trust benchmarks with other Academies when possible and the Business Manager is a prominent member of the local Business Managers group. He works closely with other Chief Financial Officers to broker the best deals with the Local Authority's Traded Services wing as well as other service providers. An example of this was bulk buying of paper collaborating with two other schools to obtain a competitive price. He also negotiated an improved pricing structure for the replacement of printers, a pilot internal audit service for academies at a much reduced rate, as well as the installation of cashless catering within Hall Mead School at no cost to the Trust. The introduction of the use of the cashless payment system to enable parents to pay online for dinners, trips and extended school sessions has been an efficiency saving.

The Trust generates a small income from lettings and school improvement work is growing exponentially which will bring in some additional income. Teaching School status has led to access to a number of additional support bids which have enabled the Academy to support other schools in Havering. During this year Hall Mead was successful in obtaining PSBP (Priority Schools Building Programme) which the main building will be redeveloped/refurbished over the next 5 years to ensure we have a fit for purpose teaching and learning environment.

EMPOWER LEARNING ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trust has internal controls in place to ensure strict financial procedures are followed and these were reviewed during the last financial year by the Finance and Audit Committee before approval at full Governing Body so as to ensure compliance, fitness for purpose and relevance to the demands of Academy status. An internal auditor from Kingston Smith LLP was appointed to make independent checks. The Finance and Audit Committee received monthly budget reports which were analysed to identify areas of overspend and under-spend. Regular monitoring ensured the best use of resources and prevented waste. Bank balances are carefully monitored and a high interest deposit account was utilised for short term investment.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being occurring the impact should they occurred, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the financial year and up to the date of approval of the annual report and financial statements. The Academy used Kingston Smith LLP as their internal Auditors during the financial year.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been implemented to migrate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluation and managing the Academy's significant risks that has been in place for the year ending 31st August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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;
- identification and management of risks.

EMPOWER LEARNING ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The board of trustees has considered the need for a specific internal audit function and has appointed Kingston Smith to undertake two reviews during the year.

In addition the Governors have put in place procedures and internal controls around the management of risk, covering:

- the type of risks the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- the responsibility of the Senior Leadership Team to implement the Trustees' policies and to identify and evaluate risks for the Governors' consideration;
- the responsibility of employees with regard to internal control as part of their accountability for achieving objectives;
- the embedding of control system in the Academy's operations so that they become part of the culture of the Academy;
- the development of systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- procedures for reporting failings of risk management strategies immediately to appropriate levels of management and to Governors together with details of corrective action being undertaken.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- petty cash
- credit card expenditure
- monitoring of debts
- verifying gross pay

Following every review, the auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

EMPOWER LEARNING ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Review of effectiveness

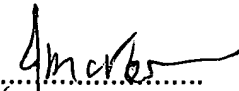
As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the systems of internal control. During the year the review has been informed by:


- the work of the Internal Auditor;
- the work of the External Auditor; and
- the work of the Senior Leadership Team who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer found nothing to indicate any material failures or weaknesses from the work undertaken in the year on the effectiveness of systems of internal control.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control, by the Finance and 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 15 December 2016 and signed on its behalf by:


.....
J McKernan
Chair of Trustees


.....
S London
Accounting Officer

EMPOWER LEARNING ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of Empower Learning Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

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 EFA.


London
Accounting Officer

Date: 15 December 2016

EMPOWER LEARNING ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who act as governors of Empower Learning Academy Trust and 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 published by the Education 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:

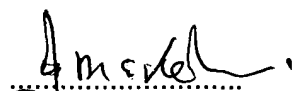
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on its behalf by:


.....
John McKernan
Chair

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

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

We have audited the financial statements of Empower Learning Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

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

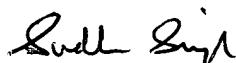
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept; 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.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 21 December 2016

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 25 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Empower Learning Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EMPOWER LEARNING ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Empower Learning Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EMPOWER
LEARNING ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- reviewing the minutes of meetings of the Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: *21 December 2016*

