

**Company Registration Number: 11717748 (England & Wales)**

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**EMBARK MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

|  |  |
|--|--|
| <b>Members</b>                         | S Armitage<br>M Mallender<br>S Charles<br>A Allsop<br>P Drummond   |
| <b>Trustees</b>                        | S E Armitage, Chair of Trustees<br>M J Crawford, Chief Executive<br>E Hedley<br>M James<br>I Paxton<br>A Round<br>D King<br>P Ricketts<br>M Firbank (appointed 7 February 2022)  |
| <b>Company registered number</b>       | 11717748   |
| <b>Company name</b>                    | Embark Multi Academy Trust   |
| <b>Principal and registered office</b> | Office 10 Derwent Business Centre<br>Clarke Street<br>Derby<br>DE1 2BU   |
| <b>Chief executive officer</b>         | M J Crawford   |
| <b>Senior management team</b>          | M J Crawford, Chief Executive Officer<br>P Scaife, Chief Finance Officer<br>A Upton, Deputy Trust Lead<br>P Searson, School Improvement Lead<br>R Hull, Head Teacher (Kilburn Junior School)<br>K Mason, Head Teacher (Richardson Endowed Primary School)<br>L Pilling, Head Teacher (Howitt Primary School)<br>P Atwal, Head Teacher (Horsley Woodhouse Primary School)<br>J Lynch, Head Teacher (Heath Primary School)<br>T Smith, Head Teacher (Chaucer Junior School)<br>C Beattie, Head Teacher (Chaucer Infant and Nursery School)<br>D Wells, Head Teacher (Fieldhouse Infant and Nursery School)<br>M Lawson, Head Teacher (Ladywood Primary School and Aldercar Infant School)<br>A Challand, Head Teacher (Waingroves Primary School)<br>D Cates, Head Teacher (Riddings Junior School)<br>E Piper, Head Teacher (Longford Primary School)<br>K Millar, Head Teacher (St. George's Primary School)<br>R Purvis, Head Teacher (William Rhodes Primary and Nursery School) |

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Independent auditors**      PKF Smith Cooper Audit Limited  
1 Prospect Place  
Pride Park  
Derby  
DE24 8HG

**Bankers**                      Lloyds Bank plc  
Chesterfield  
S40 1LR

**Solicitors**                  Flint Bishop LLP  
St Michael's Court  
Derby  
DE1 3HQ

**EMBARK MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report and strategic report under company law.

**Structure, governance and management**

**a. Constitution**

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi-academy trust. The Trustees of Embark Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Embark Multi Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Trustees' indemnities**

There have been no qualifying third-party indemnity provisions in place for the year 1 September 2021 to 31 August 2022 (2021: nil).

**d. Method of recruitment and appointment or election of Trustees**

The method of recruitment and appointment of Trustees is described in the articles and memorandum of association. There must be a minimum quorum of three Trustees, one of which will be the Trust Leader. The members may appoint up to six through such process as they may determine. Including the Trust Leader, the number of Trustees who are also employees shall not exceed one third of the total number of Trustees. The Trustees may also choose to appoint up to three 'Co-opted Trustees'.

Trustees serve a term of office of four years and may be re-appointed or re-elected.

**e. Policies adopted for the induction and training of Trustees**

The Trustees have a vital role in our organisation. We aim to attract and retain people who have commitment, experience and the necessary skills to make a difference in the communities that we serve.

Training for the Trustees is recorded, and delivered on four levels:

- Trustee development is reviewed during the year and where appropriate opportunities explored to develop learning
- External speakers deliver key elements, particularly covering statutory responsibilities, we are a member of the Confederation of School Trusts and continue to benefit from their excellent developments.
- This is supplemented by attendance at regional events
- Email alerts from National Bodies

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

**f. Organisational structure**

The Trust Leader is the Accounting Officer of the Trust and, as such has ultimate responsibility for the operations and controls in place. At the point of approval of these financial statements Embark Multi Academy Trust included the following academies:

| <u>Academy</u>                    | <u>Date of Conversion</u> | <u>Type</u> |
|-----------------------------------|---------------------------|-------------|
| Aldercar Infant School            | 1 January 2019            | Convertor   |
| Heath Primary School              | 1 January 2019            | Convertor   |
| Horsley Woodhouse Primary School  | 1 January 2019            | Convertor   |
| Howitt Primary School             | 1 January 2019            | Convertor   |
| Kilburn Junior School             | 1 January 2019            | Convertor   |
| Longford Primary School           | 1 August 2019             | Convertor   |
| Richardson Endowed Primary School | 1 June 2019               | Convertor   |
| Chaucer Junior School             | 1 April 2020              | Convertor   |
| Chaucer Infant School             | 1 May 2020                | Convertor   |
| Field House Infant School         | 1 December 2020           | Convertor   |
| Ladywood Primary School           | 1 December 2020           | Convertor   |
| Waingroves Primary School         | 1 December 2020           | Convertor   |
| Riddings Junior School            | 1 November 2021           | Convertor   |
| William Rhodes Primary School     | 1 March 2022              | Convertor   |
| St George's CofE Primary School   | 1 April 2022              | Convertor   |
| Aldercar High School              | 1 October 2022            | Convertor   |

Embark Multi Academy Trust has an experienced Board of Trustees in place, which is responsible for identifying and establishing strategies and policies and for ensuring they are implemented. Where appropriate, duties are delegated to committees, and employees of Embark Multi Academy Trust.

During the year to 31 August 2022 the Board of Trustees operated two committees; Finance, Audit and Risk Committee and a School Performance Committee to assist them in carrying out their responsibilities.

Committee terms of reference will be reviewed and agreed on an annual basis by the Board of Trustees. The Trustees have a detailed scheme of delegation for effective and efficient decision making for its committees and senior staff throughout the Trust.

The appointment of Trustees, auditors, approval of annual financial statements and budgets, along with the approval of policies and procedures implemented within the Trust remain the responsibility of the Board.

The Trustees have continued with the process of self-evaluation during the year making improvements to the way business is conducted. The structure of the Trust has also evolved during the year with Trustees agreeing to expand from four to six regional areas to ensure that governance arrangements continue to evolve in a way that will effectively support decision making across the Trust.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

When considering and setting salary levels across the Trust a clear set of principles are followed to ensure transparency. During the reporting period the Board of Trustees again commissioned an experienced and independent external adviser to support the Board with the Trust Leaders performance management. Decisions on Headteacher pay were made by the Trust Leader and reviewed by Trustees.

**Trade union facilities time**

Embark Multi Academy Trust subscribes to the Derbyshire County Council arrangement for Trade Union facilities time. The service allows representation from Derbyshire County Council's recognised trade unions to represent their members in Derbyshire schools on an individual or collective basis. This is a statutory obligation (Trade Union and Labour Relations (Consolidated) Act 1992 and the Employment Act 2002) on all schools to provide facilities time. This arrangement provides the following benefits:

- The Trade Union facilities time plays a very useful role in ensuring basic employer rights so that all staff have a consistent city-wide representation;
- Schools benefit from access to the experienced full time officers within schools across the city;
- Without this input, the Trust would have to reach agreements directly with each Trade Union to ensure the statutory rights of Trade Unions and employees are met.

**h. Engagement with employees (including disabled persons)**

The Academy Trust encourages employees to have a voice concerning the Trust, its performance and management. This is undertaken through formal and informal routes, which include staff feedback about how it felt to be part of the Embark Family this included words like supportive, opportunity, exciting, valued, part of a family. The results are summarised and disseminated to all staff with a view to implementing ideas of improvement.

The Academy Trust continues to offer vacancies to all, making sure that if an individual has a disability the training, support or adjustments that can be made to ensure the individual is able to fulfil the role, are investigated and implemented.

In accordance with the Equality and Equal Opportunities in Employment Policies, the Academy Trust has established fair employment practices in the recruitment, selection, training, support, and retention of disabled staff.

**i. Connected Organisations including Related Party Relationships**

During the reporting period there were no related parties, connected charities or organisations other than those disclosed in note 28. Declarations of Business Interests are detailed on the Trust website.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**(continued)**

**Objectives and activities**

**Our Core Purpose**

At Embark Federation our vision is to create 'stand out' schools at the heart of their communities. Our four core values of Family, Integrity, Teamwork and Success are at the heart of everything we do.

Our Core Purpose is to ensure all our children, staff, families and friends of Embark are able to Love Learning and Love Life.

**Family**

Family is very important to our Trust. Like every family we want our children to feel safe and secure. In our family we care for each other and hope, dream, learn and play together. We are part of our own school family but also a wider Trust family. All stakeholders are important to our family, and we work together to achieve the very best for our children. We believe in strong family values and want everyone in the Trust to feel loved and that they belong.

**Integrity**

Integrity to us means 'doing the right thing when nobody is watching.' Trust and respect are key values to us and are inherent in everything that we do in our schools and as a Trust. We expect everyone in our Trust to maintain high standards in all that they do. To have integrity you must be committed, courageous, honest, disciplined, and resilient.

**Teamwork**

We truly believe that we are stronger together which is why we have formed this Trust. Sharing ideas or excellent practice, supporting our friends to overcome hurdles and achieve greater things give us great satisfaction. We are proud of each other and our achievements, rely on one another and understand that everyone has a part to play in our success. Teamwork creates synergy and we believe that when we work together the effect is greater than the sum of our individual parts. Being part of a team empowers all team members.

**Success**

Success to us means every child and member of our team fulfilling their potential. We will not put a ceiling on what can be achieved, and we strive for everyone in our Trust to 'be the best they can be.' Our focus is relentlessly placed on 'whatever it takes' to make a difference to a child. Academic success is important to us but only a part of education here. Providing the best possible opportunities for children in Science, the Arts, Physical Education, Modern Foreign Languages, Humanities, and other subjects is just as important to us. We want all our children to be inquisitive, confident, happy learners and wish to bring the very best out of everyone. We will celebrate all our successes at every opportunity and look to encourage all our team.

