

**REGISTERED COMPANY NUMBER: 07702119 (England and Wales)**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2021  
for  
Empower Learning Academy Trust  
(A Company Limited by Guarantee)**

**Empower Learning Academy Trust**

**Contents of the Financial Statements  
for the Year Ended 31 August 2021**

	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 14
<b>Governance Statement</b>	15 to 19
<b>Statement on Regularity, Propriety and Compliance</b>	20
<b>Statement of Trustees' Responsibilities</b>	21
<b>Report of the Independent Auditors</b>	22 to 25
<b>Independent Accountant's Report on Regularity</b>	26 to 27
<b>Statement of Financial Activities</b>	28
<b>Balance Sheet</b>	29
<b>Cash Flow Statement</b>	30
<b>Notes to the Cash Flow Statement</b>	31
<b>Notes to the Financial Statements</b>	32 to 52
<b>Detailed Statement of Financial Activities</b>	53 to 54

**Empower Learning Academy Trust**

**Reference and Administrative Details  
for the Year Ended 31 August 2021**

<b>MEMBERS:</b>	D T Forster T Parsons E Ward M D Evans J Mckernan
<b>TRUSTEES</b>	J Brooks K Butcher A Farrow D N Harries S London K J Stewart S M Walton (resigned 30/9/2021) D J Godwin J Asante
<b>COMPANY SECRETARY</b>	A Frater
<b>REGISTERED OFFICE</b>	Hall Mead School Marlborough Gardens Upminster Essex RM14 1SF
<b>REGISTERED COMPANY NUMBER</b>	07702119 (England and Wales)
<b>AUDITORS</b>	Cartwrights Chartered Accountants and Business Advisors Statutory Auditor Regency House 33 Wood Street Barnet Hertfordshire EN5 4BE
<b>SOLICITORS AND BANKERS</b>	Winkworth Sherwood Minerva House 5 Montague Close London SE1 9BB  Lloyds Bank Plc 1-3 Market Place Romford Essex RM1 3AA
<b>SENIOR MANAGEMENT TEAM</b>	Chief Executive Officer - S London Chief Operating Officer - A Frater

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy trust operates 4 academies serving catchment areas in the London Borough of Havering:

- Hall Mead School, 11-16 mainstream secondary academy with approximately 1005 pupils
- The Brittons Academy, 11-16 mainstream secondary academy with approximately 669 pupils
- Bower Park Academy, 11-16 mainstream secondary academy with approximately 913 pupils
- Hacton Primary School, 3-11 mainstream primary academy with approximately 570 pupils

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal object and activity of the academy trust is the operation and development of the academy trust to provide education for pupils of all ages in and around the London Borough of Havering.

In setting the objectives and planning the academy trust's activities, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The main objectives of the academy trust during the year ended 31 August 2021 are summarised below:

- Embody the purpose and values of the trust within the academy communities
- Ensure a broad and balanced curriculum is accessible to all
- Refresh teaching and learning with a greater emphasis on knowledge, skills and critical thinking
- Create a supportive culture centred around high expectations
- Build a composite IT platform that supports the improvement of educational delivery
- Build a self-sustaining governance model that is reflective, diverse and knowledgeable
- Build a capacity for continual school improvement by growing the trust to a sustainable level
- Support recovery from the impact of the Covid-19 pandemic

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

The academy trust's main strategy is encompassed in its mission statement "Inspiring Learners, Changing Lives" and its mission: "to inspire our family of schools to provide opportunities for our pupils, staff and leaders to be the best they can be; to create a passion for lifelong learning; and to enable our pupils to become confident and impactful world citizens."

The academy trust's vision is to build a family of local primary and secondary schools with a shared ethos of continual improvement, where powerful teaching, challenge, support and accountability lie at the heart of creating environments that focus relentlessly on the needs of the learning community and delivers outstanding outcomes for all pupils.

The academy trust has determined a core set of values, which are:

- Passion
- Respect
- Inclusion
- Challenge
- Openness

The trustees have set out some key beliefs to underpin the vision and values, which are as follows:

- The power of teaching to transform lives
- Developing exceptional leadership at all levels
- Clear empowerment and accountability
- Providing outstanding personal and professional development
- Building self-esteem at all levels of the trust community
- Creating a culture of high expectations
- Rewarding effort
- Making learning fun

##### **Public benefit**

The academy trust's aims are set out in this report. The trustees 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 trustees have paid due regard to this guidance in deciding what activities the academy trust should undertake.

##### Equal opportunity policy

The trustees recognise that equal opportunities are an integral part of good practice in the workplace. The academy trust aims to ensure equal opportunity permeates all areas of its activities including creating a working environment in which the contribution and needs of every person is fully valued.

##### Disabled Persons

The academy trust supports the recruitment and retention of students and employees with disabilities and facilitates this through training and career development and, where necessary, by making support resources available and adapting the physical environment.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Charitable activities**

The main activities undertaken by the academy trust in the year were:

##### Governance

- Strengthened the Interim Transition Board at Brittons and successfully transitioned to a high performing Local Governance Committee at Bower Park
- Enhanced the quality and efficacy of Clerking at Board Governance level, including academy trust wide use of an online platform
- Clarified and revised expectations on Local Governance and reformed structure and membership of these

##### Vision, values and strategy

- Shared the vision, values and strategy of the academy trust more widely with stakeholders and potential academies interested in joining the academy trust
- Provided support and resources to pupils, their families and the community during the Covid -19 pandemic. Academy trust schools fabricated and donated over 900 pairs of safety googles for NHS use, delivered 1,800 food parcels locally, produced almost 5000 learning support packs and accelerated IT strategy to enable live online high-quality remote teaching for 5 lessons per day, 5 days per week, alongside equipping families with IT devices. All academy trust schools actively reached out to offer in-school provision for the children of key workers and vulnerable pupils during the period when pupils were generally being taught online

##### School improvement

- Implemented a wide-ranging improvement programme at The Brittons Academy following recruitment of an experienced Principal in the previous year. Recruited two assistant head teachers to the Academy Effectiveness Team who alongside an assistant headteacher from Bower Park Academy were seconded to Brittons. All Brittons teaching staff undertook a personalized coaching programme
- Recruited a new Principal to Bower Park Academy
- Collective collaboration on development of all academies' curriculum models and content
- Collective collaboration through subject networks with a particular focus on GCSE content and assessment
- Devised and implemented a collective strategy for Covid-19 recovery programmes
- Created an academy trust wide professional development and support programme to devise approaches to remote learning during the pandemic, resulting in high quality online resources and live lessons
- Introduced an online CPD portal to facilitate staff learning and development

##### Internal organisation

- Recruited experienced substantive Principals to Bower Park Academy and Hacton Primary, enhanced the capabilities and capacity of the central services team with the appointment of academy trust Heads of Service in Estates, Marketing and IT, consolidated common statutory policies across the academy trust and developed a new academy trust wide network infrastructure.

##### Examination results 2021

Against the backdrop of Covid-19 and cancellation of all Public Exams, there were no external test results for schools and no requirement to produce school assessed equivalents. Individual pupil results were confirmed Centre Assessed Grades. These were subject to a collective moderations process that began at teacher level and were then subject to scrutiny by Heads of Department, Senior Leaders, Principals and academy trust CEO.

##### **Fundraising activities**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

## Empower Learning Academy Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### STRATEGIC REPORT

##### Achievement and performance

##### Key financial performance indicators

Other than the attainment targets for academic achievement, the Board uses both financial and other non-financial key performance indicators to manage the academy trust. The academy trust 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:

- Ofsted category	1,1,2,4
- Staff turnover	6.7%
- Surplus/(deficit) of income over expenditure (excluding depreciation and actuarial gains/losses on defined benefit pension schemes)	£11,519,441
- Pupil absence*	-
- Pupil persistent absence*	-

\*Pupil absence, whilst monitored closely throughout the year, was deemed largely invalid due to Covid-19 and has not been reported.

