

**Company Registration No. 08149829 (England and Wales)**

**EAST MIDLANDS ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# EAST MIDLANDS ACADEMY TRUST

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# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

**Trustees**

K Crompton (Chair of Trustees)  
J Harris (Resigned 25-09-2020)  
A Morjaria (Appointed 17-9-20/Resigned 02-09-2021)  
A Salam  
S Morales  
A Davis  
F Wheeler  
D Houghton  
L Jones  
M Johanson(Resigned 07-12-2020)  
B Weiss (Appointed 11-12-2020/Resigned 02-09-2021)

**Members**

K Crompton  
J Harris  
F Wheeler (Resigned 10-11-2021)  
J Martin (Resigned 23-04-2021)  
B Langfield (Appointed 11-12-2020)

### Senior Management Team

*Chief Executive Officer & Accounting Officer* J Coleman

*Chief Operating Officer and Chief Financial Officer* P Wheeler

**Company registration number** 08149829 (England and Wales)

**Registered office**

Pyramus House  
Grange Park  
Northampton  
NN4 5EA

### HeadTeacher

*Callum Brown  
Ruth Ryan  
Lorna Beard  
Daniel Lugg  
Julie Stevens  
Luci Clapton*

*Elizabeth Dormor  
Joanne Trevena  
Zoe McIntyre*

### Location

Milton Keynes  
Milton Keynes  
Northampton  
Northampton  
Northampton  
Northampton

Oundle  
Northampton  
Northampton

### Academies operated

*Orchard Academy  
Shepherdswell Academy  
Castle Academy  
Head of School – Castle Academy  
Head of School - Hardingstone Academy  
Head of School – Stimpson Avenue Academy  
Prince William School  
Northampton International Academy  
Executive Head Teacher for Stimpson Avenue and Hardingstone Academies*

### Independent auditor

Mazars LLP  
6 Dominus Way  
Meridian Business Park  
Leicester  
LE19 1RP

### Bankers

Lloyds Bank Plc  
Fenlands House  
Vicarage Farm Road  
Peterborough  
PE1 5UH

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

### Solicitors

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London EC1M 6HR

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London SE1 9BB

The Trustees of East Midlands Academy Trust ('The Trust') present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021.

The annual report serves the purpose of a trustees' report and directors' report under company law.

The Trust supports five primaries, one secondary and one all-through school across the East Midlands. Its academies have a combined pupil capacity of 4,810 and a roll of 4,606 as of 21<sup>st</sup> July 2021.

### OBJECTIVES AND ACTIVITIES

The Trust was incorporated on 19<sup>th</sup> July 2012 as a Trust and a company limited by guarantee, with the purpose of establishing, maintaining, managing, and developing academies and free schools as world class centres of excellence. The Trust changed its name in July 2018 following separation from its former sponsor to become a stand-alone multi academy trust.

The Trust continues to develop closer collaboration between schools, sharing of resources and innovation to ensure best practice is developed throughout our school communities. The support provided within our family of schools includes Financial Management, Information Communications Technology (ICT), Human Resources (HR) together with Estates Management, Procurement, Governance and Marketing ensures effective use of resources throughout the community. The academic board on which all head teachers participate helps develop pedagogy and curriculum offering across the school community.

The Trust still maintains an ambition of sustainable growth in the number of students we educate to become the best they can be and continues to seek opportunities for expansion within the East Midlands.

### Primary Academies

In 2020-21, the Trust supported five primary schools: Orchard and Shepherds Well in Milton Keynes and Hardingstone, Castle and Stimpson Avenue in the centre of Northampton. When they joined the Trust, all three Northampton academies had been judged by Ofsted as 'requiring improvement or special measures'. All primary schools are now judged to be 'good' with the exception of Stimpson Avenue.

### Secondary Academy

Prince William School in Oundle, Northamptonshire, is a secondary school with a sixth form, which joined the Trust in 2015. A refurbished maths hub was opened in the year with further refurbishment including a new theatre, and sports facilities planned as part of the development and funding agreement in place with Northamptonshire County Council (now North Northants Unitary authority) at the time of conversion. The work has commenced on a £6.1 mil development to improve facilities across the site and build a new sports hall. The school was inspected by Ofsted in February 2020 and was judged as Good. This was a significant achievement for the school and all the staff involved, as the school had been categorised as requires improvement over the preceding 10 years.

### All Through Academy

In 2016 the Trust opened a new all through (4-19) free school, Northampton International Academy, in the centre of Northampton. In July 2019 the Northampton International Academy received its first Ofsted inspection and was judged as Good. In December 2020 Ofsted carried out a review of safeguarding and highlighted areas for improvement, many of which were being addressed at the time of the review following the departure of the previous Head Teacher. The trust worked with the school to address the legacy issues reported on by Ofsted. A subsequent follow up review in June 2021 found significant improvements and

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

judged safeguarding to be effective. The school reported its first set of results for GCSE and A Levels, the results of which are noted below. From September 2022 the school will be full with all year groups open.

### **Main Activities 2020-2021**

In the year 2020-2021, the Trust educated 4,606 pupils (4,117 in 2019-20) and provided support for over 550 members of staff in the academies.

The Coronavirus pandemic impacted on our schools during the year. In September 2020 we welcomed back all our students to school, and during the autumn term assessed the needs of each child and identified any gaps in knowledge. A programme of activities and additional support was put in place to meet the needs of the students. For all interventions, impact assessments were put in place to enable staff to measure the impact of the interventions and adjust programmes as required. The trust recognises that the impact of covid on our students and staff will be felt for several years, and so we are adapting our programmes to ensure each child receives the tailored support they need to recover from the disrupted learning.

The implementation of the recovery programme was set back with the spring term lockdown, but plans were refreshed and commenced once the students returned to school in March 2021. Our schools are well prepared to support students through the 2021-22 academic year with additional investment of £1.9 mil in the school estate over the summer to provide new facilities and refresh existing facilities providing a better learning environment.

### **Centralised support**

A diverse team of subject experts help with Finance, Human Resources, Payroll, Communications, Policy and Governance support, Project management and Marketing. This approach ensures that this multi-disciplinary team consistently supports each of the academies but has the capacity to either increase or reduce the level of support provided depending on the circumstances at the time.

The Information Communications Technology and Estates functions are also centralised. The benefit of this centralisation is to provide resilience across the service provision where staff are able to support schools when required, and to allow for the better deployment of resources. The centralisation of these services has enabled the trust to respond effectively to the Coronavirus pandemic and deploy equipment promptly to support learners, and to ensure schools are safe to open for staff and students. The cost savings generated from having one supplier base across schools has enabled the trust to invest in improvements to the school environment and improve the conditions for learners.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

East Midlands Academy Trust was incorporated on 19 July 2012 as a company limited by guarantee and an exempt charity, with the purpose of establishing, maintaining, managing, and developing academies and free schools as world class centres of excellence. In line with its Articles of Association, the Trust is governed by Members who are the owners of the Trust. Trustees are the directors of the Trust under company law and are supported by the executive under the direction of the Chief Executive Officer.

### **Members' liability**

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

### **Trustees' indemnities**

In line with normal commercial practice, the Trust holds unlimited insurance for its Trustees for their work on any single claim.

### **Method of recruitment and appointment or election of Trustees**

When new Trustees are recruited, the Board approves an appropriate process and criteria for recruitment based on a review of skills and capability. The articles allow for a maximum of twelve Trustees to be appointed by the members with no limit on the minimum number of trustees. The Trust continues working with Academy Ambassadors to identify additional trustees.