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	12,005	-	177,264	189,269	125,848
Charitable activities	5	287,641	6,194,027	-	6,481,668	6,466,983
Other trading activities	3	115,421	-	-	115,421	35,521
Investments	4	698	-	-	698	771
TOTAL INCOME		415,765	6,194,027	177,264	6,787,056	6,629,123
EXPENDITURE ON:						
Charitable activities		452,034	6,371,753	365,009	7,188,796	6,828,583
TOTAL EXPENDITURE	6	452,034	6,371,753	365,009	7,188,796	6,828,583
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	19	(36,269)	(177,726)	(187,745)	(401,740)	(199,460)
		-	(8,083)	8,083	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(36,269)	(185,809)	(179,662)	(401,740)	(199,460)
Actuarial losses on defined benefit pension scheme	24	-	(1,042,000)	-	(1,042,000)	(54,000)
NET MOVEMENT IN FUNDS		(36,269)	(1,227,809)	(179,662)	(1,443,740)	(253,460)
RECONCILIATION OF FUNDS:						
Total funds brought forward		14,625	(1,254,686)	14,099,251	12,859,190	13,112,650
TOTAL FUNDS CARRIED FORWARD		(21,644)	(2,482,495)	13,919,589	11,415,450	12,859,190

The notes on pages 30 to 53 form part of these financial statements.

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07702119


BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	14		23,400		-
Tangible assets	15		13,896,189		14,073,413
			<u>13,919,589</u>		<u>14,073,413</u>
CURRENT ASSETS					
Debtors	16	166,725		95,826	
Cash at bank and in hand		196,940		573,702	
		<u>363,665</u>		<u>669,528</u>	
CREDITORS: amounts falling due within one year	17	<u>(230,104)</u>		<u>(420,751)</u>	
NET CURRENT ASSETS			<u>133,561</u>		<u>248,777</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,053,150</u>		<u>14,322,190</u>
CREDITORS: amounts falling due after more than one year	18		<u>(35,700)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>14,017,450</u>		<u>14,322,190</u>
Defined benefit pension scheme liability	24		<u>(2,602,000)</u>		<u>(1,463,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>11,415,450</u>		<u>12,859,190</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted general funds		119,505		208,314	
Restricted fixed asset funds		13,919,589		14,099,251	
Restricted funds excluding pension liability		<u>14,039,094</u>		<u>14,307,565</u>	
Restricted general funds - pension reserve		<u>(2,602,000)</u>		<u>(1,463,000)</u>	
Total restricted funds	19		<u>11,437,094</u>		<u>12,844,565</u>
Unrestricted income funds	19		<u>(21,644)</u>		<u>14,625</u>
TOTAL FUNDS			<u>11,415,450</u>		<u>12,859,190</u>

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2016 and are signed on their behalf, by:


.....
J McKernan
Chair of Trustees

The notes on pages 30 to 53 form part of these financial statements.

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(519,104)</u>	<u>82,599</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		698	771
Proceeds from the sale of tangible fixed assets		1,000	-
Purchase of intangible and tangible fixed assets		(36,620)	(73,056)
Capital grants from DfE/EFA		177,264	98,894
Net cash provided by investing activities		<u>142,342</u>	<u>26,609</u>
Change in cash and cash equivalents in the year		(376,762)	109,208
Cash and cash equivalents brought forward		<u>573,702</u>	<u>464,494</u>
Cash and cash equivalents carried forward	22	<u><u>196,940</u></u>	<u><u>573,702</u></u>

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Empower Learning Academy Trust constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Academy Trust and rounded to the nearest pound.

First time adoption of FRS 102

These financial statements are the first financial statements of Empower Learning Academy Trust prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Empower Learning Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in Note 31.

1.2 Going concern

The Trustees assess whether the use of the going concern assumption 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.

The Trustees' Report refers to various uncertainties that are affecting the Academy Trust especially in relation to the projected deficit on the budget and forecasts for the period to 31 December 2017. As referred to in the Report there are plans in place to cut costs and so 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.