##### Promoting the success of the company

The trustees of the academy trust, which is a charitable company, must act in a way most likely to promote the success of the charitable company (i.e. to promote the success of the academy trust to achieve its charitable purposes). In doing so, the academy trust must have regard to the:

- Likely consequences of any decision in the long term
- Interests of the academy trust's employees
- Need to foster the academy trust's business relationships with suppliers, customers and others
- Impact of the academy trust's operations on the community and the environment
- Desirability of the academy trust maintaining a reputation for high standards of charitable and business conduct
- Need to act fairly as between the schools and pupils of the academy trust

Decisions made by the academy trust board, its executive and members always have due regard for long term consequences. All decision making is aligned with school improvement, by and through staying true to the academy trust's vision and values, as set out in the objectives and aims.

Employees of the academy trust are key to delivering success. The academy trust has invested further in training activities, reward schemes such as a discount cycle to work arrangement and employee assistance programme, whilst continuing to identify, develop and promote talent within the organisation.

Business relationships are an important support to our academy trust. The approach to engagement with suppliers, customers and others can be found in the structure, governance and management section of the trustees' report.

The academy trust seeks to minimise any adverse impact of operations on its community and environment. Steps to reduce carbon emissions, fossil fuel use and the implementation of renewable energy provision are set out under the SECR of this report. During the pandemic, trust academies have supported their communities and the NHS through various initiatives. More information can be found elsewhere in this achievement and performance section of the strategic report.

As described elsewhere in the strategic report, the academy trust is focussed on continuous improvement of standards and conduct through a process of effective governance. This year, efforts to recruit a more diverse academy trust board and membership of the LGC's has been successful.

The further centralisation of services and clear, agreed improvement plans at each academy, serves to ensure the academy trust acts fairly in its deployment of resources and is able to focus effort on the greatest area of need.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Financial position**

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Those grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust has also been in receipt of capital grants from the ESFA as a result of bids made to the academies' capital maintenance fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities', FRS102, 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 2021, total expenditure was incurred of £23,547,533 (2020 - £22,799,727). Income received in the year was £34,164,058 (2020 - £21,291,255). There was an underlying surplus before actuarial gains/losses on defined benefit schemes of £10,616,525 (2020: deficit of £1,508,472).

This surplus was largely achieved as a result of donated fixed asset income of £13.34m (2020: £nil) in relation to the new buildings completed at Hall Mead School net off by losses on the disposal of tangible fixed assets of £3.20m (2020: £nil), largely resulting from the demolition of old school buildings at Hall Mead School.

Also excluding these exceptional transactions, the underlying surplus in 2021 before actuarial gains/losses on defined benefit schemes was £473,044.

At 31 August 2021 the net book value of tangible fixed assets was £83,096,036 (2020: £71,513,021) and movements in tangible fixed assets are shown in the fixed assets note to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

In accordance with FRS102, the academy trust received an actuarial assessment of the financial position of academy trust 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 trust 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 2021 and supporting notes to the financial statements. The assets, liabilities and deficit of the TPS in respect of the academy trust staff are not included within the Balance Sheet for the reason explained in note 1 of the financial statements.

##### **Investment policy and objectives**

The academy trust's investment policy outlines the principal parameters and guidelines by which the academy trust manages its cash balances to ensure it is able to meet its day to day working capital needs.

Interest bearing deposit accounts may be held with sound financial institutions only. Rates of interest are reviewed periodically to ensure reasonable returns are being achieved.



## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Reserves policy**

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. It is intended where possible that the level of reserves 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 trust's current level of free reserves (total funds less the amounts held in fixed assets and restricted funds) is £1,966,354 (2020: £1,842,351). The trustees intend to build up to the desired level the academy trust's free reserves over time when financial conditions allow.

The level of reserves held balances the belief that funds provided in year for the education of pupils should be spent on those pupils in year with the goal of maintaining a desired level of free reserves.

At 31 August 2021 the total funds comprised:

Unrestricted general funds	£1,966,354
Restricted funds - general	(£982,699)
Restricted funds - pension reserve	(£11,603,000)
Total restricted funds	(£12,585,699)
Restricted fixed asset funds	£83,096,036
<b>Total funds</b>	<b>£72,476,691</b>

##### **Going concern**

After making appropriate enquiries and considering the academy trust's funding agreement with the Secretary of State for Education is only terminable on seven years' notice, or other exceptional events, the trustees have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The trustees are aware that funding for schools is an ever evolving formula with this year seeing revisions to the Teacher Pay Grant, Teacher Pension Grant and the one off pupil recovery premium. The academy trust bases its forecasts on information currently available or where not available on assumptions the Trustees believe to be reasonable

The trustees are aware of the changing financial demands that the academy trust is facing over the next few years with small increases to per pupil funding, increased costs of staffing and other resources. The environment remains challenging, especially in light of actions needed to mitigate the threat of Covid-19.

However, three of the academies increased their Pupil Admission Number (PAN) from 1 September 2020 by a total of 67 pupils meaning that over the next five years the academy trust should gain an extra 335 pupils, thereby receiving increased funding. The Brittons Academy has temporarily agreed with the Local Authority to fix its PAN at a lower level facilitating a drop in teaching time required to deliver the curriculum.

Since 85% of the academy trust's costs are staff related, the Board continues to review staffing structures across the academy trust. Having conducted further centralisation of non-teaching functions enabling some additional streamlining of activity, the Board are confident that plans will result in a balancing of the academy trust's in year budget by 2022/23.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Funds in deficit**

The pension reserve is in deficit due to the academy trust's share of the LGPS liabilities exceeding its share of the assets. This deficit will generally result in a cash outflow effect for the academy trust in the form of increased employers' contributions over a period of years.

The restricted general fund is in deficit as a result of various restructuring costs the academy trust incurred, including redundancy costs during the year. These one-off expenses were necessary to enable the organisation to streamline its operations in light of the current funding challenges.

##### **Principal risks and uncertainties**

As detailed above the trustees have a comprehensive risk management process to identify and monitor the risks faced by the academy trust. The key areas of risk have been categorised as: performance, reputation, financial and personnel-related. The principal risks and uncertainties are centred around changes in the level of funding from the EFA. In addition, various members of staff belong to the Local Government Pension Scheme (LGPS), which results in ESFA recognition of a significant deficit on the academy trust's Balance Sheet, whilst other members of staff belong to the Teachers' Pension Scheme (TPS), which is not recognised on the academy trust's Balance Sheet. The financial consequences and risks associated with these pension funds are explained further in note 1 of the financial statements.

The Board have identified the following as the principal risks facing the academy trust:

##### Performance risk

- Maintaining high GCSE performance at Hall Mead School; Improving GCSE performance in other academies
- Consistency of rigorous and robust self-evaluation and focussed planning
- Supporting individual academies by using central trust resources for greatest impact
- Ensuring consistency and stability of leadership across all individual academies

##### Reputation risk

- Maintaining the "Outstanding" Ofsted judgements for Hall Mead School and Hacton Primary School
- Obtaining improved Ofsted judgements and HMI visit reports for Brittons
- Continued improvement in pupil outcomes at Bower Park to underpin its "Good" judgement
- Building strong, honest and open relationships with the academy trust's key stakeholders
- Delivering the goals set out for the Havering Teacher Training Partnership
- Maintaining access to latest advice and professional development through "Going 4 Great" network, Leading Edge network, Teaching School Hub network and Havering Learning Partnership

##### Financial risk

- Strategically and proactively managing pupil numbers
- Ensuring robust financial planning based on appropriate and reasonable assumptions
- Controlling costs in line with plans
- Proactively obtaining grants/funding from central or other sources

##### Personnel risk

- Maintaining highly effective professional development and appraisal systems that provide opportunity for improvement and advancement
- Ensuring there is a pipeline of talent and ensuring key staff are retained

The academy trust has a strong risk management ethos underpinned by robust policies and systems that analyse, review and determine mitigation of risk in a systematic manner. Any material risks highlighted at any level of the academy trust are escalated to the appropriate level in order to put in place mitigation where possible. Incidents where incurred risk exceeds the academy trust's defined thresholds are brought to the attention of the Board along with appropriate recommendations for corrective action.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRATEGIC REPORT**

##### **Future plans**

The academy trust has developed a three-year strategic plan, which commenced in 2020 that is regularly reviewed and revised as circumstances change.