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

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

Trustees are briefed regularly on educational and other Trust matters by the Senior Management Team, through briefings at Board meetings, Group meetings, other sessions, visits to the academies and individual meetings. When new Trustees join the Board, tailored induction training is arranged to provide them with a comprehensive understanding of the Trust and the wider context, the Trust's mission, vision, ethos and values, the operation network, and their governance responsibilities.

### **Organisational structure**

The Trustees set general policy, approve the Strategic Plan and budget, monitor performance against the plan and budget, and take major decisions about the Trust, growth of academies and appointments of the Chief Executive and Chief Operating Officer.

The Board has established three committees to support it in carrying out its functions, which are:

- Standards & Performance committee;
- Finance, Human Resources & Estates committee;
- Audit & Risk committee.

The Board delegates a number of functions to Local Advisory Bodies (LABs). Each LAB reviews academy level policies, academy improvement plans and performance data. Recommendations can then be forwarded through the Trust Senior Management Team to the Board. The LABs carry out roles in monitoring school performance and overseeing community and parent liaison, as detailed in the Scheme of Delegation. The Trustees delegate day to day responsibility to the Senior Management Team led by the Chief Executive Officer. The running of each individual academy is delegated to its Head Teachers.

### **Arrangements for setting pay and remuneration of key management personnel**

East Midlands Academy Trust is committed to the recruitment, retention, and development of an effective workforce, who contribute to its success and growth. The Trust is committed to ensuring that members of staff, who excel in their role, should be recognised, and rewarded. The Trust, therefore, recognise that the use of a range of incentives is an important strategy for motivating staff, highlighting best practice, and creating a culture of exceptional achievement. Every year the trust holds a celebration and recognition awards event where staff, governors and pupils are nominated and rewarded for their achievements throughout the year.

The pay of all employees is benchmarked against an evaluation framework with a pay grading and banding structure to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles nationally.

Trustees review annually the pay of the senior executives. They take into account the pay for executives in trusts with similar characteristics and the DfE guidance on executive pay.

Trustees give their time freely and are not paid for their roles on the Board other than reimbursement for out-of-pocket expenses in line with our policy.

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

### Trade Union Facility Time

The Trust recognises a number of key unions and operate an informal consultation process for staff to be represented by Unions and staff consultation committee. The aim is to speed up decision making and improve communication to employees at a local level whilst providing Union support on pay and important conditions.

The Trust has an obligation to report the number of employees who were relevant union officials, the time spent on union activity and the cost of the facility time under statutory instrument 2017 328 (The Trade Union Facility Time Publication Requirement's Regulations 2017).

<b>Number of Employees who were relevant Union Officials During the period</b>	<b>Full Time Equivalent Employee Number</b>
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4	2
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### Percentage of Time Spent on Facility Time

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

### Percentage of pay bill spent on Facility Time

Total Cost of Facility Time	£219
Total Pay bill	£18,029,474
The percentage of the total pay bill spent on facility time	0.001214%

### Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time 0.155%.

The trust supports union activity by facilitating national and regional union officials with meetings by making staff available and providing accommodation for the meetings. The trust is in the process of agreeing a new Trade Union Recognition Agreement based on a local agreement and will record the time staff spend on union and staff consultancy committee activities.

### Engagement with Employees

As part of our ongoing employee engagement strategy, we operate an Employee Forum which meets at least once a term. The forum is made up from a member of teaching or support staff from each school and is an open forum to discuss initiatives and employee concerns, and to inform representatives of matters of concern to employees. This allows the employees views to be considered when decisions are being made which may affect them.

In addition to the Employee Forum the trust issues regular communications to staff through the monthly staff newsletter and through engagement with recognised trade union bodies. During the course of the year there were meetings with staff and their representatives to discuss matters. Following the Coronavirus shut down we held additional meetings to ensure concerns over returning to the classroom were considered whilst re-opening the schools, and that robust individual risk assessments were in place for higher risk staff groups.

### Engagement with Suppliers

The trust holds regular meetings with key suppliers to review contract performance and keep suppliers informed on changing activities of the trust. During the covid lockdown it was recognised that the cash flow for suppliers would be adversely affected and so the trust made every effort to pay suppliers as soon as invoices were received and approved regardless of terms. The trust supported on a case-by-case basis some smaller vulnerable suppliers where there was a risk of them not surviving and were necessary to the ongoing education of students.

### Related parties and co-operation with other organisations

There are no related parties involved in the Trust.

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

### Public benefit

The Trustees have referred to the Charity Commission guidance on public benefit when reviewing the Trust's objectives and aims whilst planning future activities and consider that the Trust's aims are demonstrably for the public benefit. We support our communities through the provision of an inclusive, high-quality education and support parents and children from all backgrounds including those where English is an additional language. The trust are supporting the wider education community through providing specialist knowledge and experience to other academy trusts in the areas of school improvement, finance, human resources and estate management and intend to develop further education partnerships in the coming years.

### STRATEGIC REPORT

#### Achievements and performance

Pupils in East Midlands Academy Trust academies have continued to make good progress during the year. The strategy of providing school to school support, as well as appointing outstanding head teachers to work as 'Challenge Advisers' for each academy has been highly effective. This ensures a robust system of challenge and support is in place.

#### Financial review

During the year ended 31 August 2021, East Midlands Academy Trust had a total income of £80,066K and expenditure of £28,881K, after exceptional pension costs of £1,152K.

Most of the income came from the Department for Education (DfE) or local authorities as recurrent grants for particular purposes. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust reported an overall surplus on general fund activity for the year ended 31 August 2021 of £413K (2019/20: £277K) after transfers but before pension fund administration costs of £1,152K. The trust has budgeted a surplus of £288K in 2021-22. The trust operates a GaG pooling model for managing its financial affairs. The schools' resources were budgeted using Integrated Curriculum Financial Planning (ICFP), to determine the staffing required to effectively teach the proposed curriculum. This is subject to recognised national key performance indicators to deliver a first-class education. The schools receive their ring-fenced funding which includes Pupil Premium and SEND funding, and the trust calculate a school grant to top up the income to match the resources required. The aim is for the schools to break even on their budget allocation. The cost for centralised estates and information communications technology were met from a similar grant known as the central grant. The contingencies and contributions to reserves are held in the Head Office.

The Trust reserves as at 31<sup>st</sup> August 2021 were £1,636mil (excluding fixed assets and pension reserves). The trust has set a target of 1 month's expenditure to hold as a prudent reserve. This equates to a reserve balance of £1,950K. The trust has budgeted to achieve a surplus over the next 3 years of the plan to bring the reserves in line with the policy. The trust has budgeted a £287K surplus for 2021-22. In addition to the reserves, the trust has a policy for cash balances held to be equivalent to at least one month's payroll. This equates to £1.75 mil. The trust free cash balance at the 31<sup>st</sup> August 2021 was £4.8 mil. The trust are holding capital receipts of £5.8 mil to fund projects in progress at the year end.

When Northamptonshire moved to a two-tier education structure—primary and secondary the local authority had agreed to invest in the estate at Prince William School to accommodate this change. The trust has been working with the council to release the funds necessary for the refurbishment to be undertaken. The funding agreement for the development of Prince William School between the local authority and EMAT was signed, and work commenced on the first phase of the works which included the refurbishment of the food tech areas and the installation of a theatre. This work was completed on time and within budget.