EMPOWER LEARNING ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there are no performance related conditions where the 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 overhead costs, including support costs, involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support 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. Staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All resources expended are inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Furniture and equipment	-	5 years straight line
Motor vehicles	-	10 years straight line
Computer equipment	-	3 years straight line
Assets under construction	-	Depreciation is charged when the assets are brought into use

1.6 Operating leases

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

1.7 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Debtors receivable and creditors payable within one year

Debtors are recognised when the Academy Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Academy Trust has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.10 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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately after net income/expenditure in other recognised gains and losses in the Statement of Financial Activities.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education, other sources and the fund that represents the LGPS obligation.

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

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.

- 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 24, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.
- Any changes in the valuation of freehold property (see Note 15).

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	12,005	-	-	12,005	26,954
Capital grants	-	-	177,264	177,264	98,894
	<u>12,005</u>	<u>-</u>	<u>177,264</u>	<u>189,269</u>	<u>125,848</u>

In 2015, of the total income from donations and capital grants, £26,954 was to unrestricted funds and £98,894 was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Hire of facilities	91,120	-	91,120	32,623
Other self generated income	24,301	-	24,301	2,898
	<u>115,421</u>	<u>-</u>	<u>115,421</u>	<u>35,521</u>

In 2015 all income from other trading activities was to unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest receivable	698	-	698	771
	<u>698</u>	<u>-</u>	<u>698</u>	<u>771</u>

In 2015 all income from investments was to unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	5,185,280	5,185,280	5,299,564
Pupil Premium	-	126,508	126,508	126,616
Start Up Grants	-	113,660	113,660	-
Other DfE/EFA Grants	-	5,000	5,000	163,600
	<u>-</u>	<u>5,430,448</u>	<u>5,430,448</u>	<u>5,589,780</u>
Other government grants				
Local Authority Grants	-	349,730	349,730	245,985
	<u>-</u>	<u>349,730</u>	<u>349,730</u>	<u>245,985</u>
Other funding				
Other Income	287,641	413,849	701,490	631,218
	<u>287,641</u>	<u>413,849</u>	<u>701,490</u>	<u>631,218</u>
	<u>287,641</u>	<u>6,194,027</u>	<u>6,481,668</u>	<u>6,466,983</u>

In 2015, of the total income from charitable activities, £422,371 was to unrestricted funds and £6,044,612 was to restricted general funds.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

Due to a change of objects in the year, the hire of facilities is now classified as a charitable activity.

6. TOTAL EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	4,520,907	-	728,574	5,249,481	5,116,574
Support costs	985,185	631,998	322,132	1,939,315	1,712,009
	<u>5,506,092</u>	<u>631,998</u>	<u>1,050,706</u>	<u>7,188,796</u>	<u>6,828,583</u>

In 2016, of the total expenditure, £452,034 (2015 - £557,810) was from unrestricted funds, £6,371,753 (2015 - £6,086,18) was from restricted general funds and £365,009 (2015 - £184,627) was from restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	5,249,481	1,939,315	7,188,796	6,828,583

8. TOTAL SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Defined benefit pension scheme finance cost	55,000	55,000	50,000
Technology costs	54,102	54,102	24,962
Premises costs	458,410	458,410	320,940
Governance costs	45,131	45,131	26,057
Other costs	207,186	207,186	284,350
Supply staff costs	930,185	930,185	821,073
Depreciation	189,301	189,301	184,627
	<u>1,939,315</u>	<u>1,939,315</u>	<u>1,712,009</u>

In 2016, of the total expenditure on support costs, £27,125 (2015 - £27,833) was to unrestricted funds, £1,722,889 (2015 - £1,499,549) was to restricted general funds and £189,301 (2015 - £184,627) was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. GOVERNANCE COSTS

	2016	2015
	£	£
Legal and professional fees	22,030	6,039
Auditors' remuneration - Audit of the financial statements	10,275	8,760
Auditors' remuneration - Other services	7,860	4,563
Support costs	4,966	6,695
	<u>45,131</u>	<u>26,057</u>

In 2015 and 2016 all expenditure on governance costs was from restricted general funds.