The academy trust will focus on:

- Values - Embody the purpose and values of the academy trust within our Academy communities to enable better objective decision making and bring about a more aligned and better-connected organisation
- Curriculum - Ensure a broad and balanced curriculum accessible to all that delivers deep connected Knowledge that stretches each pupil and facilitates their growth into effective global citizens
- Pedagogy - Refresh teaching and learning with greater emphasis on strengthening the relationship between knowledge, skills and critical thinking.
- Staff - Create a supportive culture centred around high expectations that delivers an outstanding quality of education through the development and growth of our workforce and encourages them to develop themselves and others
- Systems - Build a composite platform that supports the improvement of the quality of education and ensures the effective running of the academy trust by facilitating inciteful, informed and robust decision making
- Governance - Build a self-sustaining governance model that is reflective, diverse and knowledgeable and holds itself and others to account for the delivery of the academy trust's purpose, vision and values through high quality engagement
- Growth - Build capacity for continual school improvement by growing the academy trust to a sustainable size that provides sufficient resources to deliver outstanding outcomes for all stakeholders

After one year, against the backdrop of the Covid-19 pandemic, many of the strands of the strategic plan have been progressed. An evaluation of the stands and their continued appropriateness has been undertaken by the trustees in the Autumn term of 2021 and relevant KPIs reset.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

In accordance with the Articles of Association the academy trust 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 trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

##### Trustee 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 Financial Scheme of Delegations along with Financial Regulations to codify various matters for the better operation of the academy trust's business and within which it expressly reserves specified significant matters for its sole decision.

##### Trustee Board Committee

The Board has established various committees through which it conducts its functions. Membership of committees is reviewed and determined annually. Committee appointments may include individuals who are not trustees. Committee attendance of trustees is laid out in the table in this report.

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

In addition to trustees, members of the Executive Leadership Team and other staff and advisors will attend Committee meetings as necessary. The Board also meets annually with the Executive to develop, monitor and revise the strategic plan.

##### HR Committee

The HR Committee consists of at least three trustees and meets at least three times per year. It develops and evaluates policy relating to personnel matters within the academy trust and oversees the academy trust's deployment and management of its staff.

##### Finance Committee

The Finance Committee consists of at least three trustees and meets at least four times per year. It oversees the strategic financial planning of the academy trust and the financial management of the operations. It also provides direction to the CEO and the Local Governance Committees on financial matters.

##### Audit and Risk Committee

The Audit and Risk Committee consists of five trustees and met two times in the year. The work centres around ensuring the academy trust has effective systems of internal control and appropriate risk management strategies.

##### CEO Performance Management Committee

The CEO PM Committee comprises of two trustees and is responsible for the CEO's annual appraisal and pay review. It is supported by a suitably qualified external consultant.

##### Local Governance Committees (LGCs)

Local Governance Committees are established in each academy (under normal circumstances) and consist of between 5 and 9 individuals (trustees would not normally sit on an LGC) who are collectively responsible for the strategic direction of each academy and its performance.

##### **Charity constitution**

The academy trust 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 but is regulated by the Education Skills Funding Agency (ESFA) on behalf of the Department of Education. The academy trust's Memorandum and Articles of Association are the primary governing documents for the academy trust. The Articles of Association require there to be at least 3 members of the Company who are responsible for the statutory and constitutional affairs of the Company and the appointment of trustees who are responsible for the oversight of the management of the academy trust.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Members' liability**

Each member of the academy trust undertakes to contribute to the assets of the 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 cease to be a member.

##### **Trustees' Indemnities**

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 trust.

The Articles of Association include provisions for the indemnification of trustees in respect of their actions in connection with the academy trust. The academy trust has put in place trustees and officers' insurance for the benefit of the trustees and other officers of the academy trust.

##### **Principal activities**

The principal object and activity of the charitable company is the provision of education for children of all ages in and around the London Borough of Havering.

##### **Recruitment and appointment or election of trustees**

The recruitment and appointment of trustees is undertaken to ensure the academy trust has the balance of skills, knowledge and experience it considers necessary to operate the academy trust. An annual skills audit of the Board is undertaken, and gaps identified and addressed through recruitment or training. The academy trust considers succession planning on an ongoing basis.

##### **Organisational structure**

The academy trust's governance structure consists of the Board and its sub committees which include individual academy dedicated Local Governance Committees. The executive management is led by the Chief Executive Officer (CEO), and is made up of the Executive Leadership Team. The aim of the management structure is to devolve responsibility to the most effective tier of the organisation so that it is efficient and effective.

Trustees are responsible for setting the strategic direction of the academy trust, challenging and supporting the Executive Leadership Team and overseeing the financial performance of the academy trust.

The CEO, who is also the Accounting Officer, is responsible to the Board for the overall performance of the academy trust including the performance of each academy and the financial wellbeing of the academy trust.

Local Governance Committees are responsible for the strategic direction of the relevant academy over which they sit and in holding the relevant Headteacher/Principal to account for the performance of that academy.

Headteacher/Principals are responsible for the overall performance of the academy they lead and for meeting the objectives set for them by the academy trust, CEO and the LGC.

The Executive Leadership Team comprises the CEO, the Chief Operating Officer, the Academy Effectiveness Lead and the Headteachers/Principals of the individual academies. Collectively, led by the CEO, these managers run the academy trust, implementing strategy and policy as laid down by the Board.

##### **Meeting protocol**

During the course of 2021, some trust board meetings, meetings of the LGC's and Members were conducted remotely, on line. Clerking and governance arrangements remained in place.

##### **Induction and training of new trustees and governors**

Induction is tailored specifically to meet the needs of any new trustee and will be determined by the trustee's own knowledge and experience. Where necessary induction will provide training on charity and educational, legal and financial matters. Trustees have access to web-based and traditional training.

##### **Key management remuneration**

The CEO Performance Management Committee, which comprises the Chair and Vice-Chair of trustees and an external, independent, consultant is responsible for setting the pay and remuneration of the key management personnel.

## **Empower Learning Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Trade union facility time**

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2021.

##### **Relevant union officials**

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
4	4

##### **Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	Nil
1-50%	4
51-99%	Nil
100%	Nil

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

	<b>£</b>
Total cost of facility time	2,150
Total pay bill	1,841,692

Percentage of the total pay bill spent on facility time calculated as:

$$(\text{total cost of facility time} \div \text{total pay bill}) \times 100 \quad 0.12\%$$

##### **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100 \quad 0.01\%$$

##### **Related parties**

The academy trust manages the Havering Teacher Training Partnership which administers the training of new teachers in Havering schools. The funding for this partnership is provided by the ESFA separately to the funding for academy trust. The activities of the Havering Teacher Training Partnership are not included in these financial statements.

##### **Engagement with employees**

The academy trust values play a part in everything the academy trust does. Inclusion is one of the values and actions are taken to ensure our staff are well informed, consulted and involved in all aspects of academy and trust life. Regular newsletters, Headteacher briefings and access to trustees are all part of this approach. The continued prevalence of Covid-19 has seen the academy trust develop its risk assessments further in partnership with unions, senior leadership from across the workplace and staff representatives. The introduction of a free to use online learning platform for all staff has seen good take up with over 60% of staff undertaking some training using that resource. The academy trust remains mindful of the wellbeing of its employees and has in place at no cost to individuals a programme of support for all employees and their families which provides, for example, access to a G.P., prescribing services and legal advice.

##### **Engagement with suppliers, customers and others**

The academy trust has continued to centralise the support functions and during the reporting period a new finance structure was created including the new post of Head of Finance and Procurement. A key element of the role is to foster the academy trust's business relationships with suppliers, customers and others. Academy trust wide agreements for services are promoted and in doing so, value for money and a closer working relationship with our partners is achieved.

## Empower Learning Academy Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees together with the Executive Leadership Team, have assessed the major risks to which the academy trust is exposed. The trustees have ensured that the systems exist to assess and where possible mitigate risk. Where significant financial risk still remains the trustees have, where deemed appropriate, put in place insurance cover. Trustees have also ensured that the academy trust has an effective system of internal financial controls.