At the NIA, capital projects were completed to install a new staircase to help circulation of students at the academy, and the ground floor commercial units were redesignated for educational purpose. These were fitted out for use by the school to enhance the alternative provision and provide a mental health support hub for the school and wider education use, and enhanced 6<sup>th</sup> form facilities with a symposium room and meeting rooms to support business incubation. In total the trust invested £1,886 mil on enhancing the estate and ICT infrastructure.

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

### Going concern

After making appropriate enquires, the Board of Trustees has an expectation that East Midlands Academy Trust has adequate resources to continue in operational existence for the foreseeable future. This is based on the current level of reserves held of £1,636mil to cover any unforeseen future expenditure. The Trust has budgeted a year-on-year surplus for the next five years of £297K for 2021-22 rising to £334K in 2022-23. The cash position remains stable at £4,793K over this period. For this reason, the Trust continues to adopt the going concern basis in preparing its financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Promoting the Success of the Charity to achieve its charitable objectives

East Midlands Academy Trust has a strong ethos of social responsibility ensuring that each child has the opportunity through education to improve their circumstances. The trustees have instilled in the organisation a fully inclusive education, and through the strategic plan aim to support all children from all backgrounds in its growth plans. The trust aims to operate in addition to mainstream schools, alternative provision, special schools, and further education to support our communities.

The trust selects trusted business partners who demonstrate they can supply goods and services at economic prices, and who share our belief in supporting our students and communities. We employ high achieving staff to offer the best pedagogy to our students and support staff with extensive CPD programmes and peer to peer support. The trust has developed a network of specialists including Academy Improvement Partners (AIPs) to provide critical challenge and process improvement ensuring we continue to offer life opportunities for our students. By developing our staff and working with like-minded suppliers we are setting the platform to achieve the long-term success of our charitable objectives.

### Financial and risk management objectives and policies

East Midlands Academy Trust holds cash balances and other working capital balances. The Trust manages its cash resources, including maintaining sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Other risks that the Trust is exposed to include funding decreases or pay awards to teachers that are not fully funded. These are pressures faced by all academy trusts and are mitigated through prudent budgeting.

A further risk could be a significant drop in pupil numbers. Each academy is aware of the consequence of a falling roll and is proactive in marketing for new pupils and retaining existing pupils.

### Reserves policy

The Trust has a reserves policy which describes the need for sufficient consolidated reserves to enable the Trust to grow in line with its Strategic Plan by ensuring there are sufficient reserves to fund that growth and combat the inevitable financial risks associated therewith, whilst avoiding the accumulation of excessive reserves from resources which should be used to improve the life chances of the pupils within the Trust's academies.

The trust board has set a policy that for the three-year financial plan 2020-21 the trust should hold revenue reserves equivalent of one month's expenditure and cash equivalent of one-month pay. This would equate to £1.9 mil for reserves and £1.2 mil for cash. The financial plans for the next three years include provision to build reserves to this level. This will allow the trust to absorb cash flow peaks and troughs and give resilience to withstand unforeseen expenditure.

The position as at 31<sup>st</sup> August 2021 is a net revenue reserve of £1,636mil and cash reserve of £4,793mil. The trust operate a system of GaG pooling. Therefore, all reserves will be reported under the consolidated trust position. Note 16 to the accounts shows the reserves as at 31<sup>st</sup> August 2021.

At the end of 2020-21 the Trust's total reserves are £75,135mil comprising restricted reserves of £74,909mil, of which £85,105mil relates to the restricted fixed asset fund, a pension fund deficit of £11,606mil relates to the pension reserve, £1,410mil relates to unspent GAG and unrestricted reserves of £226K which meets the planned reserves as set by the policy.

The pension fund deficit whilst not having an immediate impact on cash flows and expenditure do so over the long term in the form of increased employers' contributions over several years. At the tri annual LGPS pension fund valuation which took place in 2019-20, employers pension fund contributions reduced in some schools and increased in others reflecting the relative health of those pension pots.

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

### Investment policy

The Treasury Policy includes the policy on investment. Consolidated cash reserves are invested through appropriate use of financial instruments with the Trust's principal bankers, so any income can be achieved with minimal risk.

### KEY PERFORMANCE INDICATORS

The main financial key performance indicator for 2020-21 was for the Trust to achieve a surplus of £288K on GAG and unrestricted activity. The outturn was a surplus of £413K This was a significant achievement for the trust given the uncertainties surrounding coronavirus with a loss in income from lettings and additional costs of cleaning.

Due to the Covid-19 Pandemic there were no statutory assessments for pupils in primary schools at the end of the 2020-21 academic year.

Formal public examinations were cancelled this year, so the grades were awarded by the examination boards based on teacher assessed grades that the school submitted. Each of these grades were based on the evidence of each students' work during the course and has gone through a rigorous internal and external quality assurance process.

At Prince William School 34% of all grades were A\* or A and 83% were A\* to C. 82% of the cohort applied to go to University and 98% have attained the grades they needed to secure their place.

At Prince William School 70% of KS4 students attained grade 4 or above, and 45% grade 5 or above in English and Maths. The attainment 8 score was 48.8.

At Northampton International Academy 33% of all grades were A\* or A and 78% were A\* to C.

At Northampton International Academy 61% of KS4 students attained grade 4 or above, and 46% grade 5 or above in English and Maths. The attainment 8 score was 47.6.

### Fundraising

The trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees through the Finance and Human Resources committee.

### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 <sup>st</sup> September 2020 to 31 <sup>st</sup> August 2021	2020-2021	2019-2020
Energy Consumption used to calculate emissions (kWh)	5,736,107	5,379,647
Energy Consumption break down (kWh)		
Gas	3,541,077	3,441,263
Electricity	2,125,286	1,925,584
• Transport Fuel	69,7450	12,800
Scope 1 – Emissions in metric tonnes CO <sub>2</sub> e		
Gas Consumption	648.6	632.7
Owned Transport	8.1	1.1
<b>Total Scope 1</b>		
Scope 2 – Emissions in metric tonnes CO <sub>2</sub> e		
Purchased Electricity	451.3	448.9
Scope 3 – Emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee-owned vehicles	9.1	1.07
<b>Total Gross Emissions in metric tonnes CO<sub>2</sub>e</b>	1117	1,083.8
Intensity Ratio	0.24	0.26
Tonnes CO <sub>2</sub> e per pupil		

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG reporting protocol – Corporate standard and have used the 2020 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> per pupil, the recommended ratio for the sector.

### Measures taken to improve energy efficiency

The amount of energy consumed in 2020-21 increased over the previous year due to the measures taken to control covid. At NIA the air handling systems had to be configured to take 100% fresh air into the system from outside and heat it. The energy saving measures would normally recycle 35% of air and retain the heat from that air. This caused extra consumption of gas. In the other school's consumption was higher as windows were open for ventilation whilst needing to provide comfort heating. These virus control measures will continue into 2022-23 and are expected to adversely affect the energy consumption until we are able to operate normally.

The trust is undertaking a phased review of its energy consumption with a view to reducing the carbon footprint. A study was commissioned on Prince William school to report on measures that can be taken to improve energy efficiency on this site. Over the next 3 years each site will be reviewed, and a programme put in place to reduce emissions. In addition, the trust will be investing in electric charge points for staff to support them in moving to electric vehicles. The new capital developments have a design brief to reduce energy consumption. At the NIA the new areas are being fitted with air source heat pumps to reduce carbon emissions.

### **Plans for future periods**

The East Midlands Academy Trust has an ambition and capacity to take advantage of growth opportunities. We wish to maximise the benefit of our established and proven systems and philosophy of an inclusive education for all children. EMAT aims to be able to support 10,000 students by 2025.