In summary our core purpose, vision and core beliefs act as a compass to set the direction for our Trust and to help us find a balance between the benefit of Trust-wide systems and procedures and the autonomy and freedom for our schools to shape a curriculum for their own unique context. We want our schools to enjoy the full fruits of being part of our Trust family and have the support and space to make the most of what makes them special.

Given our Core Purpose is to ensure all our children, staff, families and friends of Embark are able to Love Learning and Love Life we believe that it is important to understand why we believe this:

**What does the trust believe in?**

- o The pursuit of happiness and success for every child. "Love Life, Love Learning"
- o Enabling children to thrive in a creative and high performing culture
- o Enabling staff to make a contribution to their education community wherever they work in whatever role they carry out
- o To champion the most vulnerable children in the most challenging communities to transform their future opportunities in life
- o All our schools are unique with different contexts and should serve their community.
- o To advance education for the widest possible public benefit

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**(continued)**

**We care about the following for all our community:**

- o Celebration of success
- o Collaboration with purpose
- o Feedback and Praise
- o Community matters
- o Entitlement to every opportunity
- o Support to become the best version of yourself you can possibly be

**Why does the trust exist?**

- o The trust exists in order to support every child to make the best possible transition to the next stage of their learning journey whatever and wherever that may be
- o To create schools that stand out in their communities
- o To be the best employer and developer of people in the region
- o To improve schools and sustain their performance faster than anyone else
- o To support schools that deliver an outstanding education to become great schools

In summary we want all our stakeholders to feel the following applies to them:

**"We belong to the Embark family. We Love Life and we Love Learning. Together we will stand out"**

We will deliver our mission of helping children to love life and love learning through our focus on these priorities. We will....

1. **Build** a single cohesive organisation that is accountable through our professional governance to the government, our communities, our families and our children (See Objective 1 on Effective Organisational Governance)
2. **Ensure** that every pound spent benefits the educational success of the children we are responsible for. They are entitled and have a right to the best education we can provide (See Objective 2 on Quality of Education)
3. **Lead** our trust and schools with care, ambition, imagination, innovation and excellence so that our systems and structures achieve our mission and vision for the children in our schools (See Objective 3 on Effective Operational Delivery)
4. **Engage** our families and wider communities as partners in the learning of our children (See Objective 4 on public benefit and community engagement)
5. **Enable** our children to succeed by developing our workforce so that they are inducted, trained, developed, supported and looked after in order for them to perform consistently well every day (See Objective 5 on Wellbeing and Talent Management)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

(continued)

**J. Objectives, strategies and activities**

This year we have continued to develop our longer-term vision for the Trust, this includes the movement from four to six regions. We are also excited that the first of four secondary schools joined Embark in October 2022 with the other three schools scheduled to join in the next financial year. In line with our core beliefs, this has involved our trustees working alongside our growing Executive Leadership Team to create alignment around a shared future vision and plan. We have defined the following **5 Strategic Core Objectives** these will form the basis of our work over the next 3/5 years.

**Objective 1- Building Effective Organisational Governance**

- Designing and Delivering the 5 year strategy
- Growing the capacity and capability of the board
- Growing the capacity and capability of LGT
- Embedding a culture of shared accountability
- Embedding an improvement culture through performance management for leaders across the trust

**Objective 2- Quality of Education**

- What are the learning experiences of children;
- Test & Exam outcomes
- Progress for SEND and FSM/PP children
- Closing the gap
- Attendance and Exclusions
- Curriculum Development and Design
- Assessment and use of data
- Quality of teaching
- Enrichment and Extra Curricular learning

**Objective 3 - Effective Operational Delivery**

- Building the culture of a high performing organisation (Autonomy, Alignment and Consistency and where the trust makes its choices on delivery of educational and non-educational strategies would be in this)
- Financial Strategy for the trust
- Business Excellence-the quality of support that the trust provides for the schools through its central services (HR, IT, Estates etc)
- Capacity to support the schools to deliver a quality experience for children
- Opportunities and expectations of how the schools and the staff will collaborate with each other

**Objective 4 - Advancing Education for Public Benefit & Wider Engagement**

- Building local, regional and national partnerships that enhance the learning of children
- Contributing to wider regional and national educational networks
- How the trust communicates with its most important stakeholders-building an Alumni programme for former staff and children as they leave the trust
- Developing a trading dimension to the trust by providing additional to local and regional educational sectors (ITT, leadership development, governor training)
- Supporting families through opportunities for targeted adult training, advice and guidance

**Objective 5 - Wellbeing and Talent Management**

- How does the trust recruit and retain the best people it can possibly identify?
- Talent Mapping-how the trust identifies, develops, deploys and evaluates staff performance
- Succession Planning to the most strategically important roles-leadership and governance
- What is the trust offer to every member of staff-what are they entitled to receive as valued employees?
- How does the trust take care of its workforce? How are people supported to be healthy and fit to do their jobs?

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**(continued)**

**k. Public benefit**

In pursuing the Trust's objectives outlined above, the Trustees have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit and supplementary guidance on education as published on their website.

**Strategic report**

We have been delighted with our first four years as a trust and look forward to improving our schools further and creating schools that 'stand out' at the heart of their community. Embark Federation was established in December 2018 with seven schools across Derbyshire. Our family has grown to sixteen schools now and we serve four areas within Derbyshire: Amber Valley, Erewash, Chesterfield and South Derbyshire.

We are looking forward to building strong teams of schools in these areas and making a difference to the communities we serve. A number of our schools are in areas of high deprivation and as such we aim to provide children with an educational offer defined by aspiration, enrichment, and opportunity. This includes magical and memorable trust-led events and our Embark Award which enables learning through broad life experiences and enjoyable activities.

We have high aspirations for our children and staff and want to 'stand out' for all the right reasons which means exceptional education and broad exciting curricula in a compassionate climate. We want our staff to thrive both personally and professionally within the trust such that they want to stay with us and feeling cared for and developed.

We hope that you share our ambition for our children, staff and communities and would like to contribute to us achieving our shared vision.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

(continued)

**a. Key performance indicators**

School Performance

2022 saw the return of National Key Stage tests, most of the children sitting these tests had suffered disruption through their learning. This was a difficult return for children there was some strong performance and some areas for trust development including:

- At Key Stage 2 the Trust Average was in line with the National Average in Reading and Writing at the expected level.
- At Key Stage 2 the Trust Average was above the National Average in Maths.
- At Key Stage 2 the Trust Average for pupils achieving the expected level in Reading, Writing and Maths combined was in line with the national average.
- At Key Stage 1 there was some strong performances for some individual schools but also some schools that we need to work alongside to improve their attainment and progress.
- Progress at Key Stage 2 is an area to work on albeit this was difficult this year due to Covid disruption.

Over the year our children, their families and our staff have experienced huge levels of disruption due to the ongoing COVID Pandemic, even when our children returned to schools there was a constant threat of children and staff being required to self isolate. During the various lockdowns we worked within the government guidelines, logistically this has been challenging teaching an increasing number of vulnerable and key worker children in school whilst also providing online learning for those children that learnt from home. School life is returning to where it was pre COVID but we are still aware that both children and staff continue to self isolate.

Since returning to school following the national pandemic our schools have used the Rising Strong Recovery Programme, this was the programme developed by Embark during the first lockdown and shared nationally with all schools. The Department for Education (DfE) were impressed with our online learning offer, and we have been asked by the RSC if they can include our work in a national case study. Reading with Rosie has been popular during lockdown three and has gained interest far and wide.

To support school a variety of curriculum networks have been established led by the School Improvement Lead to support practitioners in schools develop and share best practice. A survey of our families has been undertaken to ascertain their experiences of online learning during lockdown. This has proved to be useful feedback and overall is very positive.

Strategic Relationships

We have further embedded relationships with our strategic partners during the year to support the Trust in the delivery of key service areas. We also continued to build our relationships with the business and charity sector working to bring funded new opportunities and experiences to our children who otherwise might not have access to them. Two key relationships developed in year are:

- Our partnership with Chatsworth House has continued to develop. Chatsworth House have been so generous in supporting our children to access not only the house and grounds but also experiencing life skills in relation to future skills that they may be interested in.
- Cosy Direct is another key partnership that we have developed, during 2022 they supported a free holiday for 10 of our children, this was an amazing experience for our children, they have committed to supporting a further programme in 2023, we are really excited given the experiences that this will give so many of our children and their families.
- Every child across the Trust continues to use their Embark award folders and the Trust has introduced the concept of the Embark Award at school assemblies during the year, we feel that the Embark Award really makes us 'stand out' as a trust and it has been lovely to witness the buzz around these. Our second Awards Evening was a huge success in celebrating the amazing achievements of our children, their stories are truly awe-inspiring.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**(continued)**

- The feedback from the schools has been excellent so far around children and families enjoying the Embark Award and some have been engaging with us on Twitter too. What has been amazing is that even through a national pandemic, children and their families have used the Embark Award as an opportunity to continue with family learning and there have been some great examples of activities that children have been involved in. Several of our parents are commenting on how much they love the idea with one recently commenting on Twitter "Thank you Embark for continuing to inspire us at weekends."
- We continue to contribute at a variety of regional and national events such as the Optimus MAT Summit, Schools and Academies show and Inside Government.

**Governance Arrangements**

- Governance arrangements at Embark continue to strengthen, our Trustees have been engaged in a range of continuous professional development activities during the year, we continue to benefit from some excellent sessions with the Confederation of School Trusts (CST) during the year and it is pleasing to see our Trustees using these skills in the operation of the Trust.
- We have kept in close communication with local governors over the year through our three governance forums, these include our Chairs of Governors, one for our Chairs of Finance and one for our Chairs of School Improvement, we see these networks as an invaluable part of our communication strategy between Trustees and local governors.
- Our Governance lead has worked alongside our Chairs of Governors forum and developed an improved Governance Handbook to support their induction and development in the role. Key improvements introduced this year include the adoption of GovernorHub, an online platform to support school governors, use of technology to simplify a range of key processes including how individuals declare any business or pecuniary interests. The role is pivotal in ensuring that we remain compliant with various areas of legislation, to manage the annual planner so that we are able to effectively manage our business throughout the year, this will be supplemented with the consistent use of Governor Hub to keep strong records.