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation and amortisation of tangible and intangible fixed assets:		
- owned by the Academy Trust	189,301	184,627
Auditors' remuneration - audit	10,275	8,760
Auditors' remuneration - other services	7,860	4,563
Loss of disposal of tangible fixed assets	143	-
Operating lease rentals	11,646	78,892

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,161,405	4,140,935
Social security costs	326,161	305,490
Defined benefit pension scheme costs	791,395	683,399
	<u>5,278,961</u>	<u>5,129,824</u>
Supply teacher costs	172,131	203,123
Defined benefit pension scheme finance cost	55,000	50,000
	<u>5,506,092</u>	<u>5,382,947</u>

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

	2016 No.	2015 No.
Teachers	65	66
Administration and support	106	93
Management	14	7
	<u>185</u>	<u>166</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	0	1
In the band £100,001 - £110,000	1	1

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £634,524 (2015 - £521,275).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. RELATED PARTY TRANSACTIONS - 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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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:

		2016	2015
		£	£
S London, Accounting Officer and Staff Trustee	Remuneration	105,000-110,000	<i>100,000-105,000</i>
	Pension contributions paid	15,000-20,000	<i>10,000-15,000</i>
V Hallett, Staff Trustee	Remuneration	15,000-20,000	<i>15,000-20,000</i>
	Pension contributions paid	0-5,000	<i>5,000-10,000</i>
K Fanning, Staff Trustee	Remuneration	45,000-50,000	<i>5,000-10,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>
K Cole, Staff Trustee	Remuneration	25,000-30,000	<i>15,000-20,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>

During the year ended 31 August 2016, expenses for attending conferences totalling £1,338 (2015 - £185) were reimbursed to 3 Trustees (2015 - 1).

13. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 September 2015	-
Additions	35,100
At 31 August 2016	<u>35,100</u>
Amortisation	
At 1 September 2015	-
Charge for the year	11,700
At 31 August 2016	<u>11,700</u>
Carrying amount	
At 31 August 2016	<u>23,400</u>
<i>At 31 August 2015</i>	<u><u>-</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2015	14,612,728	81,757	28,000	78,453	73,056	14,873,994
Additions	-	1,520	-	-	-	1,520
Disposals	-	(3,116)	-	-	-	(3,116)
Transfer between classes	73,056	-	-	-	(73,056)	-
At 31 August 2016	<u>14,685,784</u>	<u>80,161</u>	<u>28,000</u>	<u>78,453</u>	<u>-</u>	<u>14,872,398</u>
Depreciation						
At 1 September 2015	649,449	66,439	15,903	68,790	-	800,581
Charge for the year	163,118	5,373	2,609	6,501	-	177,601
On disposals	-	(1,973)	-	-	-	(1,973)
At 31 August 2016	<u>812,567</u>	<u>69,839</u>	<u>18,512</u>	<u>75,291</u>	<u>-</u>	<u>976,209</u>
Net book value						
At 31 August 2016	<u><u>13,873,217</u></u>	<u><u>10,322</u></u>	<u><u>9,488</u></u>	<u><u>3,162</u></u>	<u><u>-</u></u>	<u><u>13,896,189</u></u>
At 31 August 2015	<u><u>13,963,279</u></u>	<u><u>15,318</u></u>	<u><u>12,097</u></u>	<u><u>9,663</u></u>	<u><u>73,056</u></u>	<u><u>14,073,413</u></u>

Included in land and buildings is freehold land valued at £6,550,000 (2015 - £6,550,000) which is not depreciated.

The freehold property was professionally valued at conversion to Academy status by Hilbery Chaplin. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

16. DEBTORS

	2016 £	2015 £
Trade debtors	70,566	26,966
VAT recoverable	28,093	8,266
Prepayments and accrued income	68,066	60,594
	<u><u>166,725</u></u>	<u><u>95,826</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	-	94,463
Other creditors	35,700	82,475
Accruals and deferred income	194,404	243,813
	<u>230,104</u>	<u>420,751</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	215,776	173,622
Resources deferred during the year	166,594	215,776
Amounts released from previous years	(215,776)	(173,622)
Deferred income at 31 August 2016	<u>166,594</u>	<u>215,776</u>

At the balance sheet date the Academy was holding funds received in advance of the 2016/17 financial year in respect of the rates relief funding and school trips.