#### STREAMLINED ENERGY AND CARBON REPORTING

The academy trust uses more than 40,000 KWh of energy per year and has more than 250 employees. The academy trust is therefore required to report its energy usage and associated greenhouse gas emissions relating to gas, electricity and transport fuel in the accounting period.

#### UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	4,903,247	5,342,460
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
Gas consumption	634.10	647.63
Owned transport - mini-buses	2.19	3.14
<b>Total Scope 1</b>	<b>636.29</b>	<b>650.77</b>
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Purchased electricity	306.02	424.37
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee owned vehicles	0.02	0.09
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>942.33</b>	<b>1075.23</b>
<b>Intensity ratio Tonnes CO<sub>2</sub>e per pupil</b>	<b>0.30</b>	<b>0.35</b>

#### Quantification and reporting methodology

The academy trust has followed the 2019 (updated November 2021) HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

The academy trust has this year, invested £2.6m of grant funding in solar panels, battery storage, LED lamp replacement and air source heat pumps. Electricity consumption has already been reduced in all schools, but the benefits will be fully realised from 2021/22 onwards.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

**Empower Learning Academy Trust**

**Report of the Trustees  
for the Year Ended 31 August 2021**

**AUDITORS**

The auditors, Cartwrights, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In so far as the Board is aware:

- There is no relevant audit information of which the academy trust's auditor is unaware; and
- The trustees have taken all steps that they ought to have reasonably take to make themselves aware of any relevant information pertinent to the audit and to establish that the auditor is aware of that information

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 December 2021 and signed on the board's behalf by:



S London - Trustee



## Empower Learning Academy Trust

### Governance Statement for the Year Ended 31 August 2021

#### 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 of loss.

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

The board of the trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Empower Learning Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Governor Type	Board of Trustees	HR Committee	Risk Committee	Finance Committee	Members' Meeting
J Asante	Trustee	5/7		2/2		
J Brooks	Trustee	7/7			4/4	
K Butcher	Trustee	7/7			4/4	
M Evans	Member					3/3
A Farrow	Trustee	7/7		2/2	1/1	
D Forster	Member					3/3
A Frater	Other	6/7	1/1	2/2	4/4	
D Godwin	Trustee	7/7	1/1			
D Harries	Trustee	6/7			4/4	
S London	CEO	7/7	1/1		4/4	
J McKernan	Member					0/3
T Parsons	Member					3/3
K Stewart	Trustee	7/7	1/1	2/2		
M Walton	Trustee	6/7		1/2	3/4	
E Ward	Member					2/3

(Figures above stated as meetings attended out of a possible).

## **Empower Learning Academy Trust**

### **Governance Statement for the Year Ended 31 August 2021**

#### **Review of Value for Money**

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees with regard to various on value for money matters, including the use of benchmarking data as a guide where appropriate.

Over the last financial year, the academy trust has taken a wide range of steps to ensure that the educational standards for all pupils have continued to improve.

The academy trust invested heavily in technology and then in training for staff and pupils in order to continue its provision of high-quality education throughout the last year. Feedback from parents and pupils indicate that the quality of online provision was first class and delivered consistently in all academy secondary schools on a normal 5 lesson, 5 days a week timetable.

In this last year all schools have reviewed their curriculum to ensure they continue to be structured to deliver a broad and balanced, appropriately sequenced and challenging education for all our pupils. As highlighted by Ofsted in their report on Hacton school, which retained its "outstanding" status, "leaders have continued to improve the school's performance throughout the Covid-19 pandemic". Trustees believe this is true in each of the academy trust's schools.

In the year Brittons also received three Ofsted visits with outcomes encapsulated in the reports that stated in Sept 2020 that "[Ofsted] did not find any significant concerns during the visit" and in June 21 "Leaders and managers are taking effective actions".

The continued development of the academy trust's central services team and the streamlining of some processes have also led to efficiencies.

Each academy within the academy trust has produced a detailed analysis of how the Pupil Premium funding was spent and the impact that that funding had for individual pupils. These reports are available on the relevant academy's websites. Similarly, the use of funding for catch up groups for pupils is managed and reported in the same way.

The improvement agenda is clearly outlined within the strategic plan of the academy trust and in each school's academy improvement plan (AIP). The academy trust has focussed on targeted improvement both academy trust wide (such as the curriculum review) and at individual academy and subject level through the AIPs and trust wide subject networks. Improvement activity and impact are reviewed annually by the Board on its strategic planning day, as well as through regular progress updates at board meetings.

Improvement activity and impact are reviewed annually by the Board on its strategic planning day, as well as through regular progress updates at board meetings.

The strategic plan includes a strand about a supportive culture centred around high expectations that delivers an outstanding quality of education and a strand on refreshing teaching and learning. The talent management programme, bespoke CPD and succession planning along with the support provided to develop subject specific teaching are delivering better outcomes for pupils. The academy trust has also made increasing use of cross-trust leadership models and the sharing/voluntary transfer of teaching staff throughout the organisation. These changes are designed to maximise the in-school offer whilst ensuring costs are controlled and, where necessary, reduced.

Hall Mead School continued to act as a lead within the local Teaching School Alliance, the 'Empower Teaching Alliance', which consists of local secondary (and some primary) schools and academies. Hall Mead is a National Support School and the CEO/Headteacher is a National Leader of Education. School to school support work within this programme has had a demonstrable impact.

The academy trust has a strong financial oversight with significant relevant expertise within the Finance Committee.

The academy trust benchmarks its cost base for each academy both internally and externally, where possible.

The academy trust has benefitted from its collective buying power with cost reductions being evident across many services, but particularly staff recruitment, energy costs and support services.

## **Empower Learning Academy Trust**

### **Governance Statement for the Year Ended 31 August 2021**

The academy trust has been able to access various additional sources of funding to support school improvement and develop the estate. At the close of the year Hall Mead finally moved into its new build main school building and Bower Park commenced building its new science labs. Trustees have tasked the COO to continue to access further funding over the next few years in order to provide a better teaching and learning environment.

The academy trust has internal controls in place to ensure strict financial procedures are followed. A programme of internal audit provides reassurance that systems are being adhered to. The Finance Committee receive regular reports showing actual costs versus budget with appropriate narrative describing differences and corrective plans. Tight controls around the ordering of goods and services ensure the best use of resources and the prevention of waste. Surplus cash is deposited with appropriate financial institutions.

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

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

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## **Empower Learning Academy Trust**

### **Governance Statement for the Year Ended 31 August 2021**

#### **The Risk and Control Framework**

The Board oversees a programme of internal audit. In addition, the Board has put in place procedures and internal controls around the management of risk, covering:

- The types of risks the academy trust faces
- The level of net risk which they regard as acceptable
- The likelihood of the risks materialising
- The ability to reduce the incidence and impact of specific risks
- The costs of operating particular controls relative to the benefits obtained
- The responsibility of the Executive Leadership Team to implement the academy trust's policies and to identify and evaluate risks for the Board's consideration
- The embedding of control system in the academy trust's operations so that they become part of the culture of the academy trust
- The development of systems to respond quickly to evolving risks arising from factors within the academy trust and to changes in the external environment; and
- Procedures for reporting failings of risk management strategies immediately to appropriate levels of management and to trustees 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 trust'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 internal auditor reports to the Risk and Audit Committee and the Finance Committee on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

## **Empower Learning Academy Trust**

### **Governance Statement for the Year Ended 31 August 2021**

#### **Review of Effectiveness**

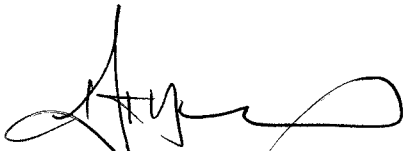
As Accounting Officer the CEO has responsibility for reviewing the effectiveness of the systems of internal control. During the year the review has been informed by:

- The work of the internal auditor
- The work of the external auditor; and
- The financial management and governance self-assessment process or the school resource management self-assessment tool, and;
- The work of the Executive Leadership Team within the academy trust 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. Additionally, there were no weaknesses advised by either the Internal or External Auditor that were not addressed within the current year.