**Growth**

- During the year we welcomed Riddings Junior School, William Rhodes Primary School, St George's C of E School and most recently, subsequent to the period end, Aldercar High School to the Embark family. We continue to be asked to present to a number of schools interested in joining Embark. Three secondary schools will join Embark in 2022/23 these are Antony Gell Secondary School, Buxton Secondary School and Parkside Secondary School. We continue to have productive discussions with the DfE regarding future growth opportunities and have developed a clear set of principles when looking at growth opportunities.
- During 2021/22 the central team has continued to develop its operating model with schools and has introduced a range of systems to support Trustees have been working with the Trust Leader to build capacity with the central team to respond to the current growth that has to take place. This has been a key priority and the following roles were filled; Deputy Trust Leader; Finance and Operations Lead; School Improvement Leader; Governance Lead; Family Support workers increased from 2 – 3; HR strategic consultancy support; Estate's capacity

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**(continued)**

**Infrastructure**

We were successful in the year to receive Condition Improvement Funding and Trust Capacity grant from the DfE, which has really supported the Trust in accelerating the development of key building developments and areas of improvement activity; we were able to commission an external review of all our buildings to develop a better understanding of their condition and needs for the future; engage educational specialists who were able to support and engage with our schools; and continue to develop our central processes.

**Risk Management**

- Significant development of Embarks approach to risk has been completed during the year, this has resulted in a comprehensive process to work with schools to ascertain key areas of risk, how impact can be reduced or mitigated. Three rounds of meetings have now taken place and the risks at each school have been tracked to monitor progress overall this shows a positive position with risk levels at most schools being reduced.
- Our risk approach continues to be strengthened with the input from our new strategic partners and the professional specialisms that they bring.
- Overall, we are pleased with progress in this area. Due diligence continues to be undertaken for new schools that are interested in joining the Trust. Due diligence encompasses school improvement, finance and estates management, in 2022 the whole process will be completed by our external partners.

**b. Going concern**

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

**c. Reporting**

Regular update reports are completed by the Trust Leader, who reports progress on the plan to the Board of Trustees and key issues affecting individual schools. This will be driven in 2022 by the key priorities defined in the Trust five-year plan with performance being measured and reviewed against key performance indicators

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**(continued)**

**d. Financial review**

Embark Multi Academy Trust income is derived in the main from the DfE via the Education & Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

Incoming resources during the year ended 31 August 2022 totalled £24,194,251 and were sufficient to cover outgoing resources and provided a surplus of £3,605,689 before transfers and other recognised gains and losses.

At the 31 August 2022, the net book value of fixed assets was £28,549,901. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. At the 31 August 2022, the net assets excluding pension liability was £30,786,418.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions since December 2016 have increased and it is expected that they will continue to increase further. Overall, the academy has a healthy balance sheet and will be using reserves to maintain the current assets and to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the school development plan and school aims.

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totaling £546,000. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount.

The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employer's pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels, and this has been factored into future financial plans.

**a. Reserves policy**

For individual schools joining the Trust, reserves brought forward on conversion are accounted for in their individual statement.

The level of reserves held considers the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle object of the academy.

Total reserves at the end of the period amounted to £30,240,418, this balance includes unrestrictive funds (free reserves) of £2,122,703 which is considered appropriate for the Academy Trust, and restricted funds excluding pension and fixed assets of £113,814.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**b. Investment policy**

The Trust has developed a simple Investment policy considering low risk opportunities. Any potential investment opportunities would be escalated to the Board for consideration. As of 31 August 2022, no investments were held.

**c. Principal risks and uncertainties**

Like all other Multi Academy Trusts, Embark Multi Academy Trust is operating through a continuing period of uncertainty regarding future funding, both locally and nationally. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks.

A key uncertainty highlighted by the Trust Board is the pace and level of future growth, any such growth will result in additional funding; potential additional risk and may result in additional capacity being required to support the central infrastructure of the Trust.

Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

The Trust has partnered with a national multi academy trust to improve its risk management processes; this has supported the Trust to introduce a more rigorous process with schools which will lead to a more simplified reporting arrangement. Most risks identified can be mitigated at school level, those risks that cannot be mitigated at school level will be escalated.

The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employer's pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels, and this has been factored into future financial plans.

**EMBARK MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Fundraising**

The Board is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work.

- Trustees have the responsibility of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- While Trustees may delegate many of the operations of fundraising to other parts of the organisation, the Board retains the responsibility for inspiring other fundraiser's, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.
- The Board are committed to ensuring that fundraising activities are carried out in an ethical manner.
- The guiding fundraising principle is a simple one – we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

- The Board will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by individual Academies, including their PTA will comply with all relevant laws.
- Any communications to the public made while carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the Academies' stated mission and purpose.
- All personal information collected by the Academy is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the Academy shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- Financial contributions will only be accepted from companies, organisations, and individuals the Board considers ethical.
- All Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk.
- Complaints will be dealt with in accordance with the Trusts complaints procedure.

**Disclosure of information to auditors**

As far as the Trustees are aware:

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

**Auditors**

The auditors, PKF Smith Cooper Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on its behalf by:



**S E Armitage**  
(Chair of Trustees)

**EMBARK MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Trust Leader, 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 Master Funding Agreement and Supplementary Funding Agreements between Embark Multi Academy Trust and the Secretary of State for Education.

**EMBARK MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance**

Members met with the central team to review the performance during the year and also receive our audited accounts. The Trust trialled an online presentation which is now retained on our website.

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

As a record, attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee                         | Meetings attended | Out of a possible |
|---------------------------------|-------------------|-------------------|
| S E Armitage, Chair of Trustees | 5                 | 5                 |
| M J Crawford, Chief Executive   | 4                 | 5                 |
| E Hedley                        | 4                 | 5                 |
| M James                         | 5                 | 5                 |
| I Paxton                        | 4                 | 5                 |
| A Round                         | 3                 | 5                 |
| D King                          | 5                 | 5                 |
| P Ricketts                      | 5                 | 5                 |
| M Firbank                       | 2                 | 3                 |

Embark Multi Academy Trust has an experienced Board of Trustees in place, which are responsible for identifying and establishing strategies and policies and for ensuring they are implemented. Where appropriate, duties are delegated to committees, and employees of Embark Multi Academy Trust.

**Governance reviews**

The Board have completed two areas of review and development in the last 12 months these include:

DISC profiling – each Trustee and member of the central team completed a self-evaluation questionnaire to review their personal preferences and tendencies. This methodology works particularly well for teams in building an understanding of the impact behaviours have on workplace relationships. A facilitated session was then delivered where everyone shared their feedback and the group explored the balance of outcomes that we had.

KDCI review – at the Finance, Audit and Risk Committee we undertook a KDCI review (a review of areas to keep, ditch, change or improve) each member of the committee completed a simple questionnaire about their experiences at the committee. This feedback was discussed and then implemented.

The Board of Trustees has appointed a number of sub-committees to ensure robust oversight of the Academy Trust is maintained, and the scope of their work is set out in clear, written terms of reference. Each committee provides rigorous scrutiny of the educational and financial performance of the academies, and in addition to the three meetings of the Trust Board, there were sub-committee meetings as follows:

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility for ensuring sound management of the Trusts finances and resources, including planning, monitoring and probity.

As a record, attendance during the year at meetings was as follows:

| Trustee    | Meetings attended | Out of a possible |
|------------|-------------------|-------------------|
| M Crawford | 4                 | 6                 |
| D King     | 6                 | 6                 |
| P Ricketts | 6                 | 6                 |
| I Paxton   | 6                 | 6                 |

**EMBARK MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The School Performance Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

- ensure a constant review of standards, progress and performance across all academies
- identify and disseminate best practice across the Trust
- put in place effective strategies to accelerate progress for all children in all year groups
- ensure high quality provision at all academies and ensure they are on an improvement trajectory in terms of OFSTED judgements.

The School Performance Committee has met four times during the year. As a record, attendance during the year at meetings was as follows:

| Trustee    | Meetings attended | Out of a possible |
|------------|-------------------|-------------------|
| S Armitage | 4                 | 4                 |
| E Hedley   | 4                 | 4                 |
| M James    | 3                 | 4                 |
| M Crawford | 2                 | 4                 |

**Vision Sprints**

With the expansion of the Trust into secondary education we established a Vision Sprint Committee which met on nine occasions during the year, this group was established as a time limited body to enable focused and dedicated time to spend on this agenda and our broader growth.

**Governor Network Opportunities**

During the year the Trust have held four different groups that link local governance with Trust governance. These groups were:

- Chairs Forum which met on four occasions and included Chairs of School Governing Teams, the Chair of Trustees and the Trust Leader;
- Finance Forum which met on three occasions and included School Governors with a lead on Finance, Vice Chair of Trustees and the Finance and Operations Lead;
- School Performance Forum which met on four occasions and included School Governors with a lead on Performance, Trustee with responsibility for performance and the Primary School Improvement Lead

In addition, we held our first Local Governing Teams annual networking event which was hugely successful and included a key input from Sir David Carter on developing the 10 guiding principals of local governance.

Key priorities for the next year will involve the continued development of our Trust Advocate model where each Trustee works closely with a school in the Trust to ensure a flow of information between the school and the Trust. We will also be considering how our additional growth may impact on the committee structure of the Board and whether additional committees are required.

**EMBARK MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

During 2022 the Trust benefited from a Finance and Management Governance Review visit which reviewed our internal governance arrangements and their compliance with the Academy Financial Handbook. The feedback from this process was positive and provided recommendations for improvement which will be monitored through the Finance, Audit and Risk Committee.