The trust has provided support and expertise to other academy trusts and has built capacity to further support the education community in the areas we operate.

Expertise in SEND support and alternative provision, school improvement, finance, human resources, and estate management are being provided together with governance to ensure we are able to operate a fully inclusive education to all students in the areas we operate and aim to support the wider education community with access to our specialist support.

### **Principal risks and uncertainties**

All major risks to which the Trust is exposed are contained in a risk register that is reviewed by the Audit and Risk Committee and the Board. These risks are owned by the Senior Management Team or Headteachers with policies, systems, and procedures in place to manage these risks. Each academy has its own risk register, owned by the Headteacher and their senior leaders, and these are reviewed by the LABs. The Trust, and its individual academies have business continuity plans which are updated regularly.

# EAST MIDLANDS ACADEMY TRUST

## TRUSTEES' REPORT

Trustees have assessed the major risks and uncertainties to which the Trust is exposed. The main risks and mitigation are considered to be:

<b>Risk</b>	<b>Risk Mitigation</b>
The long-term effect of Covid-19 on our students and staff.	Specific measures have been put in place to support students with academic interventions and improve access to remote learning opportunities over the long term to ensure students are not disadvantaged from the school closures. Enhanced mental health support is provided to students to combat long term covid effects. Staff wellbeing is monitored, and staff are supported through the trust wellbeing programmes.
Funding and liabilities	The trust operates a pooling of resources and a purchasing strategy designed to maximise the economies of scale we benefit from. The use of monthly financial scrutiny of each school and the centre together with clear financial procedures allows for control of the financial performance.
Educational performance and results	Ongoing monitoring of the delivery and progress being made, and interventions implemented as required.
Reputational risks	Ensure ongoing assessment of problems/threats with appropriate action being undertaken centrally to avoid and mitigate.
Governance and compliance (statutory and legal)	Continually recruiting, training Governors/Board Members and the appointment of a Head of Governance to ensure compliance.
Capital and maintenance	Assessment of condition of estate and medium to long term planning for improvement
Recruitment and retention	Effective and positive Marketing programme to recruit students to the academies. A Workforce Planning and Talent Officer to aid the recruitment and retention of staff across all academies.

### EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The Trust is an equal opportunities employer and actively works to address unconscious/conscious bias to ensure discrimination of any kind is eradicated from its recruitment and employment processes.

The Trust encourages the involvement of its employees through regular staff meetings that have responsibility for the dissemination of information of particular concern to employees, and through staff surveys and staff committees for receiving their views.

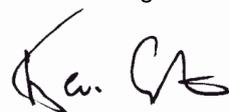
### AUDITOR

MAZARS LLP is the appointed auditor to the charitable company during the year.

### Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 13<sup>th</sup> December 2021 and signed on its behalf by:



K Crompton  
Chair of Trustees

# EAST MIDLANDS ACADEMY TRUST

## GOVERNANCE STATEMENT

### Scope of responsibility

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

The board of trustees has delegated day to day responsibility to the Chief Executive Officer, 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 East Midlands Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The trustees discharge their responsibilities through meeting as a whole board, and via the committees where much of the work of the trust is scrutinised on behalf of the board. Overall Governance is achieved in collaboration with these other committees.

The coronavirus pandemic prevented the board and its committees meeting face to face. The trustees moved to meeting using MS teams during the lockdown. Subsequent meetings have been held as hybrid meetings with trustees meeting in person and via teams to ensure we follow government guidelines on controlling the virus. The same arrangements were put in place for our local advisory board meetings. This arrangement will continue into the foreseeable future.

The Members formally met on 18<sup>th</sup> September 2020 to conduct their Annual General Meeting. Attendance to the meeting was as follow:

<b>Members</b>	<b>Meetings attended</b>	<b>Out of possible</b>
K Crompton (Chair)	1	1
J Harris	1	1
J Martin	1	1
F Wheeler	1	1

Due to changes in governance COVID guidance the Board of Trustees conducted an extraordinary meeting on 27<sup>th</sup> August 2020 to discuss the 2020/21 return to school:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
K Crompton (Chair of Trustees)	1	1
A Salam	1	1
S Morales	1	1
A Davis	1	1
F Wheeler	1	1
A Morjaria	1	1
D Houghton	1	1
L Jones	0	1
M Johanson	0	1

The Board of Trustees has formally met as a whole Trust Board five times during 2020/2021. Attendance at committee meetings is spread regularly across the year to ensure effective governance and continuity of business. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
K Crompton (Chair of Trustees)	4	5
A Salam	5	5
S Morales	5	5
A Davis	5	5
F Wheeler	5	5
L Jones	3	5
M Johanson	0	1
A Morjaria	5	5
D Houghton	5	5
Bernard Weiss (Appointed 11-12-2020)	3	3

# EAST MIDLANDS ACADEMY TRUST

## GOVERNANCE STATEMENT

Examples of the additional meetings Trustees attend are Finance and Human Resources Committee, Standard and Performance Committee and Audit and Risk Committee.

The Finance and Human Resources Group is a committee of the main Board of Trustees and its role is to support the Board by overseeing financial, Human Resources and Estates activity of the Trust along with other controls and risk management, in the context of planned growth. The Group exists to ensure probity and efficiency in the management and expenditure of the Trust's income from the DfE, in compliance with the Education & Skills Funding Agency's Academies Financial Handbook. The Group is chaired by Andy Davis. Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
A Davis (Chair of committee)	7	7
S Morales	2	7
A Morjaria	5	7
David Houghton	5	7

The Audit and Risk Group is a committee of the main Board of Trustees, tasked with setting the Trust's risk appetite and ensuring that controls are in place to manage and mitigate risk within this. Following the resignation of the previous independent Chair, a new trustee with Audit & Risk expertise was appointed to chair the committee. To retain independence, the membership of the group has two trustees who are not members of the Finance and Human Resources Group. The group is chaired by Asvin Morjaria. Trustee attendance at the meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
A Morjaria (Chair of Committee)	3	3
A Davis	3	3
F Wheeler	3	3
A Salam	2	3
S Morales	3	3

The Standards and Performance group is a committee of the main Board of Trustees. The committee manages the standards and performance of the schools in relation to pupil outcomes, well-being, exclusions and inclusion and receives school performance data collated by the School Effectiveness and Improvement team. The committee is chaired by Leigh Jones. Trustee attendance at the meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
L Jones (Chair of Committee)	4	5
Ayo Salam	4	5
Bernard Weiss	3	4
F Wheeler	5	5
David Houghton	4	5

### Governance reviews

The trust has carried out a skills audit for the trust board and each of the local advisory boards during the year. In addition to these audits, the boards held a review and reflect meeting at the year end. This has resulted in governance improvement plans being developed for each board. A new Chairs Forum has been established to align governance across all layers. The Forum meets 3 times a year and is chaired by the Chair of the Trust. All schools are represented by the Chair and/or Vice-Chair of each LAB.

The trust has increased capacity and skills mix during 2020-21 with the recruitment of 1 new trustee who has brought additional skills and experience to the board. The trust is intending to recruit additional members and trustees in 2021-22 to strengthen the Board further and provide greater separation between members and trustees.

# **EAST MIDLANDS ACADEMY TRUST**

## **GOVERNANCE STATEMENT**

### **Review of value for money**

East Midlands Academy Trust's vision is that every child deserves to be the best they can be, and any wastefulness or inefficiency will hinder the fulfilment of this vision. The accounting officer understands their responsibility to achieve the best quality and value for money to enhance the life chances of the children in our academies.