The Accounting Officer has been advised of the outcomes of reviews of the systems of internal controls as presented to the Risk and Audit Committee and the Finance Committee during the year and is aware of all plans to address weaknesses and to ensure continuous improvement of the systems.

Approved by order of the members of the board of trustees on 17 December 2021 and signed on its behalf by:



D N Harries - Trustee



S London - Accounting Officer

**Empower Learning Academy Trust**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2021**

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

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

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

S London - Accounting Officer



17 December 2021

## **Empower Learning Academy Trust**

### **Statement of Trustees' Responsibilities for the Year Ended 31 August 2021**

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 Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 to 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 17 December 2021 and signed on its behalf by:



S London - Trustee

## **Report of the Independent Auditors to the Members of Empower Learning Academy Trust**

### **Opinion**

We have audited the financial statements of Empower Learning Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



## **Report of the Independent Auditors to the Members of Empower Learning Academy Trust**

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

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

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

### **Responsibilities of trustees**

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

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

## **Report of the Independent Auditors to the Members of Empower Learning Academy Trust**

### **Our responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, and that they remained alert to instances of non-compliance throughout the audit.

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

- based on our understanding of the company and industry, and through discussions with directors and key management, we identified any specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation; and
- we assessed the extent of compliance with these laws and regulations through making enquiries of management and inspecting legal correspondence.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries, particularly focused around the year-end, to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in the notes to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

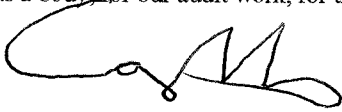
There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Report of the Independent Auditors to the Members of  
Empower Learning Academy Trust**

**Use of our report**

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



Andy Hill FCA (Senior Statutory Auditor)  
for and on behalf of Cartwrights  
Chartered Accountants and Business Advisors  
Statutory Auditor  
Regency House  
33 Wood Street  
Barnet  
Hertfordshire  
EN5 4BE

17 December 2021

## **Independent Reporting Accountant's Assurance Report on Regularity to Empower Learning Academy Trust and the Education and Skills Funding Agency**

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

This report is made solely to Empower Learning Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Empower Learning Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Empower Learning Academy Trust and the ESFA, 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 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw our conclusions includes:

- Reviewing the minutes of meetings of the Trustees and other evidence made available to us;
- Reviewing the objectives and activities of the academy trust;
- Testing a sample of payroll payments to staff and payments made to suppliers and other third parties;
- Testing a sample of grants received and other income streams, and;
- Evaluating the internal control procedures and reporting lines of the academy trust, and testing as appropriate.

**Independent Reporting Accountant's Assurance Report on Regularity to  
Empower Learning Academy Trust and the Education and Skills Funding Agency**

**Conclusion**

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



Cartwrights  
Chartered Accountants and Business Advisors  
Reporting Accountant  
Regency House  
33 Wood Street  
Barnet  
Hertfordshire  
EN5 4BE

17 December 2021

**Empower Learning Academy Trust**

**Statement of Financial Activities  
for the Year Ended 31 August 2021**

				31/8/21	31/8/20	
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Notes	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	3	19,007	(1)	15,869,916	15,888,922	677,088
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	-	21,141,438	-	21,141,438	19,882,123
Teaching schools		-	55,000	-	55,000	282,902
Other trading activities	5	274,625	-	-	274,625	445,247
Investment income	6	593	-	-	593	3,895
Other income		-	-	(3,196,520)	(3,196,520)	-
<b>Total</b>		<u>294,225</u>	<u>21,196,437</u>	<u>12,673,396</u>	<u>34,164,058</u>	<u>21,291,255</u>
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations	4	170,222	22,288,436	1,087,321	23,545,979	22,725,533
Teaching schools		-	1,554	-	1,554	74,194
<b>Total</b>	7	<u>170,222</u>	<u>22,289,990</u>	<u>1,087,321</u>	<u>23,547,533</u>	<u>22,799,727</u>
<b>NET INCOME/(EXPENDITURE)</b>						
		124,003	(1,093,553)	11,586,075	10,616,525	(1,508,472)
<b>Transfers between funds</b>	19	-	3,060	(3,060)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		-	(1,632,000)	-	(1,632,000)	188,000
<b>Net movement in funds</b>		124,003	(2,722,493)	11,583,015	8,984,525	(1,320,472)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		1,842,351	(9,863,206)	71,513,021	63,492,166	64,812,638
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,966,354</u></u>	<u><u>(12,585,699)</u></u>	<u><u>83,096,036</u></u>	<u><u>72,476,691</u></u>	<u><u>63,492,166</u></u>

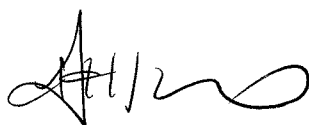
The notes form part of these financial statements

**Empower Learning Academy Trust**

**Balance Sheet  
31 August 2021**

	Notes	31/8/21 £	31/8/20 £
<b>FIXED ASSETS</b>			
Tangible assets	15	83,096,036	71,513,021
<b>CURRENT ASSETS</b>			
Debtors	16	2,026,180	211,100
Cash at bank and in hand		2,678,460	1,842,351
		<u>4,704,640</u>	<u>2,053,451</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	(3,720,985)	(1,134,306)
		<u>983,655</u>	<u>919,145</u>
<b>NET CURRENT ASSETS</b>			
		<u>84,079,691</u>	<u>72,432,166</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>84,079,691</u>	<u>72,432,166</u>
<b>PENSION LIABILITY</b>	20	(11,603,000)	(8,940,000)
		<u>72,476,691</u>	<u>63,492,166</u>
<b>NET ASSETS</b>			
		<u><u>72,476,691</u></u>	<u><u>63,492,166</u></u>
<b>FUNDS</b>	19		
Restricted funds:			
Restricted general funds		(982,699)	(923,206)
Restricted fixed assets funds		83,096,036	71,513,021
Restricted general funds - pension reserve		(11,603,000)	(8,940,000)
		<u>70,510,337</u>	<u>61,649,815</u>
Unrestricted funds:			
Unrestricted income funds		1,966,354	1,842,351
		<u>1,966,354</u>	<u>1,842,351</u>
<b>TOTAL FUNDS</b>		<u><u>72,476,691</u></u>	<u><u>63,492,166</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 December 2021 and were signed on its behalf by:



~~K Butcher~~ - Trustee

DHAQRIE



S London - Trustee

The notes form part of these financial statements

**Empower Learning Academy Trust**

**Cash Flow Statement  
for the Year Ended 31 August 2021**

	Notes	31/8/21 £	31/8/20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	13,988,051	(767,682)
Net cash provided by/(used in) operating activities		<u>13,988,051</u>	<u>(767,682)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(16,207,451)	(25,088)
Capital grants from DfE/EFA		2,529,916	658,843
Sale of tangible fixed assets		525,000	-
Interest received		593	3,895
Net cash (used in)/provided by investing activities		<u>(13,151,942)</u>	<u>637,650</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>836,109</u>	<u>(130,032)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,842,351</u>	<u>1,972,383</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>2,678,460</u></u>	<u><u>1,842,351</u></u>

The notes form part of these financial statements



**Empower Learning Academy Trust**

**Notes to the Cash Flow Statement  
for the Year Ended 31 August 2021**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	10,616,525	(1,508,472)
<b>Adjustments for:</b>		
Depreciation charges	902,917	664,553
Capital grants from DfE/ESFA	(2,529,916)	(658,843)
Loss on disposal of fixed assets	3,196,520	-
Interest received	(593)	(3,895)
Pension scheme cost less contributions	871,000	880,000
Pension scheme finance cost	160,000	154,000
(Increase)/decrease in debtors	(1,815,081)	63,556
Increase/(decrease) in creditors	2,586,679	(358,581)
<b>Net cash provided by/(used in) operations</b>	<u>13,988,051</u>	<u>(767,682)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1/9/20</b>	<b>Cash flow</b>	<b>At 31/8/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	1,842,351	836,109	2,678,460
	<u>1,842,351</u>	<u>836,109</u>	<u>2,678,460</u>
<b>Total</b>	<u>1,842,351</u>	<u>836,109</u>	<u>2,678,460</u>

The notes form part of these financial statements

## **Empower Learning Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Empower Learning Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **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 forecast for the period to 31 August 2021. However, this is expected to be made up by 31 August 2022 and for this reason it continues to adopt the going concern basis in preparing the financial statements.