The accounting officer for the academy Trust has delivered improved value for money during the year in the following ways:

- The Trust has applied for additional funding from the ESFA's Condition Improvement Fund (CIF). The aim of this work has been to improve the general condition of the schools and to improve their suitability for high quality provision whilst not negatively impacting on the individual school budgets.
- The Trust has implemented a budget setting process for 2022/25, this process has supported a thorough process of challenge and support with each school to develop a budget that supports the school deliver on its priorities whilst also being financially sustainable. Where staffing vacancies have arisen in individual schools' consideration has been given to the most suitable arrangements moving forward; either direct replacement; sharing expertise across schools or not filling the post.
- As the Trust continues to grow, contracts are subject to review prior to renewal and are procured at Trust rather than individual school level making use of both national and local frameworks, this increased bargaining power drives out efficiency savings for each of the Trust's individual academies and ensures that value for money and efficient procurement in one academy is replicated in its other academies, thus, creating increased economies of scale and enhanced financial literacy amongst academy business staff.

In each of these examples, the Trust is using its budgets wisely to improve the resources available to pupils and staff and, in turn, for this to positively impact upon outcomes. This is clear in the assessment and test tables set out above, which show clear impact and, in turn, good value for money.

**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 Embark Multi Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**EMBARK MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**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 on-going process for identifying, evaluating, and managing the Trust's significant risks in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The risk and control framework**

The 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. It includes:

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

The Board of Trustees has decided to employ Dains Accountants as internal auditor.

On a regular basis, the Finance Leader reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**Review of effectiveness**

As accounting officer, the Trust Leader has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor
- the work of the internal auditor
- the work of the leadership team within the Trust who have responsibility for the development and maintenance of the internal control framework.
- increased prescription in the operational financial expectations of the Trust including written guidance; monthly checklists; training and 1-1 mentoring. The introduction of a Financial Controller also provides additional capacity to support these developments and ensure compliance.

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

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on their behalf by:



**S Armitage**  
Chair of Trustees



**M Crawford**  
Accounting Officer

**EMBARK MULTI ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Embark Multi Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency of material irregularity, impropriety, and noncompliance 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 2022.

I confirm that I and the Trust Board of Trustees can 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 2022.

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.



**M Crawford**  
Accounting Officer  
Date: 15 December 2022

**EMBARK MULTI ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

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

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

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

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



**S E Armitage**  
(Chair of Trustees)  
Date: 15 December 2022

**EMBARK MULTI ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EMBARK MULTI ACADEMY TRUST**

**Opinion**

We have audited the financial statements of Embark Multi Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**EMBARK MULTI ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**EMBARK MULTI ACADEMY TRUST (CONTINUED)**

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

**Responsibilities of trustees**

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

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

**EMBARK MULTI ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EMBARK MULTI ACADEMY TRUST (CONTINUED)**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions;
- non-compliance with the Academy Trust Handbook and Accounts Direction.

We focussed on those areas that could give rise to a material misstatement in the Company financial statements. Our procedures included, but were not limited to:

- enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- reviewing minutes of meetings of those charged with governance where available;
- reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular, a review of assumptions used in the valuation of defined benefit pension liabilities;
- a separate limited scope regularity review has been undertaken in respect of compliance with the Academy Trust Handbook and our report in respect of this is contained within the financial statements.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**EMBARK MULTI ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**EMBARK MULTI ACADEMY TRUST (CONTINUED)**

**Use of our report**

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

PKF Smith Cooper Audit Limited

**James Delve (senior statutory auditor)**

for and on behalf of

**PKF Smith Cooper Audit Limited**

1 Prospect Place

Pride Park

Derby

DE24 8HG

21 December 2022

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EMBARK MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Embark Multi Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Embark Multi Academy Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EMBARK  
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Smith Cooper Audit Limited

**PKF Smith Cooper Audit Limited**

1 Prospect Place  
Pride Park  
Derby  
DE24 8HG

Date: 21 December 2022

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

|   | Note | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Restricted<br>fixed asset<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>Income from:</b>   |      |                                    |                                  |   |                             |                             |
| Donations and capital grants:                                       | 3    |                                    |                                  |   |                             |                             |
| Transfer from local authority on conversion                         |      | 639,339                            | (1,396,000)                      | 5,640,000                                       | 4,883,339                   | 4,706,997                   |
| Other donations and capital grants                                  |      | -                                  | 51,438                           | 929,204   | 980,642                     | 1,575,707                   |
| Other trading activities  |      | 466,630                            | 396,550                          | -   | 863,180                     | 624,364                     |
| Investments   | 6    | 7,672                              | -                                | -   | 7,672                       | 290                         |
| Charitable activities   |      | -                                  | 17,459,418                       | -   | 17,459,418                  | 13,215,010                  |
| <b>Total income</b>   |      | <b>1,113,641</b>                   | <b>16,511,406</b>                | <b>6,569,204</b>                                | <b>24,194,251</b>           | <b>20,122,368</b>           |
| <b>Expenditure on:</b>  |      |                                    |                                  |   |                             |                             |
| Charitable activities   | 8    | -                                  | 19,818,616                       | 769,946   | 20,588,562                  | 15,299,247                  |
| <b>Total expenditure</b>  |      | <b>-</b>                           | <b>19,818,616</b>                | <b>769,946</b>                                  | <b>20,588,562</b>           | <b>15,299,247</b>           |
| <b>Net Income/(expenditure)</b>                                     |      | <b>1,113,641</b>                   | <b>(3,307,210)</b>               | <b>5,799,258</b>                                | <b>3,605,689</b>            | <b>4,823,121</b>            |
| Transfers between funds   | 18   | (201,229)                          | -                                | 201,229   | -                           | -                           |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>912,412</b>                     | <b>(3,307,210)</b>               | <b>6,000,487</b>                                | <b>3,605,689</b>            | <b>4,823,121</b>            |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |   |                             |                             |
| Actuarial gains/(losses) on defined benefit pension schemes         | 25   | -                                  | 12,970,000                       | -   | 12,970,000                  | (2,674,000)                 |
| <b>Net movement in funds</b>  |      | <b>912,412</b>                     | <b>9,662,790</b>                 | <b>6,000,487</b>                                | <b>16,575,689</b>           | <b>2,149,121</b>            |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |   |                             |                             |
| Total funds brought forward   |      | 1,210,291                          | (10,094,976)                     | 22,549,414                                      | 13,664,729                  | 11,515,608                  |
| Net movement in funds   |      | 912,412                            | 9,662,790                        | 6,000,487                                       | 16,575,689                  | 2,149,121                   |
| <b>Total funds carried forward</b>                                  |      | <b>2,122,703</b>                   | <b>(432,186)</b>                 | <b>28,549,901</b>                               | <b>30,240,418</b>           | <b>13,664,729</b>           |

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

The notes on pages 34 to 68 form part of these financial statements.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 11717748**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

|  | Note | 2022<br>£                | 2021<br>£                |
|--|------|--------------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                          |                          |
| Tangible assets                                | 15   | 28,549,901               | 22,549,414               |
|  |      | <u>28,549,901</u>        | <u>22,549,414</u>        |
| <b>Current assets</b>                          |      |                          |                          |
| Debtors  | 16   | 1,487,758                | 683,246                  |
| Cash at bank and in hand                       | 22   | 2,021,174                | 1,912,521                |
|  |      | <u>3,508,932</u>         | <u>2,595,767</u>         |
| Creditors: amounts falling due within one year | 17   | (1,272,415)              | (1,326,452)              |
| <b>Net current assets</b>                      |      | <u>2,236,517</u>         | <u>1,269,315</u>         |
| <b>Total assets less current liabilities</b>   |      | <u>30,786,418</u>        | <u>23,818,729</u>        |
| <b>Net assets excluding pension liability</b>  |      | <u>30,786,418</u>        | <u>23,818,729</u>        |
| Defined benefit pension scheme liability       | 25   | (546,000)                | (10,154,000)             |
| <b>Total net assets</b>                        |      | <u><u>30,240,418</u></u> | <u><u>13,664,729</u></u> |
| <b>Funds of the Academy Trust</b>              |      |                          |                          |
| <b>Restricted funds:</b>                       |      |                          |                          |
| Fixed asset funds                              | 18   | 28,549,901               | 22,549,414               |
| Restricted income funds                        | 18   | 113,814                  | 59,024                   |
|  |      | <u>28,663,715</u>        | <u>22,608,438</u>        |
| Restricted funds excluding pension asset       | 18   | 28,663,715               | 22,608,438               |
| Pension reserve                                | 18   | (546,000)                | (10,154,000)             |
| <b>Total restricted funds</b>                  | 18   | <u>28,117,715</u>        | <u>12,454,438</u>        |
| <b>Unrestricted income funds</b>               | 18   | <u>2,122,703</u>         | <u>1,210,291</u>         |
| <b>Total funds</b>                             |      | <u><u>30,240,418</u></u> | <u><u>13,664,729</u></u> |

The financial statements on pages 29 to 68 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:



**S E Armitage**  
**(Chair of Trustees)**

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 11717748**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

The notes on pages 34 to 68 form part of these financial statements.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

|   | <b>Note</b> | <b>2022<br/>£</b>       | <b>2021<br/>£</b>       |
|---|-------------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>             |             |                         |                         |
| Net cash provided by operating activities               | 20          | <b>6,232,076</b>        | 7,337,717               |
| <b>Cash flows from investing activities</b>             | 21          | <b>(6,123,423)</b>      | (6,658,715)             |
| <b>Change in cash and cash equivalents in the year</b>  |             | <b>108,653</b>          | 679,002                 |
| Cash and cash equivalents at the beginning of the year  |             | <b>1,912,521</b>        | 1,233,519               |
| <b>Cash and cash equivalents at the end of the year</b> | 22, 23      | <b><u>2,021,174</u></b> | <b><u>1,912,521</u></b> |

The notes on pages 34 to 68 form part of these financial statements

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Embark Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

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

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**1.4 Expenditure**

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

• **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

|   |   |       |
|---|---|-------|
| Long-term leasehold land                  | - | 0.8%  |
| Long-term leasehold property              | - | 2.5%  |
| Long term leasehold property improvements | - | 5.0%  |
| Furniture and equipment                   | - | 20.0% |
| Computer equipment                        | - | 33.0% |

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

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.10 Financial Instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.12 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

**Local Government Pension Scheme Valuation**

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Land and Building valuation**

The Trust has estimated the value of land and buildings transferred in from the local authority on conversion as it has not been considered value for money to obtain the professional valuation reports for all academies joining the trust.