As the Trust matures and grows it is better able to benefit from economies of scale, shared resources, and effective procurement, all of which contribute towards excellent value for money.

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

The trust centralised its estates and information communications technology functions into one shared service centre. We have been creating better value for money by consolidating suppliers and putting in place common systems across the trust to reduce the cost of supporting the education for students. This has saved over £100,000 through the consolidation of systems used across the trust and through integrating the support to schools from a centre of excellence. In addition to this the trust has a centralised procurement manager who has generated £400,000 over the last 12 months in contract savings from aggregating all main areas of procurement trust wide and through the use of effective partnerships and framework agreements to achieve best value for money.

As accounting officer, the chief executive 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 trust has on-boarded payroll to help reduce the cost of processing whilst providing an outstanding service to the schools and all employees.

### **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 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 East Midlands Academy Trust for the year 1<sup>st</sup> September 2020 to 31<sup>st</sup> 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1<sup>st</sup> September 2020 to 31<sup>st</sup> 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.

### **The risk and control framework**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

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

# EAST MIDLANDS ACADEMY TRUST

## GOVERNANCE STATEMENT

- Appointment of independent internal auditors to review and monitor the control environment.

The Board of Trustees discharges its duties through the Audit and Risk Committee for the appointment and review of internal audit work providing the internal scrutiny of the Trust's financial controls. During 2020-21 MacIntyre Hudson were appointed to act as internal auditors for the Trust. A programme of work was agreed with trustees following an assessment of the principal risks facing the trust and in line with priorities set out by trustees and the Chair of Audit and Risk Committee.

This work was completed in the spring and summer terms. The reports were issued to the Audit and Risk Committee in March and July 2021. The areas of review during the year included:

- Review of the payroll and talent management;
- Review of the use of covid funding and monitoring impact;

The auditors made a number of recommendations that have been adopted by the trust.

A review of the process for carrying out due diligence was planned but will be rolled to 2021-22 due to covid restrictions.

### Review of effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question, the review has been informed by:

- the work of the Trust's central finance team;
- the work of the external auditor;
- the work of the internal auditor;
- the management accounts;
- the work of the executive within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised of the implications of the result of the review of the system of internal control by the Audit and Risk Committee, and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 13 December 2021 and signed on its behalf by:



K Crompton  
**Chair of Trustees**



J Coleman  
**Accounting Officer**

## **EAST MIDLANDS ACADEMY TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of East Midlands Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.



J Coleman  
**Accounting Officer**

Date: 13 December 2021

## EAST MIDLANDS ACADEMY TRUST

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of East Midlands Academy Trust for the purposes of company law, are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual 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 East Midlands Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13<sup>th</sup> December 2021 and signed on its behalf by:



K Crompton  
**Chair of Trustees**



J Coleman  
**Accounting Officer**

# **EAST MIDLANDS ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST MIDLANDS ACADEMY TRUST**

### **Opinion**

We have audited the financial statements of the East Midlands Academy Trust for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the East Midlands Academy Trust affairs at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended 31 August 2021
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **EAST MIDLANDS ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST MIDLANDS ACADEMY TRUST**

### **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 Directors' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report including the incorporated Strategic Report has been prepared in accordance with applicable legal requirements.

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

In 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 Directors' Report including the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the company, 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 Directors' 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 Directors' responsibilities statement set out on page 18, the directors 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 Directors 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 Directors 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 Directors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

## EAST MIDLANDS ACADEMY TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST MIDLANDS ACADEMY TRUST

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

#### Use of the audit 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 auditor's 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.

  
David Hoose (Dec 15, 2021 12:31 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Dominus Way  
Meridian Business Park  
Leicester  
LE19 1RP

Date: Dec 15, 2021

# EAST MIDLANDS ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO EAST MIDLANDS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15<sup>th</sup> September 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by East Midlands Academy Trust during the period 1<sup>st</sup> September 2020 to 31<sup>st</sup> 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 East Midlands 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 East Midlands Academy Trust and the ESFA those matters we are required to state to it 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 East Midlands Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of East Midlands Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of East Midlands Academy Trust's funding agreement with the Secretary of State for Education dated 25<sup>th</sup> May 2012 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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<sup>st</sup> September 2020 to 31<sup>st</sup> August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

### 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<sup>st</sup> September 2020 to 31<sup>st</sup> August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP (Dec 15, 2021 12:32 GMT)

Reporting Accountant  
Mazars LLP  
6 Dominus Way  
Meridian Business Park  
Leicester  
LE19 1RP  
Date: Dec 15, 2021

# EAST MIDLANDS ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENTURE ACCOUNT

YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset £000	Total 2020/21 £000	Total 2019/20 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	46	-	53,206	53,252	742
<b>Charitable activities:</b>						
- Funding for the academy trust's educational operations	4	20	26,578	-	26,598	22,139
Other trading activities	5	42	173	-	215	494
Investments	6	1	-	-	1	1
<b>Total</b>		109	26,751	53,206	80,066	23,376
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
- Allocated Support Costs	7	88	139	-	226	446
<b>Charitable activities:</b>						
- Educational operations	7	-	26,357	2,298	28,655	23,845
<b>Total</b>	7	88	26,496	2,298	28,881	24,291
<b>Net (Expenditure) / Income</b>		21	255	50,908	51,185	(915)
Transfers between funds		-	(1,014)	1,014	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(1,800)	-	(1,800)	(767)
Net movement in funds		21	(2,559)	51,922	49,385	(1,682)
<b>Reconciliation of funds</b>						
Total funds brought forward		205	(7,637)	33,183	25,751	27,432
Total funds carried forward		226	(10,196)	85,105	75,135	25,751

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2020/21		2019/20	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		78,570		32,583
<b>Long-term assets</b>					
Debtors: amounts falling due after more than one year	13	5,033		-	
<b>Current assets</b>					
Debtors: amounts falling due within one year	13	1,980		1,163	
Cash at bank and in hand	21	4,793		2,831	
		<u>6,773</u>		<u>3,994</u>	
			11,806		3,994
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(3,635)</u>		<u>(2,172)</u>	
<b>Net current assets</b>			8,171		1,822
<b>Total assets less current liabilities</b>			<u>86,741</u>		<u>34,405</u>
Defined benefit pension scheme liability	23		<u>(11,606)</u>		<u>(8,654)</u>
<b>Net assets</b>			<u>75,135</u>		<u>25,751</u>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>	16				
- Restricted fixed asset funds			85,105		33,183
- Restricted income funds			1,410		1,018
- Pension reserve			(11,606)		(8,654)
<b>Total restricted funds</b>			<u>74,909</u>		<u>25,546</u>
<b>Unrestricted income funds</b>	16		226		205
<b>Total funds</b>			<u>75,135</u>		<u>25,751</u>

The financial statements on pages 23-46 were approved by the Board of Trustees and authorised for issue on 13<sup>th</sup> December 2021 and are signed on their behalf by:



K Crompton  
Chair of Trustees

**EAST MIDLANDS ACADEMY TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	2,835	1,390
<b>Cash flows from investing activities</b>	20	(873)	(1,149)
<b>Net cash used in financing activities</b>	19	(0)	(0)
<b>Change in cash and cash equivalents in the reporting period</b>		1,962	241
<b>Cash and cash equivalents at 1 Sept 2020</b>		2,831	2,589
<b>Cash and cash equivalents at 31 August 2021</b>	21	4,793	2,831

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 1. Accounting policies

##### General information

East Midlands Academy Trust is a charitable company. The address of its principal place of business is given on page 3 and the nature of its operations are set out in the Trustees' Report. A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

##### Basis of preparation

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

The financial statements are presented in sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole thousand, except where otherwise indicated.