18. CREDITORS:
Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>35,700</u>	<u>-</u>

EMPOWER LEARNING ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	14,625	415,765	(452,034)	-	-	(21,644)
Restricted general funds						
General Annual Grant (GAG)	186,499	5,185,280	(5,244,191)	(8,083)	-	119,505
Pupil Premium	-	126,508	(126,508)	-	-	-
Other DfE/EFA Grants	21,815	5,000	(26,815)	-	-	-
Start Up Grants	-	113,660	(113,660)	-	-	-
Local Authority Grants	-	349,730	(349,730)	-	-	-
Other activities	-	413,849	(413,849)	-	-	-
Pension reserve	(1,463,000)	-	(97,000)	-	(1,042,000)	(2,602,000)
	<u>(1,254,686)</u>	<u>6,194,027</u>	<u>(6,371,753)</u>	<u>(8,083)</u>	<u>(1,042,000)</u>	<u>(2,482,495)</u>
Restricted fixed asset funds						
DfE/EFA Capital Grants	25,838	177,264	(174,565)	(28,537)	-	-
NBV of fixed assets	14,073,413	-	(190,444)	36,620	-	13,919,589
	<u>14,099,251</u>	<u>177,264</u>	<u>(365,009)</u>	<u>8,083</u>	<u>-</u>	<u>13,919,589</u>
Total restricted funds	<u>12,844,565</u>	<u>6,371,291</u>	<u>(6,736,762)</u>	<u>-</u>	<u>(1,042,000)</u>	<u>11,437,094</u>
Total of funds	<u><u>12,859,190</u></u>	<u><u>6,787,056</u></u>	<u><u>(7,188,796)</u></u>	<u><u>-</u></u>	<u><u>(1,042,000)</u></u>	<u><u>11,415,450</u></u>

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

The Unrestricted General fund has been created to recognise the income and expenditure in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the Education Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust. A transfer was made from the GAG funds to the NBV of fixed assets fund, as GAG funds were used to purchase capital additions during the year.

The Pupil Premium fund has been established to recognise the restricted funding from the Education Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

The Other DfE/EFA Grants fund has been created to recognise the restricted funding received from the DfE/EFA which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from London Borough of Havering as a contribution towards the cost of the Academy Trust's revenue expenditure.

The Other activities fund has been established to recognise all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the NBV of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/EFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	-	23,400	23,400	-
Tangible fixed assets	-	-	13,896,189	13,896,189	14,073,413
Current assets	(21,644)	385,309	-	363,665	669,528
Creditors due within one year	-	(230,104)	-	(230,104)	(420,751)
Creditors due in more than one year	-	(35,700)	-	(35,700)	-
Defined benefit pension scheme liability	-	(2,602,000)	-	(2,602,000)	(1,463,000)
	<u>(21,644)</u>	<u>(2,482,495)</u>	<u>13,919,589</u>	<u>11,415,450</u>	<u>12,859,190</u>

EMPOWER LEARNING ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net expenditure for the year (as per Statement of financial activities)	(401,740)	(199,460)
Adjustment for:		
Depreciation and amortisation charges	189,301	184,627
Dividends, interest and rents from investments	(698)	(771)
Loss on the sale of fixed assets	143	-
Increase in debtors	(70,899)	(29,947)
(Decrease)/increase in creditors	(154,947)	136,044
Capital grants from DfE and other capital income	(177,264)	(98,894)
Defined benefit pension scheme cost less contributions payable	42,000	41,000
Defined benefit pension scheme finance cost	55,000	50,000
Net cash (used in)/provided by operating activities	(519,104)	82,599

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	196,940	573,702
Total	196,940	573,702

23. CAPITAL COMMITMENTS

At 31 August 2016 the Academy Trust had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	27,360	5,842

EMPOWER LEARNING ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 London Borough of Havering. Both are Local Government 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 2013.