William Rhodes Primary School was valued by Eddisons Real Estate & Business valuers, an independent RICS qualified valuer in August 2022. This valuation has been used to estimate the value of the other schools based on a variety of factors including square meterage and number of pupils. Each site has then been considered for any impairment or significant factors that would lead to a difference in valuation method. Finally each site has been compared to values of similar sized schools in the local area to ensure none of the values are significantly under or overstated.

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**3. Income from donations and capital grants**

|   | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|---|--|--|--|---------------------------------------|
| Donations                                   | -  | 51,438                                     | -  | <b>51,438</b>                         |
| Transfer from local authority on conversion | 639,339                                      | (1,396,000)                                | 5,640,000  | <b>4,883,339</b>                      |
| Capital grants                              | -  | -  | 929,204  | <b>929,204</b>                        |
|   | <b>639,339</b>                               | <b>(1,344,562)</b>                         | <b>6,569,204</b>   | <b>5,863,981</b>                      |

  

|   | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|---|--|--|--|---------------------------------------|
| Donations                                   | -  | 97,209                                     | -  | <b>97,209</b>                         |
| Transfer from local authority on conversion | 482,997                                      | (1,344,000)                                | 5,568,000  | <b>4,706,997</b>                      |
| Capital grants                              | -  | -  | 1,478,498  | <b>1,478,498</b>                      |
|   | <b>482,997</b>                               | <b>(1,246,791)</b>                         | <b>7,046,498</b>   | <b>6,282,704</b>                      |

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy Trust's educational operations**

|                                    | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|------------------------------------|--|---------------------------------------|
| <b>Educational operations</b>      |  |                                       |
| <b>DfE/ESFA grants</b>             |  |                                       |
| General Annual Grant (GAG)         | 12,868,144                                 | 12,868,144                            |
| Other DfE/ESFA grants              |  |                                       |
| Other DfE/ESFA grants              | 596,482                                    | 596,482                               |
| Start Up Grants                    | 100,000                                    | 100,000                               |
| Pupil Premium                      | 1,551,632                                  | 1,551,632                             |
| Teachers' Pay Grant                | 50,622                                     | 50,622                                |
| PE & Sports Grant                  | 234,787                                    | 234,787                               |
| Universal Infant Free School Meals | 304,482                                    | 304,482                               |
| Rates Relief                       | 40,757                                     | 40,757                                |
|                                    | <hr/> 15,746,906                           | <hr/> 15,746,906                      |
| <b>Other Government grants</b>     |  |                                       |
| Local Authority Grants             | <hr/> 1,712,512                            | <hr/> 1,712,512                       |
| <b>Total 2022</b>                  | <hr/> <hr/> 17,459,418                     | <hr/> <hr/> 17,459,418                |

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy Trust's educational operations (continued)**

|   | Restricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ |
|---|----------------------------------|-----------------------------|
| <b>Educational operations</b>                 |                                  |                             |
| <b>DfE/ESFA grants</b>                        |                                  |                             |
| General Annual Grant (GAG)                    | 9,561,188                        | 9,561,188                   |
| Other DfE/ESFA grants                         |                                  |                             |
| Other DfE/ESFA Grants                         | 179,650                          | 179,650                     |
| Start up Grants                               | 52,000                           | 52,000                      |
| Pupil Premium                                 | 785,983                          | 785,983                     |
| Teachers Pay Grant                            | 416,797                          | 416,797                     |
| PE & Sports Grant                             | 181,267                          | 181,267                     |
| Universal Infant Free School Meals            | 245,353                          | 245,353                     |
| Rates Relief                                  | 222,115                          | 222,115                     |
|   | <hr/> 11,644,353                 | <hr/> 11,644,353            |
| <b>Other Government grants</b>                |                                  |                             |
| Local Authority Grants                        | 1,383,769                        | 1,383,769                   |
| <b>COVID-19 additional funding (DfE/ESFA)</b> |                                  |                             |
| Coronavirus Support                           | 186,888                          | 186,888                     |
|   | <hr/> 13,215,010                 | <hr/> 13,215,010            |
| <b>Total 2021</b>                             | <hr/> <hr/> 13,215,010           | <hr/> <hr/> 13,215,010      |

**5. Income from other trading activities**

|                    | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|
| Hire of facilities | 16,132                             | -                                | 16,132                      |
| Catering income    | -                                  | 280,692                          | 280,692                     |
| Sale of uniforms   | 2,958                              | -                                | 2,958                       |
| Other income       | 447,540                            | 115,858                          | 563,398                     |
|                    | <hr/> 466,630                      | <hr/> 396,550                    | <hr/> 863,180               |
|                    | <hr/> <hr/> 466,630                | <hr/> <hr/> 396,550              | <hr/> <hr/> 863,180         |

**EMBARK MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**5. Income from other trading activities (continued)**

|                    | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|
| Hire of facilities | 15,962                             | -                                | 15,962                      |
| Catering income    | -                                  | 223,267                          | 223,267                     |
| Sale of uniforms   | 4,005                              | -                                | 4,005                       |
| Other income       | 354,831                            | 26,299                           | 381,130                     |
|                    | <u>374,798</u>                     | <u>249,566</u>                   | <u>624,364</u>              |

**6. Investment income**

|                     | Unrestricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|---------------------|------------------------------------|-----------------------------|
| Short term deposits | <u>7,672</u>                       | <u>7,672</u>                |

|                     | Unrestricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ |
|---------------------|------------------------------------|-----------------------------|
| Short term deposits | <u>290</u>                         | <u>290</u>                  |

**7. Expenditure**

|                         | Staff Costs<br>2022<br>£ | Premises<br>2022<br>£ | Other<br>2022<br>£ | Total<br>2022<br>£ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Educational operations: |                          |                       |                    |                    |
| Direct costs            | 12,088,925               | -                     | 936,331            | 13,025,256         |
| Allocated support costs | 3,819,331                | 1,690,144             | 2,053,831          | 7,563,306          |
|                         | <u>15,908,256</u>        | <u>1,690,144</u>      | <u>2,990,162</u>   | <u>20,588,562</u>  |

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**7. Expenditure (continued)**

|                         | Staff Costs<br>2021<br>£ | Premises<br>2021<br>£ | Other<br>2021<br>£ | Total<br>2021<br>£ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Educational operations: |                          |                       |                    |                    |
| Direct costs            | 9,579,094                | -                     | 549,703            | 10,128,797         |
| Allocated support costs | 2,208,963                | 1,365,054             | 1,596,433          | 5,170,450          |
|                         | <u>11,788,057</u>        | <u>1,365,054</u>      | <u>2,146,136</u>   | <u>15,299,247</u>  |

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                        | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ |
|------------------------|----------------------------------|--------------------|
| Educational operations | <u>20,588,562</u>                | <u>20,588,562</u>  |

|                        | Restricted<br>funds<br>2021<br>£ | Total<br>2021<br>£ |
|------------------------|----------------------------------|--------------------|
| Educational operations | <u>15,299,247</u>                | <u>15,299,247</u>  |

**9. Analysis of expenditure by activities**

|                        | Direct costs<br>2022<br>£ | Support<br>costs<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|------------------------|---------------------------|-------------------------------|-----------------------------|
| Educational operations | <u>13,025,256</u>         | <u>7,563,306</u>              | <u>20,588,562</u>           |

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**9. Analysis of expenditure by activities (continued)**

|                        | Direct costs<br>2021<br>£ | Support<br>costs<br>2021<br>£ | Total<br>funds<br>2021<br>£ |
|------------------------|---------------------------|-------------------------------|-----------------------------|
| Educational operations | 10,128,797                | 5,170,450                     | 15,299,247                  |

**Analysis of direct costs**

|                         | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|-------------------------|-----------------------------|-----------------------------|
| Staff costs             | 12,088,925                  | 9,579,094                   |
| Technology costs        | 51,534                      | 41,924                      |
| Educational supplies    | 351,163                     | 189,372                     |
| Staff development       | 109,481                     | 47,969                      |
| Educational consultancy | 153,742                     | 134,438                     |
| Other direct costs      | 270,411                     | 136,000                     |
|                         | <b>13,025,256</b>           | <b>10,128,797</b>           |

**Analysis of support costs**

|                     | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---------------------|-----------------------------|-----------------------------|
| Staff costs         | 3,819,331                   | 2,208,963                   |
| Depreciation        | 769,946                     | 533,082                     |
| Technology costs    | 204,302                     | 118,502                     |
| Premises costs      | 978,775                     | 865,623                     |
| Other support costs | 1,715,294                   | 1,386,789                   |
| Governance costs    | 75,658                      | 57,491                      |
|                     | <b>7,563,306</b>            | <b>5,170,450</b>            |

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**10. Net Income/(expenditure)**

Net income/(expenditure) for the year includes:

|                                       | <b>2022</b>           | <b>2021</b>    |
|---------------------------------------|-----------------------|----------------|
|                                       | <b>£</b>              | <b>£</b>       |
| Depreciation of tangible fixed assets | <b>769,946</b>        | 533,082        |
| Fees paid to external auditors for:   |                       |                |
| - audit                               | <b>17,800</b>         | 14,000         |
| - other services                      | <b>3,025</b>          | 2,700          |
|                                       | <b><u>790,771</u></b> | <u>549,782</u> |

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

|                       | <b>2022</b>              | <b>2021</b>       |
|-----------------------|--------------------------|-------------------|
|                       | <b>£</b>                 | <b>£</b>          |
| Wages and salaries    | <b>10,315,790</b>        | 8,146,669         |
| Social security costs | <b>940,417</b>           | 699,359           |
| Pension costs         | <b>4,184,243</b>         | 2,696,598         |
|                       | <b><u>15,440,450</u></b> | <u>11,542,626</u> |
| Agency staff costs    | <b>467,806</b>           | 245,431           |
|                       | <b><u>15,908,256</u></b> | <u>11,788,057</u> |

**b. Staff numbers**

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

|                   | <b>2022</b>       | <b>2021</b> |
|-------------------|-------------------|-------------|
|                   | <b>No.</b>        | <b>No.</b>  |
| Teachers          | <b>158</b>        | 144         |
| Admin and support | <b>398</b>        | 312         |
|                   | <b><u>556</u></b> | <u>456</u>  |

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**11. Staff (continued)**

**c. Higher paid staff**

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

|                                 | <b>2022</b><br><b>No.</b> | <b>2021</b><br><b>No.</b> |
|---------------------------------|---------------------------|---------------------------|
| In the band £60,001 - £70,000   | <b>5</b>                  | <b>4</b>                  |
| In the band £70,001 - £80,000   | <b>4</b>                  | <b>3</b>                  |
| In the band £80,001 - £90,000   | <b>1</b>                  | <b>-</b>                  |
| In the band £100,001 - £110,000 | <b>-</b>                  | <b>1</b>                  |
| In the band £110,001 - £120,000 | <b>1</b>                  | <b>-</b>                  |
|                                 | <b>=====</b>              | <b>=====</b>              |

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,615,033 (2021 - £1,147,056).