##### Going concern

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

##### Income

All income is recognised when the Trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

##### Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period 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 when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### Sponsorship income

Sponsorship income provided to the 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 the receipt is probable, and it can be measured reliably.

##### Donations

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

##### Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Trust has provided the goods or services.

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Donated goods, facilities, and services

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

Goods and services procured from connected parties are included at the price paid, and such transactions are undertaken 'at cost' in line with the provisions of the Academies Financial Handbook.

#### **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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Charitable activities

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

#### **Tangible fixed assets and depreciation**

Assets costing £500 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. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities.

Depreciation is provided on all tangible fixed assets (including donated fixed assets), so as to write off the cost of assets less their residual values over their useful lives on the following bases:

L/Term Leasehold Property	2% straight line
Office equipment	33% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

#### **Liabilities**

Liabilities are recognised when there is an obligation at the reporting 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 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.

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### **Leased assets**

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the period of the lease.

#### **Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

#### **Taxation**

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

#### **Pension benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme, and the assets are held separately from those of the 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 reporting date. The amounts charged to net income 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 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

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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

#### Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education, Education and Skills Funding Agency and local authorities.

#### 2. Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate.

Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

The Trustees consider there to be two areas of judgement which are critical to the Trust's financial statements. The Trust has occupied the NIA under a licence for the past two years and did not consider it as appropriate to include the value of the building under Fixed Assets. A 125-year lease has been signed with effect from 01 September 2020. The building has been included in Leasehold properties with the approximate value of £46.4mil. The PFI contract payments are included in the accounts as an operating lease payment and this accounting treatment has been adopted as the Trust do not retain any right to use the building after the lease expires. For this the reason we do not include it in Fixed Assets.

#### 3. Donations and capital grants

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
Donated fixed assets	-	46,400	46,400	-
Capital grants	-	6,806	6,806	711
Other donations	46	-	46	30
	<hr/>	<hr/>	<hr/>	<hr/>
	46	53,206	53,252	741
	<hr/>	<hr/>	<hr/>	<hr/>

The income from donations, donated fixed assets and capital grants was £53,252k (2019/20: £741k) of which £46k was unrestricted (2019/20: £30K), £0k was restricted general (2019/20: £0k) and £53,206k was restricted fixed assets (2019/20: £711k).

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
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**4. Funding for the Trust's educational operations**

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	22,025	22,025	18,243
Start-up grants	-	215	215	277
Pupil Premium	-	1,144	1,144	1,009
Teachers Pay Grant	-	285	285	242
Teachers Pensions Grant	-	806	806	679
Other DfE / ESFA grants	-	662	662	726
	-	25,137	25,137	21,176
<b>Other government grants</b>				
Local authority grants	-	877	877	905
Other incoming resources	20	-	20	16
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch up premium	-	225	225	-
Other DfE/ESFA COVID-19 funding	-	246	246	42
<b>COVID-19 additional funding (non DfE/ESFA)</b>				
Other Coronavirus Funding	-	93	93	-
	-	564	564	42
	20	26,578	26,598	22,139

The income from funding for educational operations was £26,598k (2019/20: £22,139k) of which £20k was unrestricted (2019/20: £16k), £26,578k was restricted general (2019/20: £22,123k) and £nil was restricted fixed assets (2019/20: £nil).

The academy trust has received COVID 19 additional funding (DE/ESFA) amounting to £563k of which was Covid Premium Income amounted to £225k (2019/20: £0k), Other DfE/ESFA COVID-19 funding amounted to £246k relating to additional FSM, Summer School workshops and Covid claims (2019/20: £42k). Other Coronavirus Funding amounted to £93k from the Northamptonshire local authority for cleaning costs. These costs are included in notes 7 and 8 below as appropriate. The academy furloughed none of its staff under the government's CJRS. The funding received of £Nil relates to staff costs in respect of 0 staff.

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. Other trading activities**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
Hire of facilities	17	-	17	50
Catering Income	-	-	-	-
Income from other activities	25	173	198	444
	<u>42</u>	<u>173</u>	<u>215</u>	<u>494</u>

The income from other trading activities was £215k (2019/20: £494k) of which £42k was unrestricted (2019/20: £65k), £173k was restricted general (2019/20: £429k) and £nil was restricted fixed assets (2019/20: £nil).

**6. Investment income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The income from funding for investment income was £1k (2019/20: £1k) of which £1k was unrestricted (2019/20: £1k), £nil was restricted general (2019/20: £nil) and £nil was restricted fixed assets (2019/20: £nil).

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Expenditure**

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020/21 £000	Total 2019/20 £000
<b>Expenditure on raising funds</b>	87	139	-	226	446
Allocated support costs					
Other trading costs	-	-	-	-	-
	87	139	0	225	446
<b>Academy's educational operations</b>	-	18,497	2,298	20,795	16,795
Direct costs					
Allocated support costs	-	7,860	-	7,860	7,050
Total costs	0	26,357	2,298	28,655	23,846
	87	26,496	2,298	28,881	24,291

	2020/21 £000	2019/20 £000
<b>Net income/expenditure for the period includes:</b>		
Operating lease rentals	54	58
Depreciation of tangible fixed assets	2,298	1,321
Net interest on defined benefit pension liability	151	123
Fees payable to Mazars LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	20	18
- Other services	1	2

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Charitable activities**

	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>2020/21</b>	<b>2019/20</b>
				<b>£000</b>	<b>£000</b>
<b>Expenditure on raising funds</b>					
Allocated support costs	54	-	172	226	446
	<u>54</u>	<u>-</u>	<u>172</u>	<u>226</u>	<u>446</u>
<b>Academy's educational operations:</b>					
Direct costs	16,855	-	3,940	20,795	16,795
Allocated support costs	4,202	2,296	1,362	7,860	7,050
	<u>21,057</u>	<u>2,296</u>	<u>5,302</u>	<u>28,655</u>	<u>23,845</u>
	<u>21,111</u>	<u>2,296</u>	<u>5,474</u>	<u>28,881</u>	<u>24,291</u>

The expenditure on educational operations was £28,655k (2019/20: £23,845k) of which £21,057k was staff costs (2019/20: £23,845k), £2,296k was premises related (2019/20: £1,321k) and £5,302k was related to other costs (2019/20: £5,729k). Expenditure on raising funds amounted to £226k, £54k relates to staff costs and £172k to other costs.

**Analysis of support costs**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Support staff costs	4,203	3,718
Depreciation	-	-
Technology costs	212	177
Premises costs	2,296	2,082
Legal costs - other	56	18
Other support costs	1,057	1,012
Governance costs	37	42
	<u>7,860</u>	<u>7,050</u>

**9. Staff**

**Staff costs**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Staff costs during the year were:		
Wages and salaries	14,564	12,705
Social security costs	1,404	1,256
Operating costs of defined benefit pension schemes	4,371	3,742
	<u>20,339</u>	<u>17,703</u>
Total staff costs	20,339	17,703
Supply staff costs	663	185
Staff restructuring costs	9	57
Staff development and other staff costs	100	77
	<u>21,111</u>	<u>18,022</u>
Staff restructuring cost comprises:		
Redundancy payments	0	57
Severance Payments	9	0

**Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £9k, value being £6k and £3k. (2019/20: £0k)

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Staff numbers

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

	2020/21 Number	2019/20 Number
Teachers	250	250
Administration and support	254	237
Management	27	22
	<hr/>	<hr/>
	531	509
	<hr/>	<hr/>

#### Higher paid staff

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

	2020/21 Number	2019/20 Number
£60,001 - £70,000	5	3
£70,001 - £80,000	5	6
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	0
£120,001 - £130,000	0	0
£130,001 - £140,000	0	0
£140,001 - £150,000	1	1
	<hr/>	<hr/>
	16	14
	<hr/>	<hr/>

### 9. Staff (Continued)

#### Key management personnel

The key management personnel of the Trust comprise the Trustees, Heads of Schools and the Senior Management Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,236k (2019/20: £1,042k).