##### **Income**

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

##### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

The 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 in full where there is unconditional entitlement to the grant. In the event that unconditional entitlement passes to the academy trust whilst the project is incomplete, the expenditure is capitalised in assets under construction. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are not deferred over the life of the asset on which they are expended.

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Donations**

Donations are recognised on a receivable basis where there are no performance related conditions and where it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

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

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.

## **Empower Learning Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2021**

#### **1. ACCOUNTING POLICIES - continued**

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### **Donated fixed assets (excluding transfers on conversion/into the academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Expenditure on raising funds**

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

##### **Expenditure on charitable activities**

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

##### **Intangible fixed assets**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Software development costs - 3 years straight line

##### **Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding required 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.

## **Empower Learning Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2021**

#### **1. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

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

Freehold and leasehold property	- 50 years straight line
Furniture, fittings and equipment	- 5 or 10 years straight line
Motor vehicles	- 10 years straight line
Computer equipment	- 3 years straight line

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

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

##### **Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the debtors note to these financial statements. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

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

##### **Taxation**

The academy trust is exempt from corporation tax on its charitable activities.

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

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

The hire of facilities is classified as a charitable activity under the academy trust's objects and therefore such income is exempt from corporation tax.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted general funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes and include grants from the Department for Education, other sources and the fund that represents the LGPS obligation.

## **Empower Learning Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2021**

#### **1. ACCOUNTING POLICIES - continued**

##### **Fund accounting**

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.

##### **Pension costs and other post-retirement benefits**

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 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **Other balance sheet items**

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.

Cash at bank and in hand included 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.

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 recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Rentals under operating leases are charged on a straight-line basis over the lease term.

## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 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 the pensions and similar obligations note to these financial statements, will impact the carrying amount of pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by an actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and

- Any changes in the valuation of freehold property (see the tangible fixed assets note to these financial statements).

#### 3. DONATIONS AND CAPITAL GRANTS

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>31/8/21 Total funds £</b>	<b>31/8/20 Total funds £</b>
Donations	19,007	13,339,999	13,359,006	18,245
Capital grants	-	2,529,916	2,529,916	658,843
	<u>19,007</u>	<u>15,869,915</u>	<u>15,888,922</u>	<u>677,088</u>

Included in donations is the sum of £13,340,000 (2020: £nil) in relation to donated fixed assets resulting from the Priority Schools Building Programme 2 building work at Hall Mead School.

Grants received, included in the above, are as follows:

	<b>31/8/21 £</b>	<b>31/8/20 £</b>
General Annual Grant(GAG)	-	658,843
Other grants	2,529,916	-
	<u>2,529,916</u>	<u>658,843</u>

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

Empower Learning Academy Trust

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
<b>DfE/ESFA grant</b>				
General Annual Grant(GAG)	-	17,350,889	17,350,889	16,249,210
<b>Other income from the academy trust's educational operations</b>	-	3,790,549	3,790,549	3,632,913
	-	21,141,438	21,141,438	19,882,123

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

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Hire of facilities	135,328	-	135,328	150,061
Other self generated income	139,297	-	139,297	295,186
	274,625	-	274,625	445,247

6. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31/8/21 Total funds £	31/8/20 Total funds £
Deposit account interest	593	-	593	3,895

7. EXPENDITURE

	Non-pay expenditure			31/8/21	31/8/20
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	15,363,507	-	796,793	16,160,300	15,340,903
Allocated support costs	4,374,034	1,961,950	1,049,695	7,385,679	7,384,630
<b>Teaching schools</b>					
Direct costs	-	-	1,554	1,554	74,194
	19,737,541	1,961,950	1,848,042	23,547,533	22,799,727

**Empower Learning Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**7. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	38,691	43,359
Depreciation - owned assets	902,916	664,555
Deficit on disposal of fixed assets	3,196,520	-
	<u>3,196,520</u>	<u>-</u>

Auditors' remuneration includes both internal and external audit services, provided by separate firms.

There were no compensation or ex-gratia payments in the year (2020: £nil).

**8. CHARITABLE ACTIVITIES**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>31/8/21 Total funds</b>	<b>31/8/20 Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Direct costs - academy's educational operations	28,435	16,131,865	16,160,300	15,340,903
Direct costs - teaching schools	-	1,554	1,554	74,194
Support costs - academy's educational operations	141,787	7,243,892	7,385,679	7,384,630
	<u>170,222</u>	<u>23,377,311</u>	<u>23,547,533</u>	<u>22,799,727</u>

	<b>31/8/21 Total £</b>	<b>31/8/20 Total £</b>
<b>Analysis of support costs</b>		
Support staff costs	4,374,034	4,079,022
Depreciation	149,351	26,054
Technology costs	235,389	205,412
Premises costs	1,961,950	2,307,666
Legal costs - other	-	5,950
Other support costs	626,264	717,167
Governance costs	38,691	43,359
Total support costs	<u>7,385,679</u>	<u>7,384,630</u>



## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 9. SUPPORT COSTS

	Management £	Other £	Governance costs £	Totals £
Academy's educational operations	<u>6,485,335</u>	<u>861,653</u>	<u>38,691</u>	<u>7,385,679</u>

Support costs, included in the above, are as follows:

	31/8/21 Academy's educational operations £	31/8/20 Total activities £
Wages	1,711,356	1,685,330
Social security	130,366	123,054
Pensions	1,849,000	1,766,000
LGPS pension finance cost	683,312	504,638
Maintenance of premises and equipment	1,208,384	1,669,167
Depreciation of tangible and heritage assets	902,917	664,553
Technology costs	235,389	205,412
Other costs	626,264	717,167
Auditors' remuneration	38,691	43,359
Legal costs - educational operations	-	5,950
	<u>7,385,679</u>	<u>7,384,630</u>

#### 10. TRUSTEES' REMUNERATION AND BENEFITS

One or more of the 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:

S London (CEO, accounting officer and staff trustee)  
- remuneration £135,000 - £140,000 (2020: £130,000-£135,000)  
- employer pension contributions paid £30,000-£35,000 (2020: £30,000-£35,000)

#### Trustees' expenses

During the year ended 31 August 2021, expenses totalling £nil (2020: £nil) were reimbursed to nil trustees (2020: nil trustees) in respect of their employment during their period of office.

## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 11. STAFF COSTS

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Wages and salaries	13,424,469	12,676,180
Social security costs	1,308,645	1,197,018
Operating costs of defined benefit pension schemes	3,813,897	3,657,993
Apprenticeship levy	52,912	45,945
	<u>18,599,923</u>	<u>17,577,136</u>
Supply teacher costs	977,618	592,264
LGPS pension finance cost	160,000	154,000
	<u>19,737,541</u>	<u>18,323,400</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	<b>31/8/21</b>	<b>31/8/20</b>
Teachers	226	210
Administration and support	317	247
Management	2	2
	<u>545</u>	<u>459</u>

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

	<b>31/8/21</b>	<b>31/8/20</b>
£60,001 - £70,000	15	11
£70,001 - £80,000	5	3
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
Over £110,000	1	1
	<u>24</u>	<u>17</u>

The Key Management Personnel of the academy trust comprise the Senior Management Team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the academy trust was £261,873 (2020: £264,052). The average number of full-time equivalent Key Management Personnel was 2 (2020: 2).