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**12. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- Finance, administration and systems
- Educational consultancy
- Professional services
- Publicity and marketing

The Academy Trust charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

|   | 2022<br>£      | 2021<br>£      |
|---|----------------|----------------|
| Aldercar Infant and Nursery School        | 37,544         | 34,178         |
| Heath Primary School                      | 65,719         | 60,884         |
| Horsley Woodhouse Primary School          | 28,303         | 25,978         |
| Howitt Community Primary School           | 69,634         | 67,764         |
| Kilburn Junior School                     | 39,632         | 37,339         |
| Richardson Endowed Primary                | 41,800         | 38,759         |
| Longford CofE Primary School              | 19,941         | 19,415         |
| Chaucer Infant and Nursery School         | 43,057         | 39,020         |
| Chaucer Junior School                     | 56,705         | 51,467         |
| Waingroves Primary School                 | 45,289         | 30,617         |
| Ladywood Primary School                   | 69,418         | 47,030         |
| Fieldhouse Infant and Nursery School      | 38,718         | 25,609         |
| Riddings Junior School                    | 43,963         | -              |
| William Rhodes Primary and Nursery School | 25,452         | -              |
| St George's CofE Primary School           | 18,230         | -              |
| <b>Total</b>                              | <b>643,405</b> | <b>478,060</b> |

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**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

|                               |                            | <b>2022</b>                  | <b>2021</b>          |
|-------------------------------|----------------------------|------------------------------|----------------------|
|                               |                            | <b>£</b>                     | <b>£</b>             |
| M J Crawford, Chief Executive | Remuneration               | <b>115,000 -<br/>120,000</b> | 100,000 -<br>105,000 |
|                               | Pension contributions paid | <b>25,000 -<br/>30,000</b>   | 20,000 -<br>25,000   |

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £720).

**14. Trustees' and Officers' Insurance**

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

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**15. Tangible fixed assets**

|                           | Long-term<br>leasehold<br>property and<br>improvements<br>£ | Assets under<br>construction<br>£ | Furniture<br>and<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£        |
|---------------------------|---|-----------------------------------|------------------------------------|----------------------------|-------------------|
| <b>Cost or valuation</b>  |   |                                   |                                    |                            |                   |
| At 1 September 2021       | 23,197,662  | 213,416                           | 63,932                             | 65,805                     | 23,540,815        |
| Additions                 | 6,622,400   | -                                 | 18,913                             | 129,120                    | 6,770,433         |
| Transfers between classes | 213,416   | (213,416)                         | -                                  | -                          | -                 |
| At 31 August 2022         | <u>30,033,478</u>   | <u>-</u>                          | <u>82,845</u>                      | <u>194,925</u>             | <u>30,311,248</u> |
| <b>Depreciation</b>       |   |                                   |                                    |                            |                   |
| At 1 September 2021       | 943,041   | -                                 | 22,693                             | 25,667                     | 991,401           |
| Charge for the year       | 711,369   | -                                 | 15,058                             | 43,519                     | 769,946           |
| At 31 August 2022         | <u>1,654,410</u>  | <u>-</u>                          | <u>37,751</u>                      | <u>69,186</u>              | <u>1,761,347</u>  |
| <b>Net book value</b>     |   |                                   |                                    |                            |                   |
| At 31 August 2022         | <u>28,379,068</u>   | <u>-</u>                          | <u>45,094</u>                      | <u>125,739</u>             | <u>28,549,901</u> |
| At 31 August 2021         | <u>22,254,621</u>   | <u>213,416</u>                    | <u>41,239</u>                      | <u>40,138</u>              | <u>22,549,414</u> |

Included in the net book value of property displayed above are the following amounts ascribable to land:

|                          | 2022<br>£        | 2021<br>£        |
|--------------------------|------------------|------------------|
| Long-term leasehold land | <u>5,716,526</u> | <u>4,206,532</u> |

**16. Debtors**

|                                | 2022<br>£        | 2021<br>£      |
|--------------------------------|------------------|----------------|
| <b>Due within one year</b>     |                  |                |
| Trade debtors                  | 11,983           | 23,737         |
| Other debtors                  | 612,935          | 146,510        |
| Prepayments and accrued income | 233,360          | 157,737        |
| Grants receivable              | 629,480          | 355,262        |
|                                | <u>1,487,758</u> | <u>683,246</u> |

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

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Trade creditors                        | <b>346,405</b>   | 658,838          |
| Other taxation and social security     | <b>199,047</b>   | 169,608          |
| Other creditors                        | <b>373,182</b>   | 216,754          |
| Accruals and deferred income           | <b>353,781</b>   | 281,252          |
|  | <b>1,272,415</b> | <b>1,326,452</b> |
|  | <b>2022</b>      | <b>2021</b>      |
|  | <b>£</b>         | <b>£</b>         |
| Deferred income at 1 September 2021    | <b>175,690</b>   | 132,212          |
| Resources deferred during the year     | <b>201,672</b>   | 175,690          |
| Amounts released from previous periods | <b>(175,690)</b> | (132,212)        |
|  | <b>201,672</b>   | <b>175,690</b>   |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds**

|                                     | Balance at 1<br>September<br>2021<br>£ | Income<br>£              | Expenditure<br>£           | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£  | Balance at<br>31 August<br>2022<br>£ |
|-------------------------------------|--|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                          |                            |                          |                          |                                      |
| General funds                       | 1,210,291                              | 1,113,641                | -                          | (201,229)                | -                        | 2,122,703                            |
| <b>Restricted general funds</b>     |  |                          |                            |                          |                          |                                      |
| General Annual Grant (GAG)          | 59,024                                 | 12,868,144               | (12,813,354)               | -                        | -                        | 113,814                              |
| Start Up Grant                      | -                                      | 100,000                  | (100,000)                  | -                        | -                        | -                                    |
| Pupil Premium                       | -                                      | 1,551,632                | (1,551,632)                | -                        | -                        | -                                    |
| Other restricted income             | -                                      | 3,387,630                | (3,387,630)                | -                        | -                        | -                                    |
| Pension reserve                     | (10,154,000)                           | (1,396,000)              | (1,966,000)                | -                        | 12,970,000               | (546,000)                            |
|                                     | <u>(10,094,976)</u>                    | <u>16,511,406</u>        | <u>(19,818,616)</u>        | <u>-</u>                 | <u>12,970,000</u>        | <u>(432,186)</u>                     |
| <b>Restricted fixed asset funds</b> |  |                          |                            |                          |                          |                                      |
| Transfer on conversion              | 20,658,546                             | 5,640,000                | -                          | -                        | -                        | 26,298,546                           |
| DfE Group capital grants            | 102,427                                | 93,910                   | (196,337)                  | -                        | -                        | -                                    |
| CIF Funding projects                | 1,788,441                              | 835,294                  | (573,609)                  | 201,229                  | -                        | 2,251,355                            |
|                                     | <u>22,549,414</u>                      | <u>6,569,204</u>         | <u>(769,946)</u>           | <u>201,229</u>           | <u>-</u>                 | <u>28,549,901</u>                    |
| <b>Total Restricted funds</b>       | <u>12,454,438</u>                      | <u>23,080,610</u>        | <u>(20,588,562)</u>        | <u>201,229</u>           | <u>12,970,000</u>        | <u>28,117,715</u>                    |
| <b>Total funds</b>                  | <u><u>13,664,729</u></u>               | <u><u>24,194,251</u></u> | <u><u>(20,588,562)</u></u> | <u><u>-</u></u>          | <u><u>12,970,000</u></u> | <u><u>30,240,418</u></u>             |

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

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

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

Restricted funds (excluding the pension reserve and other grants reserve) represent funds received from the Department for Education and is specially spent on the running of the Academy Trust.

Pension reserve represents the movements on the Local Government Pension Scheme liability.

Other grants reserve represents funds which are restricted by the donor.

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

The transfer out of unrestricted funds represents the Trust using unrestricted funds for restricted purposes.