### 10. Trustees' remuneration and expenses

None of the Trustees have been paid remuneration or have received other benefits from an employment with the Trust. The Heads of School and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Heads of School and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

No Trustee received remunerations £nil in 2020/21 (2019/20: £0).

During the year ended 31 August 2021 expenses totalling £nil (2019/20: £895) were reimbursed to nil trustees (2019/20: five) for travel relating to their role as trustees.

### 11. Trustees' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover on any one claim and the cost for the year ended 31 August 2020/21 was included within the costs of the Risk Protection Arrangement.

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**12. Tangible fixed assets**

	<b>L/Term Leasehold Property £000</b>	<b>Freehold Property £000</b>	<b>Office Equipment £000</b>	<b>Fixtures and Fittings £000</b>	<b>Motor Vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>						
At 1 September 2020	30,940	3,462	2,086	1,519	16	38,023
Additions	47,403	-	449	433	-	48,284
At 31 August 2021	78,342	3,462	2,535	1,952	16	86,308
<b>Depreciation</b>						
At 1 September 2020	2,786	321	1,437	884	12	5,440
Charge for the year	1,547	69	426	254	2	2,298
At 31 August 2021	4,333	390	1,863	1,138	14	7,738
<b>Net book value</b>						
At 31 August 2020	28,154	3,141	649	635	4	32,583
At 31 August 2021	<b>74,010</b>	<b>3,072</b>	<b>672</b>	<b>814</b>	<b>2</b>	<b>78,570</b>

The £46mil addition to leasehold property relates to the Northampton International Academy building, this was noted in the previous year as a post balance sheet event.

**13. Debtors**

	<b>2021 £000</b>	<b>2020 £000</b>
Trade debtors	8	32
VAT recoverable	621	245
Prepayments and accrued income	1,334	885
Other Debtors	17	-
<b>Receivable within one year</b>	<b>1,980</b>	<b>1,162</b>
<b>Receivable between one and five years</b>	<b>5,033</b>	
	<b>7,013</b>	<b>1,162</b>

**14. Creditors: amounts falling due within one year**

	<b>2021 £000</b>	<b>2020 £000</b>
Trade creditors	1,492	700
Other taxation and social security	359	283
Abatement of GAG	350	-
Other creditors	496	409
Accruals and deferred income (see note 15)	938	780
	<b>3,635</b>	<b>2,172</b>

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**15. Deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Deferred income is included within:		
Creditors due within one year	473	223
Deferred income as at 1 September 2020	223	165
Released from previous years	(223)	(165)
Amounts deferred in the year	473	223
<b>Deferred income at 31 August 2021</b>	<b>473</b>	<b>223</b>

Deferred Income was £468k, (2019/20: £223k) of which £138k was Universal Infant Free school meals (UIFSM) £109k related to Covid Premium, £108k to Rates Relief and £118k was other deferred income.

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**16. Funds**

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant	1,018	22,025	(20,618)	(1,014)	1,410
Start-up grants	-	215	(215)	-	-
Pupil Premium	-	1,144	(1,144)	-	-
Teachers Pay Grant	-	806	(806)	-	-
Teachers' Pension Grant	-	285	(285)	-	-
Other government grants	-	1,539	(1,539)	-	-
Other Restricted funds	-	173	(173)	-	-
Catch up premium	-	225	(225)	-	-
Other DfE/ESFA COVID-19 funding	-	246	(246)	-	-
COVID-19 additional funding (non DfE/ESFA)	-	93	(93)	-	-
Pension reserve	(8,657)	-	(1,152)	(1,800)	(11,606)
	(7,637)	26,751	(26,496)	(2,814)	(10,196)
<b>Restricted fixed asset funds</b>					
Fixed asset funds	2,770	52,525	(682)	1,014	55,627
Building valuation	30,413	681	(1,616)	-	29,478
	33,183	53,206	(2,298)	1,014	85,105
<b>Total restricted funds</b>	25,546	79,957	(29,442)	(1,800)	74,909
<b>Unrestricted funds</b>					
General funds	205	109	(88)	-	226
<b>Total funds</b>	25,751	80,066	(28,881)	(1,800)	75,135

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

- Unrestricted funds - represents funds available for the Trustees to apply for the general purposes of the Trust.
- General Annual Grant (GAG) - represents funding from the ESFA to be used for the normal running costs of the schools, including education and support costs.
- Other Government Grants - represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy Trust.
- Other Restricted funds - represents various funding received for other specific purposes.
- Start Up Grants - represents funding to be used specifically for costs incurred during the conversion process.
- Pension Reserve - represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy Trust on conversion from state control.
- Restricted Fixed Asset funds - comprises fixed assets funded by government grants and other funding bodies.
- Other DfE/ESFA grants - represents other funding from the DfE/ESFA to support specific activities within the Academy Trust.
- Transfer from Revenue to Capital - represents GAG Funds used for capital expenditure.
- Catch up premium/ Other DfE/ESFA COVID-19 funding/ COVID-19 additional funding (non DfE/ESFA) - used for Covid 19 related catch-up programmes.

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.

**EAST MIDLANDS ACADEMY TRUST**  
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**FOR THE YEAR ENDED 31 AUGUST 2021**

**16. Funds (Continued)**

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

Funds	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant	771	20,361	(19,667)	(448)	1,018
Start-up grants	-	277	(277)	-	-
Pupil Premium	-	1,009	(1,009)	-	-
Other government grants	-	905	(905)	-	-
Pension reserve	(6,858)	-	(1,029)	(767)	(8,654)
	(6,087)	22,552	(22,887)	(1,215)	(7,637)
<b>Restricted fixed asset funds</b>					
Assets purchased post conversion	3,284	711	(645)	448	3,798
Fixed asset funds	30,061	-	(675)	-	29,386
	33,345	711	(1,321)	448	33,183
<b>Total restricted funds</b>	27,258	23,263	(24,208)	(767)	25,546
<b>Unrestricted funds</b>					
General funds	175	114	(83)	-	205
<b>Total funds</b>	27,433	23,376	(24,291)	(767)	25,751

**16. Funds (Continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £000	Total 2020 £000
Orchard Academy	169	169
Shepherdswell Academy	15	15
Castle Academy	555	555
Hardingstone Academy	66	66
Stimpson Avenue Academy	44	44
Prince William School	221	221
Northampton International Academy	95	95
Central services	471	58
Total before fixed assets fund and pension reserve	1,636	1,223
Restricted fixed asset fund	85,105	33,183
Pension reserve	(11,606)	(8,654)
Total funds	75,135	25,751

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Depreciation	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Orchard Academy	1,331	184	30	339	-	1,884	1,742
Shepherdswell Academy	714	90	24	184	-	1,012	937
Castle Academy	1,566	171	44	519	-	2,300	2,257
Hardingstone Academy	778	78	19	217	-	1,092	1,048
Stimpson Avenue Academy	1,302	156	38	338	-	1,834	1,576
Prince William School Northampton	4,431	232	65	948	-	5,676	5,345
International Academy	6,589	493	344	1,714	-	9,140	6,934
Central services	32	2,204	4	610	2,298	5,148	3,877
Site & IT	141	617	-	37	-	795	573
	16,884	4,225	568	4,906	2,298	28,881	24,291