The average number of full-time equivalent persons employed by the academy trust was as follows:

	<b>31/8/21</b>	<b>31/8/20</b>
Teachers	215	191
Administration and support	154	154
Management	3	3
	<u>388</u>	<u>357</u>

## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 12. TRUSTEES' AND OFFICERS' INSURANCE

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

#### 13. CENTRAL SERVICES

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

- Human resources
- Financial services
- Legal services
- Educational and support services
- Other services as arising

The academy trust charges for these services on the basis of income received (pro-rate). The actual amounts charged during the year were as follows:

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Bower Park Academy	715,513	237,850
The Brittons Academy	542,932	220,531
Hall Mead School	794,304	234,190
Hacton Primary	286,044	74,867
	<u>2,338,793</u>	<u>767,438</u>

#### 14. INTANGIBLE FIXED ASSETS

	<b>Computer software £</b>
<b>COST</b>	
At 1 September 2020 and 31 August 2021	<u>35,100</u>
<b>AMORTISATION</b>	
At 1 September 2020 and 31 August 2021	<u>35,100</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>-</u>
At 31 August 2020	<u>-</u>

**Empower Learning Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**15. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Long leasehold £</b>	<b>Fixtures and fittings £</b>
<b>COST</b>			
At 1 September 2020	32,511,675	43,808,275	241,668
Additions	13,340,000	-	2,502,572
Disposals	(4,572,450)	-	(22,720)
At 31 August 2021	<u>41,279,225</u>	<u>43,808,275</u>	<u>2,721,520</u>
<b>DEPRECIATION</b>			
At 1 September 2020	3,540,596	1,315,076	233,485
Charge for year	502,301	251,265	7,547
Eliminated on disposal	(850,930)	-	(22,720)
At 31 August 2021	<u>3,191,967</u>	<u>1,566,341</u>	<u>218,312</u>
<b>NET BOOK VALUE</b>			
At 31 August 2021	<u>38,087,258</u>	<u>42,241,934</u>	<u>2,503,208</u>
At 31 August 2020	<u>28,971,079</u>	<u>42,493,199</u>	<u>8,183</u>
	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 September 2020	62,023	221,220	76,844,861
Additions	-	364,879	16,207,451
Disposals	-	-	(4,595,170)
At 31 August 2021	<u>62,023</u>	<u>586,099</u>	<u>88,457,142</u>
<b>DEPRECIATION</b>			
At 1 September 2020	60,935	181,748	5,331,840
Charge for year	1,088	140,715	902,916
Eliminated on disposal	-	-	(873,650)
At 31 August 2021	<u>62,023</u>	<u>322,463</u>	<u>5,361,106</u>
<b>NET BOOK VALUE</b>			
At 31 August 2021	<u>-</u>	<u>263,636</u>	<u>83,096,036</u>
At 31 August 2020	<u>1,088</u>	<u>39,472</u>	<u>71,513,021</u>

Included in cost or valuation of land and buildings is freehold land of £44,395,000 (2020 - £44,395,000) which is not depreciated.

The freehold land and buildings at The Brittons Academy were independently professionally valued at conversion to academy status by Hilbery Chaplin in September 2011.

The freehold land and buildings at Hall Mead School were independently professionally valued at conversion to academy status by Hilbery Chaplin in October 2011. The additions in 2021 are included at estimated fair value on completion by Bowmer and Kirkland, Quantity Surveyors. A formal independent professional valuation will be carried out by the academy trust in 2022.

## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 15. TANGIBLE FIXED ASSETS - continued

The leasehold land and buildings at Bower Park Academy were independently professionally valued by Mouchel Consulting in March 2013.

The land and buildings at Bower Park Academy are owned by London Borough of Havering. The academy trust holds a 125 year lease on a peppercorn rent from 1 February 2013.

The land and buildings at Hacton Primary School are owned by London Borough of Havering. The academy trust holds a 125 year lease on a peppercorn rent from 1 September 2018.

The trustees consider that the valuations of land and buildings remain appropriate for the purposes of these financial statements.

Hall Mead School was a successful applicant to the second phase of the DfE Priority School Buildings Programme 2. This programme which commenced in late 2019 completed in December 2020 with the rebuild of the main school block ("block A") and a new activity studio, which the academy trust formally moved into in January 2021. The new block A and activity studio have been included at estimated fair value in these financial statements and the old block A, which was demolished in December 2020, disposed of at net book value with £nil proceeds.

In September 2020 the academy trust also sold the School Cottage to a third party at open market value for £525,000.

#### 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Trade debtors	440,781	18,019
Other debtors	4,242	2,474
VAT	122,667	40,036
Prepayments and accrued income	1,458,490	150,571
	<u>2,026,180</u>	<u>211,100</u>

#### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,389,860	136,990
Other creditors	678,016	161,398
Accruals and deferred income	1,653,109	835,918
	<u>3,720,985</u>	<u>1,134,306</u>

**Empower Learning Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

**Deferred income**

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2020	433,444	803,591
Resources deferred during the year	1,262,006	433,444
Amounts released from previous years	(433,444)	(803,591)
	<u>1,262,006</u>	<u>433,444</u>
Deferred income at 31 August 2021	<u>1,262,006</u>	<u>433,444</u>

At the balance sheet date the academy trust was holding funds of £778,657 (2020: £nil) in relation to capital grant funding received in advance. This was released shortly after the year-end. Other deferred income at the balance sheet date related to holding funds received in advance of the 2021/22 financial year in respect of school trips, lettings, pupil premium grants and other sundry items.

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

			<b>31/8/21</b>	
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>fund</b>	<b>funds</b>	<b>fixed</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>asset</b>	<b>£</b>
			<b>funds</b>	
			<b>£</b>	
Fixed assets	-	-	83,096,036	83,096,036
Current assets	1,966,354	2,738,286	-	4,704,640
Current liabilities	-	(3,720,985)	-	(3,720,985)
Pension liability	-	(11,603,000)	-	(11,603,000)
	<u>1,966,354</u>	<u>(12,585,699)</u>	<u>83,096,036</u>	<u>72,476,691</u>

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

			<b>31/8/20</b>	
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>fund</b>	<b>funds</b>	<b>fixed</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>asset</b>	<b>£</b>
			<b>funds</b>	
			<b>£</b>	
Fixed assets	-	-	71,513,021	71,513,021
Current assets	1,842,351	211,100	-	2,053,451
Current liabilities	-	(1,134,306)	-	(1,134,306)
Pension liability	-	(8,940,000)	-	(8,940,000)
	<u>1,842,351</u>	<u>(9,863,206)</u>	<u>71,513,021</u>	<u>63,492,166</u>

Empower Learning Academy Trust

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

19. MOVEMENT IN FUNDS

	At 1/9/20 £	Net movement in funds £	Transfers between funds £	At 31/8/21 £
<b>Restricted general funds</b>				
Restricted general funds	(923,206)	(62,553)	3,060	(982,699)
Restricted fixed assets funds	71,513,021	11,586,075	(3,060)	83,096,036
Restricted general funds - pension reserve	(8,940,000)	(2,663,000)	-	(11,603,000)
	<u>61,649,815</u>	<u>8,860,522</u>	<u>-</u>	<u>70,510,337</u>
<b>Unrestricted fund</b>				
Unrestricted income funds	1,842,351	124,003	-	1,966,354
	<u>1,842,351</u>	<u>124,003</u>	<u>-</u>	<u>1,966,354</u>
<b>TOTAL FUNDS</b>	<u>63,492,166</u>	<u>8,984,525</u>	<u>-</u>	<u>72,476,691</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
Restricted general funds	21,196,437	(21,258,990)	-	(62,553)
Restricted fixed assets funds	12,673,396	(1,087,321)	-	11,586,075
Restricted general funds - pension reserve	-	(1,031,000)	(1,632,000)	(2,663,000)
	<u>33,869,833</u>	<u>(23,377,311)</u>	<u>(1,632,000)</u>	<u>8,860,522</u>
<b>Unrestricted fund</b>				
Unrestricted income funds	294,225	(170,222)	-	124,003
	<u>294,225</u>	<u>(170,222)</u>	<u>-</u>	<u>124,003</u>
<b>TOTAL FUNDS</b>	<u>34,164,058</u>	<u>(23,547,533)</u>	<u>(1,632,000)</u>	<u>8,984,525</u>

Comparatives for movement in funds

	At 1/9/19 £	Net movement in funds £	Transfers between funds £	At 31/8/20 £
<b>Restricted general funds</b>				
Restricted general funds	(1,188,606)	42,263	223,137	(923,206)
Restricted fixed assets funds	72,152,488	(753,587)	114,120	71,513,021
Restricted general funds - pension reserve	(8,094,000)	(846,000)	-	(8,940,000)
	<u>62,869,882</u>	<u>(1,557,324)</u>	<u>337,257</u>	<u>61,649,815</u>
<b>Unrestricted fund</b>				
Unrestricted income funds	1,942,756	236,852	(337,257)	1,842,351
	<u>1,942,756</u>	<u>236,852</u>	<u>(337,257)</u>	<u>1,842,351</u>
<b>TOTAL FUNDS</b>	<u>64,812,638</u>	<u>(1,320,472)</u>	<u>-</u>	<u>63,492,166</u>