The transfer into restricted fixed assets represents the Trust's contribution to capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

|                                     | Balance at<br>1 September<br>2020<br>£ | Income<br>£       | Expenditure<br>£    | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2021<br>£ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                   |                     |                          |                         |                                      |
| General funds                       | 593,309                                | 858,085           | -                   | (241,103)                | -                       | 1,210,291                            |
|                                     | <u>593,309</u>                         | <u>858,085</u>    | <u>-</u>            | <u>(241,103)</u>         | <u>-</u>                | <u>1,210,291</u>                     |
| <b>Restricted general funds</b>     |  |                   |                     |                          |                         |                                      |
| General Annual Grant (GAG)          | 130,805                                | 9,561,188         | (9,778,568)         | 145,599                  | -                       | 59,024                               |
| Start Up Grant                      | -                                      | 52,000            | (52,000)            | -                        | -                       | -                                    |
| Pupil Premium                       | -                                      | 785,983           | (785,983)           | -                        | -                       | -                                    |
| Other restricted income             | -                                      | 2,975,726         | (2,975,726)         | -                        | -                       | -                                    |
| Exceptional government funding      | -                                      | 186,888           | (186,888)           | -                        | -                       | -                                    |
| Pension reserve                     | (5,149,000)                            | (1,344,000)       | (987,000)           | -                        | (2,674,000)             | (10,154,000)                         |
|                                     | <u>(5,018,195)</u>                     | <u>12,217,785</u> | <u>(14,766,165)</u> | <u>145,599</u>           | <u>(2,674,000)</u>      | <u>(10,094,976)</u>                  |
| <b>Restricted fixed asset funds</b> |  |                   |                     |                          |                         |                                      |
| Transfer on conversion              | 15,525,441                             | 5,568,000         | (434,895)           | -                        | -                       | 20,658,546                           |
| DfE Group capital grants            | 62,385                                 | 77,311            | (38,914)            | 1,645                    | -                       | 102,427                              |
| CIF Funding projects                | 352,668                                | 1,401,187         | (59,273)            | 93,859                   | -                       | 1,788,441                            |
|                                     | <u>15,940,494</u>                      | <u>7,046,498</u>  | <u>(533,082)</u>    | <u>95,504</u>            | <u>-</u>                | <u>22,549,414</u>                    |
| <b>Total Restricted funds</b>       | <u>10,922,299</u>                      | <u>19,264,283</u> | <u>(15,299,247)</u> | <u>241,103</u>           | <u>(2,674,000)</u>      | <u>12,454,438</u>                    |
| <b>Total funds</b>                  | <u>11,515,608</u>                      | <u>20,122,368</u> | <u>(15,299,247)</u> | <u>-</u>                 | <u>(2,674,000)</u>      | <u>13,664,729</u>                    |

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

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

|  | 2022<br>£         | 2021<br>£         |
|--|-------------------|-------------------|
| Aldercar Infant and Nursery School                 | 215               | 35,247            |
| Heath Primary School                               | 137,659           | 90,448            |
| Horsley Woodhouse Primary School                   | 52,490            | 59,519            |
| Howitt Community Primary School                    | 162,178           | 158,027           |
| Kilburn Junior School                              | 168,401           | 116,534           |
| Richardson Endowed Primary                         | 45,218            | 59,345            |
| Longford CofE Primary School                       | 170,052           | 186,531           |
| Central Services                                   | -                 | 967               |
| Chaucer Infants School                             | (34,240)          | (5,855)           |
| Chaucer Junior School                              | 207,991           | 88,191            |
| Fieldhouse Infant and Nursery School               | 205,107           | 166,185           |
| Waingroves Primary School                          | 107,934           | 89,217            |
| Ladywood Primary School                            | 259,250           | 224,959           |
| Riddings Junior School                             | 405,828           | -                 |
| William Rhodes Primary School                      | 146,830           | -                 |
| St George's C of E Primary School                  | 201,604           | -                 |
|  | <hr/>             | <hr/>             |
| Total before fixed asset funds and pension reserve | 2,236,517         | 1,269,315         |
| Restricted fixed asset fund                        | 28,549,901        | 22,549,414        |
| Pension reserve                                    | (546,000)         | (10,154,000)      |
|  | <hr/>             | <hr/>             |
| <b>Total</b>                                       | <b>30,240,418</b> | <b>13,664,729</b> |
|  | <hr/>             | <hr/>             |

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

|                       | Deficit<br>£ |
|-----------------------|--------------|
| Chaucer Infant School | (34,240)     |
|                       | <hr/>        |

Embark has been working closely with Chaucer Infant School during 2022 as part of our Arms Around The School approach, the key aspects of this approach were to stabilise the schools staffing structure and invest in the school's buildings to make them more fit for purpose.

The Academy Trust is taking the following action to return the academy to surplus:

The outcomes will support improvements in educational delivery and significant progress has been made in these areas, the school has a full complement of staff and has remodelled the building to better meet the needs of children. Future financial forecasts give confidence that the budget will be brought back into a surplus position.

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

**Total cost analysis by academy**

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

|                                      | Teaching<br>and<br>educational<br>support<br>staff costs<br>£ | Other<br>support<br>staff costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2022<br>£ |
|--------------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| Aldercar Infant and Nursery School   | 800,080   | 314,503                              | 21,972                       | 189,078                                       | <b>1,325,633</b>   |
| Heath Primary School                 | 1,224,786   | 499,108                              | 42,107                       | 285,658                                       | <b>2,051,659</b>   |
| Horsley Woodhouse Primary School     | 476,383   | 136,010                              | 4,248                        | 134,907                                       | <b>751,548</b>     |
| Howitt Community Primary School      | 1,374,441   | 248,936                              | 24,031                       | 357,440                                       | <b>2,004,848</b>   |
| Kilburn Junior School                | 596,089   | 411,241                              | 19,471                       | 207,345                                       | <b>1,234,146</b>   |
| Richardson Endowed Primary           | 667,719   | 230,670                              | 12,834                       | 226,565                                       | <b>1,137,788</b>   |
| Longford CofE Primary School         | 291,019   | 69,327                               | 16,346                       | 118,112                                       | <b>494,804</b>     |
| Central Services                     | 410,623   | 307,222                              | 873                          | 638,990                                       | <b>1,357,708</b>   |
| Chaucer Infants School               | 923,882   | 223,295                              | 16,612                       | 206,578                                       | <b>1,370,367</b>   |
| Chaucer Junior School                | 992,066   | 261,138                              | 58,492                       | 165,152                                       | <b>1,476,848</b>   |
| Fieldhouse Infant and Nursery School | 729,360   | 165,116                              | 22,958                       | 192,961                                       | <b>1,110,395</b>   |
| Waingroves Primary School            | 713,638   | 186,043                              | 10,312                       | 236,868                                       | <b>1,146,861</b>   |
| Ladywood Primary School              | 1,373,500   | 400,021                              | 71,656                       | 281,124                                       | <b>2,126,301</b>   |
| Riddings Junior School               | 753,044   | 132,653                              | 12,282                       | 183,158                                       | <b>1,081,137</b>   |
| William Rhodes School                | 466,451   | 189,156                              | 4,844                        | 51,576  | <b>712,027</b>     |
| St George's                          | 295,841   | 54,513                               | 12,174                       | 74,018  | <b>436,546</b>     |
| <b>Academy Trust</b>                 | <b>12,088,922</b>   | <b>3,828,952</b>                     | <b>351,212</b>               | <b>3,549,530</b>                              | <b>19,818,616</b>  |

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

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

|                                      | Teaching<br>and<br>educational<br>support staff<br>costs<br>£ | Other<br>support staff<br>costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2021<br>£ |
|--------------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| Aldercar Infant and Nursery School   | 769,790   | 225,725                              | 18,253                       | 256,900                                       | 1,270,668          |
| Heath Primary School                 | 1,170,376   | 272,076                              | 26,044                       | 362,400                                       | 1,830,896          |
| Horsley Woodhouse Primary School     | 461,100   | 112,182                              | 9,949                        | 105,939                                       | 689,170            |
| Howitt Community Primary School      | 1,375,027   | 212,937                              | 21,481                       | 353,077                                       | 1,962,522          |
| Kilburn Junior School                | 628,377   | 336,508                              | 15,474                       | 169,975                                       | 1,150,334          |
| Richardson Endowed Primary           | 675,935   | 190,950                              | 14,385                       | 171,039                                       | 1,052,309          |
| Longford CofE Primary School         | 314,444   | 59,437                               | 8,589                        | 123,132                                       | 505,602            |
| Central Services                     | 234,856   | 65,503                               | 3,843                        | 407,748                                       | 711,950            |
| Chaucer Infants School               | 896,908   | 125,055                              | 10,645                       | 235,122                                       | 1,267,730          |
| Chaucer Junior School                | 1,056,293   | 153,594                              | 17,535                       | 189,694                                       | 1,417,116          |
| Fieldhouse Infant and Nursery School | 526,827   | 101,888                              | 4,193                        | 126,017                                       | 758,925            |
| Waingroves Primary School            | 497,875   | 111,929                              | 8,420                        | 140,598                                       | 758,822            |
| Ladywood Primary School              | 971,286   | 241,179                              | 30,562                       | 147,094                                       | 1,390,121          |
| <b>Academy Trust</b>                 | <b>9,579,094</b>  | <b>2,208,963</b>                     | <b>189,373</b>               | <b>2,788,735</b>                              | <b>14,766,165</b>  |

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

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

|  | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Restricted<br>fixed asset<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 28,549,901                                      | 28,549,901                  |
| Current assets                         | 2,122,703                          | 1,386,229                        | -   | 3,508,932                   |
| Creditors due within one year          | -                                  | (1,272,415)                      | -   | (1,272,415)                 |
| Provisions for liabilities and charges | -                                  | (546,000)                        | -   | (546,000)                   |
| <b>Total</b>                           | <b>2,122,703</b>                   | <b>(432,186)</b>                 | <b>28,549,901</b>                               | <b>30,240,418</b>           |

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

|  | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Restricted<br>fixed asset<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 22,549,414                                      | 22,549,414                  |
| Current assets                         | 1,210,291                          | 1,385,476                        | -   | 2,595,767                   |
| Creditors due within one year          | -                                  | (1,326,452)                      | -   | (1,326,452)                 |
| Provisions for liabilities and charges | -                                  | (10,154,000)                     | -   | (10,154,000)                |
| <b>Total</b>                           | <b>1,210,291</b>                   | <b>(10,094,976)</b>              | <b>22,549,414</b>                               | <b>13,664,729</b>           |

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**20. Reconciliation of net income to net cash flow from operating activities**