**EAST MIDLANDS ACADEMY TRUST**  
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**Analysis of net assets between funds**

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	78,570	78,570
Current assets	226	5,045	6,535	11,806
Creditors falling due within one year	-	(3,635)	-	(3,635)
Defined benefit pension scheme liability	-	(11,606)	-	(11,606)
<b>Total net assets</b>	<b>226</b>	<b>(10,196)</b>	<b>85,105</b>	<b>75,135</b>

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	32,583	32,583
Current assets	205	3,189	600	3,994
Creditors falling due within one year	-	(2,172)	-	(2,172)
Defined benefit pension scheme liability	-	(8,654)	-	(8,654)
<b>Total net assets</b>	<b>205</b>	<b>(7,637)</b>	<b>33,183</b>	<b>25,751</b>

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
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**17. Commitments under operating leases**

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year	47	42
Amounts due between one and five years	70	49
	<hr/>	<hr/>
	117	91
	<hr/> <hr/>	<hr/> <hr/>

One of the Trust's academies, Castle Primary School, is also part of a Private Finance Initiative (PFI) arrangement for the use of its site. Under this agreement the academy is committed to a charge of £301k per annum. The charge is subject to indexation each year.

**Capital commitments at the year end**

At year end Capital commitments amounted to £5.8mil this would be attributed to a new Sports Hall development at Prince William.

**18. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Net income for the reporting period (as per the Statement of Financial Activities)	51,184	(915)
<b>Adjusted for:</b>		
Capital grants from DfE/ESFA and other capital income	(6,806)	(711)
Interest receivable	(1)	(1)
Transfer on Conversion	(46,400)	-
Defined benefit pension scheme cost less contributions payable	881	783
Defined benefit pension scheme finance cost	271	246
Defined benefit pension scheme net settlement cost	-	-
Depreciation of tangible fixed assets	2,298	1,321
Profit on disposal of fixed assets	-	-
Decrease in debtors	(55)	71
Increase/(decrease) in creditors	1,463	596
	<hr/>	<hr/>
<b>Net cash provided by / (used in) Operating Activities</b>	<b>2,835</b>	<b>1,390</b>
	<hr/> <hr/>	<hr/> <hr/>

**EAST MIDLANDS ACADEMY TRUST**  
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**19. Cash Flows from Financing Activities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Repayment of borrowing	-	-
Finance cost	-	-
<b>Carrying amount of financial liabilities</b>	<b>-</b>	<b>-</b>

**20. Cash Flows from investing activities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Dividends, interest and rents from investments	1	1
Capital Grants from DfE Group	1,011	711
Purchase of tangible fixed assets	(1,885)	(1,861)
Capital funding received from sponsors & others	-	-
<b>Net cash provided by / (used) in investing activities</b>	<b>(873)</b>	<b>(1,149)</b>

**21. Analysis of cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Cash in hand and at bank	4,793	2,831
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>4,793</b>	<b>2,831</b>

**22. Members' liability**

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

**23. Pension and similar obligations**

The 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 Buckinghamshire County Council and Northamptonshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2021, and of the LGPS to the period ended 31 March 2021.

Contributions amounting to £375k (2020: £309k) were payable to the schemes at 31 August 2021 and are included within creditors.

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Teachers' Pension Scheme

##### INTRODUCTION

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### VALUATION OF THE TEACHERS' PENSION SCHEME

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. The next valuation is expected to take effect in 2023.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

##### SCHEME CHANGES

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

The employer's pension costs paid to the TPS in the period amounted to £2,297k (2020: £1,978).

# EAST MIDLANDS ACADEMY TRUST

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22% for employers and variable % for employees.

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

<b>Total contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	833	810
Employees' contributions	233	231
Total contributions	1,066	1,041

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2021 updated to 31 August 2021 by a qualified independent actuary.

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
	<b>Northants/Bucks</b>	<b>Northants/Bucks</b>
Rate of increases in salaries	3.4/3.85	2.7/3.25
Rate of increase for pensions in payment/inflation	2.9/2.85	2.2/2.25
Discount rate for scheme liabilities	1.65/1.7	1.7/1.65
Inflation assumption (CPI)	2.9/2.85	2.2/2.3

#### 24. Pension and similar obligations (continued)

The assumed life expectations on retirement age 65 are:

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
	<b>Northants/Bucks</b>	<b>Northants/Bucks</b>
Retiring today		
- Males	21.7/21.6	21.5/21.8
- Females	24.1/25	23.7/25.1
Retiring in 20 years		
- Males	22.8/22.9	23.3/23.2
- Females	25.8/26.4	25.1/26.6

**EAST MIDLANDS ACADEMY TRUST**  
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**The Trust's share of the assets in the scheme**

	<b>2021 Fair Value £'000</b>	<b>2020 Fair Value £'000</b>
Equities	5,798	4,358
Bonds	1,681	1,073
Gilts	309	223
Cash	108	195
Property	926	689
Other assets	396	213
	<hr/>	<hr/>
Total fair value of assets	9,218	6,752
	<hr/> <hr/>	<hr/> <hr/>

**Amount recognised in the statement of financial activities**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Current service cost	1,834	1,710
Past service costs	-	-
Net interest cost	151	127
Settlement Cost	-	-
	<hr/>	<hr/>
Total operating charge	1,985	1,837
	<hr/> <hr/>	<hr/> <hr/>

**Changes in the present value of defined benefit obligations**

	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	15,406	12,900
Current service cost	1,834	1,710
Interest cost	271	246
Employee contributions	233	231
Actuarial gain	3,093	408
Benefits paid	(13)	(89)
Settlement prices	-	-
Past Service	-	-
	<hr/>	<hr/>
At 31 August 2021	20,824	15,406
	<hr/> <hr/>	<hr/> <hr/>

**EAST MIDLANDS ACADEMY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**24. Pension and similar obligations (continued)**

<b>Changes in the fair value of the Trust's share of scheme assets</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 September 2020	6,752	6,042
Interest income	122	119
Administration Expense	(2)	(2)
Return on plan assets (excluding net interest on the net defined pension liability)	1,293	(359)
Employer contributions	833	810
Employee contributions	233	231
Settlement prices received	-	-
Benefits paid	(13)	(89)
	<hr/>	<hr/>
At 31 August 2021	9,218	6,752
	<hr/>	<hr/>

**25. Sensitivity Analysis**

<b>Changes in assumptions– impact on defined benefit obligation</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Decrease in Real Discount Rate of 0.1%	536	407
Increase in the Salary Increase Rate of 0.1%	17	16
Increase in the Pensions Increase Rate (CPI) of 0.1%	598	386
	<hr/>	<hr/>

**26. Related party transactions**

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

There were no related party transactions during 2020-21. Related party transactions in 2020: Nil.

**27. Agency arrangements**

The Academy Trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year it received £84K and disbursed £47k. With an amount of £Nil repayable by the Academy Trust as at 31 August 2021 (2020: £Nil). The Academy Trust has used of the allocation received towards its own administration costs and this is recognised as income in the Statement of Financial Activities of £Nil.

**Agency Income & Expenditure held in deferred income**

	<b>2021</b>
B/fwd. Agency creditor	23
Income	84
Expenditure	(47)
C/fwd. Agency creditor	59