Contributions amounting to £Nil were payable to the schemes at 31 August 2016 (2015 - £82,475) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £394,412 (2015 - £609,045)

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24. PENSION COMMITMENTS (continued)

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).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £357,118 (2015 - £356,000), of which employer's contributions totalled £288,519 (2015 - £291,771) and employees' contributions totalled £68,000 (2015 - £64,229). The agreed contribution rates for future years are 40.6% 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:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	3.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Commutation of pensions to lump sums (pre-April 2008)	50.00 %	50.00 %
Commutation of pensions to lump sums (post April-2008)	75.00 %	75.00 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	24.1	24.1
Retiring in 20 years		
Males	24.2	24.2
Females	26.7	26.7

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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,207,000	1,547,000
Debt instruments	653,000	629,000
Property	155,000	121,000
Cash	93,000	121,000
Total fair value of assets	<u>3,108,000</u>	<u>2,418,000</u>

The actual return on scheme assets was 14.2%.

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(330,000)	(329,000)
Net interest cost	(55,000)	(50,000)
Total operating charge	<u>(385,000)</u>	<u>(379,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	3,881,000	3,361,000
Current service cost	330,000	329,000
Interest cost	150,000	131,000
Contributions by employees	68,000	68,000
Actuarial losses	1,313,000	29,000
Benefits paid	(32,000)	(37,000)
Closing defined benefit obligation	<u>5,710,000</u>	<u>3,881,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	2,418,000	2,043,000
Interest income	95,000	81,000
Actuarial gains and (losses)	271,000	(25,000)
Contributions by employer	288,000	288,000
Contributions by employees	68,000	68,000
Benefits paid	(32,000)	(37,000)
	<u>3,108,000</u>	<u>2,418,000</u>
Closing fair value of scheme assets	<u>3,108,000</u>	<u>2,418,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2016 £	2015 £
Closing defined benefit scheme obligation	(5,710,000)	(3,881,000)
Fair value of scheme assets	3,108,000	2,418,000
	<u>(2,602,000)</u>	<u>(1,463,000)</u>
Net defined benefit pension scheme liability	<u>(2,602,000)</u>	<u>(1,463,000)</u>

Reconciliation of opening to closing (deficit)

	2016 £	2015 £
Opening balance	(1,463,000)	(1,318,000)
Current service cost	(330,000)	(329,000)
Net interest cost	(55,000)	(50,000)
Employer contributions	288,000	288,000
Net actuarial losses	(1,042,000)	(54,000)
	<u>(2,602,000)</u>	<u>(1,463,000)</u>
Net defined benefit pension scheme liability	<u>(2,602,000)</u>	<u>(1,463,000)</u>

EMPOWER LEARNING ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

25. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	12,924	10,865
Between 1 and 5 years	20,172	2,175
Total	<u>33,096</u>	<u>13,040</u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The Academy Trust has a connected charity "Hall Mead Friends Association" (HMFA) - registered number 299496. It is run independently of the Academy Trust and raises funds from parents for the benefit of the Academy Trust. The treasurer of the Association is a Trustee of the Academy Trust. The Associations' activities are independent of the Academy Trust and the Trustees consider that the Academy Trust does not have control over the Association and so should not be consolidated into the financial statements. During the year the Academy received £55,010 (2015 - £15,000) from the Association and at the year end there were no outstanding balances.

27. CONTROLLING PARTY

There is no ultimate controlling party.

28. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

29. POST BALANCE SHEET EVENTS

The Academy Trust completed its transfer to a Multi-Academy Trust on the 1 September 2016 with the Academy Trust acting as the lead partner as referred to in the Trustees' Report. On this date the assets and liabilities of the Bower Park Academy (£25,159,510) and Brittons Academy (£14,636,000) were transferred into the Empower Learning Academy.

EMPOWER LEARNING ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

30. MEMBERS' LIABILITY

Each of the 5 members 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.

31. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	<i>1 September 2014</i>	<i>31 August 2015</i>
		£	£
Total funds under previous UK GAAP		13,112,650	12,859,190
Total funds reported under FRS 102		<u>13,112,650</u>	<u>12,859,190</u>

Reconciliation of net (expenditure)	Notes	<i>31 August 2015</i>
		£
Net (expenditure) previously reported under UK GAAP		(160,460)
Changes in recognition of LGPS interest cost	A	(39,000)
Net movement in funds reported under FRS 102		<u>(199,460)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Changes in recognition of LGPS interest cost	Under previous UK GAAP the Academy Trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit from expenditure by £39,000 and reduce the debit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.
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