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Net income for the year (as per statement of financial activities) | 3,605,689        | 4,823,121        |
| <b>Adjustments for:</b>  |                  |                  |
| Depreciation   | 769,946          | 533,082          |
| Interest receivable  | (7,672)          | (290)            |
| Defined benefit pension scheme obligation inherited                | 1,396,000        | 1,344,000        |
| Defined benefit pension scheme cost less contributions payable     | 1,966,000        | 987,000          |
| Decrease in stocks   | -                | 41               |
| (Increase)/decrease in debtors                                     | (804,512)        | 18,601           |
| (Decrease)/increase in creditors                                   | (54,037)         | 115,159          |
| Cash transferred on conversion                                     | (639,338)        | (482,997)        |
| <b>Net cash provided by operating activities</b>                   | <b>6,232,076</b> | <b>7,337,717</b> |

**21. Cash flows from investing activities**

|  | 2022<br>£          | 2021<br>£          |
|--|--------------------|--------------------|
| Dividends, interest and rents from investments | 7,672              | 290                |
| Purchase of tangible fixed assets              | (1,130,433)        | (1,574,002)        |
| Transfer of capital assets on conversion       | (5,640,000)        | (5,568,000)        |
| Cash transferred on conversion                 | 639,338            | 482,997            |
| <b>Net cash used in investing activities</b>   | <b>(6,123,423)</b> | <b>(6,658,715)</b> |

**22. Analysis of cash and cash equivalents**

|                          | 2022<br>£ | 2021<br>£ |
|--------------------------|-----------|-----------|
| Cash in hand and at bank | 2,021,174 | 1,912,521 |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**23. Analysis of changes in net debt**

|                          | <b>At 1<br/>September<br/>2021<br/>£</b> | <b>Cash flows<br/>£</b> | <b>At 31<br/>August 2022<br/>£</b> |
|--------------------------|--|-------------------------|------------------------------------|
| Cash at bank and in hand | 1,912,521                                | 108,653                 | 2,021,174                          |
|                          | <u>1,912,521</u>                         | <u>108,653</u>          | <u>2,021,174</u>                   |

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**24. Conversion to an academy trust**

On 1 November 2021 Riddings Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>funds<br>£ |
|---|----------------------------|--------------------------|---|---------------------|
| <b>Tangible fixed assets</b>                      |                            |                          |   |                     |
| Leasehold land and buildings                      | -                          | -                        | 2,540,000                               | <b>2,540,000</b>    |
| <b>Current assets</b>                             |                            |                          |   |                     |
| Cash - representing budget surplus on<br>LA funds | 324,225                    | -                        | -                                       | <b>324,225</b>      |
| Prepayments                                       | 21,459                     | -                        | -                                       | <b>21,459</b>       |
| <b>Current liabilities</b>                        |                            |                          |   |                     |
| Deferred income                                   | (11,122)                   | -                        | -                                       | <b>(11,122)</b>     |
| <b>Non-current liabilities</b>                    |                            |                          |   |                     |
| LGPS  | -                          | (472,000)                | -                                       | <b>(472,000)</b>    |
| <b>Net assets/(liabilities)</b>                   | <b>334,562</b>             | <b>(472,000)</b>         | <b>2,540,000</b>                        | <b>2,402,562</b>    |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Conversion to an academy trust (continued)**

On 1 March 2022 William Rhodes Primary & Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>funds<br>£ |
|---|----------------------------|--------------------------|---|---------------------|
| <b>Tangible fixed assets</b>                      |                            |                          |   |                     |
| Leasehold land and buildings                      | -                          | -                        | 1,635,000                               | <b>1,635,000</b>    |
| <b>Current assets</b>                             |                            |                          |   |                     |
| Cash - representing budget surplus on<br>LA funds | 96,378                     | -                        | -                                       | <b>96,378</b>       |
| Prepayments                                       | 10,326                     | -                        | -                                       | <b>10,326</b>       |
| <b>Non-current liabilities</b>                    |                            |                          |   |                     |
| LGPS  | -                          | (579,000)                | -                                       | <b>(579,000)</b>    |
| <b>Net assets/(liabilities)</b>                   | <b>106,704</b>             | <b>(579,000)</b>         | <b>1,635,000</b>                        | <b>1,162,704</b>    |

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

On 1 April 2022 St George's C Of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>funds<br>£ |
|--|----------------------------|--------------------------|---|---------------------|
| <b>Tangible fixed assets</b>                   |                            |                          |   |                     |
| Leasehold land and buildings                   | -                          | -                        | 1,465,000                               | <b>1,465,000</b>    |
| <b>Current assets</b>                          |                            |                          |   |                     |
| Cash - representing budget surplus on LA funds | 204,584                    | -                        | -                                       | <b>204,584</b>      |
| Prepayments                                    | 34,910                     | -                        | -                                       | <b>34,910</b>       |
| <b>Current liabilities</b>                     |                            |                          |   |                     |
| LGPS   | -                          | (345,000)                | -                                       | <b>(345,000)</b>    |
| Deferred income                                | (41,421)                   | -                        | -                                       | <b>(41,421)</b>     |
| <b>Net assets/(liabilities)</b>                | <b>198,073</b>             | <b>(345,000)</b>         | <b>1,465,000</b>                        | <b>1,318,073</b>    |

**25. Pension commitments**

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

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

Contributions amounting to £222,738 were payable to the schemes at 31 August 2022 (2021 - £207,213) and are included within creditors.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**25. Pension commitments (continued)**

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £1,398,752 (2021 - £1,103,400).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,064,000 (2021 - £786,000), of which employer's contributions totalled £824,000 (2021 - £608,000) and employees' contributions totalled £240,000 (2021 - £178,000). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

**Principal actuarial assumptions**

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | <b>3.75</b> | 3.6         |
| Rate of increase for pensions in payment/inflation | <b>3.05</b> | 2.9         |
| Discount rate for scheme liabilities               | <b>4.25</b> | 1.65        |
| Inflation assumption (CPI)                         | <b>3.05</b> | 2.9         |

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

|                      | <b>2022</b>  | <b>2021</b>  |
|----------------------|--------------|--------------|
|                      | <b>Years</b> | <b>Years</b> |
| Retiring today       |              |              |
| Males                | <b>21.1</b>  | 21.3         |
| Females              | <b>23.8</b>  | 23.9         |
| Retiring in 20 years |              |              |
| Males                | <b>22.2</b>  | 22.5         |
| Females              | <b>25.6</b>  | 25.8         |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension commitments (continued)**

**Sensitivity analysis**

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Discount rate +0.1%                    | 379         | 574         |
| Discount rate -0.1%                    | (379)       | (574)       |
| Mortality assumption - 1 year increase | (535)       | (810)       |
| Mortality assumption - 1 year decrease | 535         | 810         |
| Pension increase (CPI) rate +0.1%      | (328)       | (482)       |
| Pension increase (CPI) rate -0.1%      | 328         | 482         |
| Salary rate +0.1%                      | (55)        | (83)        |
| Salary rate -0.1%                      | 55          | 83          |

**Share of scheme assets**

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

|                                     | <b>At 31</b>       | <b>At 31 August</b> |
|-------------------------------------|--------------------|---------------------|
|                                     | <b>August 2022</b> | <b>2021</b>         |
|                                     | <b>£</b>           | <b>£</b>            |
| Equities                            | 8,601,460          | 6,562,000           |
| Corporate bonds                     | 2,695,980          | 2,322,000           |
| Property                            | 1,155,420          | 707,000             |
| Cash and other liquid assets        | 385,140            | 504,000             |
| <b>Total market value of assets</b> | <b>12,838,000</b>  | <b>10,095,000</b>   |

The actual return on scheme assets was £(701,000) (2021 - £1,341,000).

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

|   | <b>2022</b>        | <b>2021</b>        |
|---|--------------------|--------------------|
|   | <b>£</b>           | <b>£</b>           |
| Current service cost  | (2,599,000)        | (1,483,000)        |
| Interest income   | 200,000            | 133,000            |
| Interest cost   | (391,000)          | (245,000)          |
| <b>Total amount recognised in the Statement of financial activities</b> | <b>(2,790,000)</b> | <b>(1,595,000)</b> |

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**25. Pension commitments (continued)**

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

|                              | 2022<br>£         | 2021<br>£  |
|------------------------------|-------------------|------------|
| <b>At 1 September</b>        | <b>20,249,000</b> | 11,037,000 |
| Conversion of academy trusts | 3,512,000         | 3,439,000  |
| Current service cost         | 2,599,000         | 1,483,000  |
| Interest cost                | 391,000           | 245,000    |
| Employee contributions       | 240,000           | 178,000    |
| Actuarial (gains)/losses     | (13,581,000)      | 3,882,000  |
| Benefits paid                | (26,000)          | (15,000)   |
| <b>At 31 August</b>          | <b>13,384,000</b> | 20,249,000 |

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

|  | 2022<br>£         | 2021<br>£  |
|--|-------------------|------------|
| <b>At 1 September</b>                  | <b>10,095,000</b> | 5,888,000  |
| Conversion of academy trusts           | 2,116,000         | 2,095,000  |
| Interest income                        | 200,000           | 133,000    |
| Actuarial (losses)/gains               | (901,000)         | 1,208,000  |
| Employer contributions                 | 824,000           | 608,000    |
| Employee contributions                 | 240,000           | 178,000    |
| Benefits paid                          | (26,000)          | (15,000)   |
| Remeasurement of asset opening balance | 290,000           | -          |
| <b>At 31 August</b>                    | <b>12,838,000</b> | 10,095,000 |

**26. Operating lease commitments**

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

|  | 2022<br>£     | 2021<br>£ |
|--|---------------|-----------|
| Not later than 1 year                        | 10,468        | 9,414     |
| Later than 1 year and not later than 5 years | 20,791        | 15,046    |
|  | <b>31,259</b> | 24,460    |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**27. Members' liability**

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

**28. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust incurred expenditure totalling £1,014 (2021: £Nil) from National Leaders Governance, that is connected to the Chair of Trustees, S Armitage.

**29. Post balance sheet events**

Aldercar High School joined the Trust on 1 October 2022.