**Empower Learning Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**19. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains and losses £</b>	<b>Movement in funds £</b>
<b>Restricted general funds</b>				
Restricted general funds	20,165,023	(20,122,760)	-	42,263
Restricted fixed assets funds	658,842	(1,412,429)	-	(753,587)
Restricted general funds - pension reserve	-	(1,034,000)	188,000	(846,000)
	<u>20,823,865</u>	<u>(22,569,189)</u>	<u>188,000</u>	<u>(1,557,324)</u>
<b>Unrestricted fund</b>				
Unrestricted income funds	467,390	(230,538)	-	236,852
	<u>467,390</u>	<u>(230,538)</u>	<u>-</u>	<u>236,852</u>
<b>TOTAL FUNDS</b>	<u><u>21,291,255</u></u>	<u><u>(22,799,727)</u></u>	<u><u>188,000</u></u>	<u><u>(1,320,472)</u></u>

Net movements in restricted general funds, included above are as follows:

	<b>Brought Forward £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Transfers Funds £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General annual grant	(923,206)	17,350,889	(17,413,442)	3,060	-	(982,699)
Pupil premium	-	873,817	(873,817)	-	-	-
Other DfE/ESFA grants	-	1,160,149	(1,160,149)	-	-	-
Local authority grants	-	1,635,326	(1,635,326)	-	-	-
Other activities	-	176,256	(176,256)	-	-	-
Pension reserve	(8,940,000)	-	(1,031,000)	-	(1,632,000)	(11,603,000)
Total funds	<u>(9,863,206)</u>	<u>21,196,437</u>	<u>(22,289,990)</u>	<u>3,060</u>	<u>(1,632,000)</u>	<u>(12,585,699)</u>

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

Unrestricted general fund - 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.

General Annual Grant (GAG) - represents the core funding for the educational activities of the academy trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal running costs of the academy trust.

Pupil Premium fund - established to recognise the restricted funding from the ESFA to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

Other DfE/ESFA funds - created to recognise the restricted funding received from the DfE/ESFA which fall outside the scope of core funding.

Local Authority funds - created to recognise the income received from the London Borough of Havering as a contribution towards the cost of the academy trust's revenue expenditure.

Other activities funds - established to recognise all other restricted funding that cannot be classified above but fall outside the scope of core activities.



## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 19. MOVEMENT IN FUNDS - continued

Pension reserve - represents the LGPS deficit inherited from the Local Authority upon conversion to academy trust status, and through which all the pension scheme movements are recognised.

DfE/ESFA capital grants - created to recognise such 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 assets fund.

NBV of fixed assets - created to recognise the tangible fixed assets held by the academy trust, equivalent to the NBV of tangible fixed assets. Depreciation of such assets is transferred to this fund.

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 2021.

#### Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Bower Park Academy	(59,543)	(439,264)
The Brittons Academy	726,154	949,363
Hall Mead School	(136,081)	54,461
Hacton Primary	372,558	355,343
Central Services	80,566	(758)
	<hr/>	<hr/>
	983,655	919,145
Restricted fixed asset fund	83,096,036	71,513,021
Pension reserve	(11,603,000)	(8,940,000)
	<hr/>	<hr/>
<b>Total</b>	<b>72,476,691</b>	<b>63,492,166</b>
	<hr/> <hr/>	<hr/> <hr/>

#### Total cost analysis by academy

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

	Teaching & Educational Support Staff	Other Support Staff Costs	Educational Supplies	Other Costs Excl. Depreciation	<b>31/8/21</b>	<b>31/8/20</b>
	£	£	£	£	£	£
Bower Park Academy	3,686,800	85,014	283,955	1,411,672	5,467,441	5,879,389
The Brittons Academy	3,459,013	42,637	233,575	1,138,349	4,873,574	5,282,317
Hall Mead School	4,663,716	277,431	175,214	1,847,357	6,963,718	7,128,683
Hacton Primary	2,053,912	102,136	87,531	702,274	2,945,853	2,824,941
Central Services	992,848	0	16,518	1,383,110	2,392,476	945,650
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	14,856,289	507,218	796,793	6,482,762	22,643,062	22,060,980
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## **Empower Learning Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2021**

#### **20. PENSION AND SIMILAR OBLIGATIONS**

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### **Teachers' pension scheme**

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

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

#### **Valuation of the teachers' pension scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £0 (2020 - £1,603,602).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### **Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,221,000 (2020 - £1,108,000), of which employers' contributions totalled £978,000 (2020 - £886,000) and employees contributions totalled £243,000 (2020 - £222,000). The agreed contribution rates for future years are 22.6-24.8% for employers and 5.5-12.5% for employees.

**Empower Learning Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	<b>Defined benefit pension plans</b>	
	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(28,771,000)	(22,603,000)
Fair value of plan assets	17,168,000	13,663,000
	<u>(11,603,000)</u>	<u>(8,940,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(11,603,000)</u>	<u>(8,940,000)</u>
Net liability	<u><u>(11,603,000)</u></u>	<u><u>(8,940,000)</u></u>

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

	<b>Defined benefit pension plans</b>	
	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Current service cost	1,829,000	1,712,000
Net interest from net defined benefit asset/liability	400,000	388,000
Past service cost	20,000	54,000
	<u>2,249,000</u>	<u>2,154,000</u>
Actual return on plan assets	<u><u>2,328,000</u></u>	<u><u>64,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31/8/21</b>	<b>31/8/20</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	22,603,000	20,610,000
Current service cost	1,829,000	1,712,000
Past service cost	20,000	54,000
Contributions by scheme participants	243,000	222,000
Interest cost	400,000	388,000
Actuarial losses/(gains)	3,960,000	(124,000)
Benefits paid	(284,000)	(259,000)
	<u>28,771,000</u>	<u>22,603,000</u>

## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Opening fair value of scheme assets	13,663,000	12,516,000
Contributions by employer	978,000	886,000
Contributions by scheme participants	243,000	222,000
Interest income	240,000	234,000
Actuarial gains/(losses)	2,328,000	64,000
Benefits paid	(284,000)	(259,000)
	<u>17,168,000</u>	<u>13,663,000</u>

The amounts recognised in other recognised gains and losses are as follows:

31/8/21	31/8/20
£	£
-	-
<u>-</u>	<u>-</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31/8/21	31/8/20
	£	£
Equities	7,725,600	6,148,350
Debt instruments	5,665,440	4,508,790
Property	2,746,880	2,186,080
Cash	1,030,080	819,780
	<u>17,168,000</u>	<u>13,663,000</u>

The actuarial return on scheme assets was 18.2% (2020: 3.4%).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31/8/21	31/8/20
Discount rate for scheme liabilities	1.80%	1.70%
Future salary increases	2.60%	3.00%
Future pension increases	2.30%	2.30%

## Empower Learning Academy Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31/8/21	31/8/20
Retiring today		
Males	21.8	21.6
Females	24.1	23.7
Retiring in 20 years		
Males	22.9	22.4
Females	25.9	25.2
Sensitivity analysis		
	31/8/21	31/8/20
	£	£
Discount rate +0.1%	(633)	(2,547)
Discount rate -0.1%	633	2,547
Mortality assumption - 1 year increase	1,151	196
Mortality assumption - 1 year decrease	(1,151)	(196)
CPI rate +0.1%	579	2,309
CPI rate -0.1%	(579)	(2,309)

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

#### 21. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/8/21	31/8/20
	£	£
Within one year	18,134	24,833
Between one and five years	34,177	52,311
	<u>52,311</u>	<u>77,144</u>

#### 22. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account.

#### 23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

**Empower Learning Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**24. COMPANY LIMITED BY GUARANTEE**

The academy trust is a company limited by guarantee and does not have share capital.