

ELM TREE MULTI ACADEMY TRUST
(formerly North Leamington School)

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent auditor's report on the financial statements	17 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 48

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Aspinall (appointed 27 January 2022, resigned 31 August 2022) R Freeth D Morgan S Wadsworth D Winter
Trustees	S Aspinall (resigned 31 August 2022) J Cleary H J Foulerton R Freeth, Chair of Trustees V R Hill M J Lowdell R Matthews S Owen R Pearce E Semple A J Turner L Whittleton
Company registered number	09648936
Company name	Elm Tree Multi Academy Trust (formerly North Leamington School)
Principal and registered office	Sandy Lane Blackdown Leamington Spa CV32 6RD
Company secretary	A Woodward
Senior Leadership team	M Lowdell, Headteacher M Foy, Deputy Headteacher H Jones, Deputy Headteacher M Atkins, Senior Assistant Headteacher G Jephcote, Senior Assistant Headteacher J McBride, Senior Assistant Headteacher S Taylor, Senior Assistant Headteacher A Woodward, Business Manager
Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham West Midlands B3 3AX

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Bankers	Lloyds Bank 73 The Parade Leamington Spa Warwickshire CV32 4BB
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

Elm Tree Multi Academy Trust (previously North Leamington School) is an "empty" MAT, comprising one school, North Leamington School. North Leamington School has a pupil capacity of 1,500 students (including sixth form) and had a roll of 1,446 in the school census on 6 October 2022. The school draws students from approximately a 10 mile radius and they are admitted according to our admissions policy.

Structure, governance and management

• **Constitution**

The academy 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 academy trust. The trustees are also the directors of the charitable company for the purposes of company law. The charitable company operates as Elm Tree 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.

The academy was incorporated on 20 June 2015 and commenced trading as an academy on 1 November 2016.

• **Members' liability**

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

• **Trustees' indemnities**

From 1 November 2016 the academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. The scheme protects members and trustees from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The scheme provides cover up to £10,000,000.

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

The trust shall have the following trustees, as set out in its articles of association and funding agreement:

- Member appointed trustees – up to 6
- Parent trustees – minimum of 2
- Co-opted trustees – no min/max stated
- Head Teacher

Member trustees are appointed by members. Under the articles, the Headteacher as CEO is also member appointed.

Parent trustees – appointed through election

Co-opted trustees – appointed by the existing trustees

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development. The Board of Trustees participate in a regular skills audit to ensure the Board has the right skills to undertake its role.

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

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of documents they will need to undertake their role as Trustees. All new Trustees have the opportunity to undertake appropriate induction training and all Trustees receive regular updates and training from the National Governance Association. Other bespoke training is provided, as procured by the School so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

• **Organisational structure**

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet 5 times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 5 Committees of the Board of Trustees as follows:

- Teaching and Learning
- Character and Culture
- Resources
- Pay
- Admissions

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher.

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team (SLT), which is led by the Headteacher. The SLT comprises the Headteacher, Deputy Headteacher(s), Senior Assistant Headteachers and the Business Manager. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

The Trustees reviewed the Governance structure and in September 2021 an additional committee was established; Character and Culture. This ensures that the committee structure is aligned to the leadership team responsibilities within the school.

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

For the period 1 September 2021 to 31 August 2022 Elm Tree Multi Academy Trust adopted its pay policy based on the recommendations of the School Teachers' Pay and Conditions Document 2021, and the NJC national agreement on Pay & Conditions 1997.

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 13 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Pay Committee in line with the Academy Trust's pay policy and by reference to published pay scales for both teaching and administrative support staff.

● **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	3
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	1
Total pay bill	5,150
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---------------------------------------------------------------------------------------------	-----

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities

• **Objects and aims**

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Leamington Spa and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of North Leamington School for the year ended 31 August 2022 are summarised below:

The ambition of North Leamington School is to be an ever-improving learning environment that offers **opportunities** to enthuse, engage and enrich the experiences of all its community. The school will continue to instil a **commitment** to growth in a positive, dynamic and **respectful** environment that expects and supports personal **excellence** in the context of "**everyone mattering equally**".

• **Objectives, strategies and activities**

North Leamington School's strategic aim for 2021/22 was an intended outcome of success for all through the achievement of the main school priorities below, are underpinned by the wider school aims of commitment, opportunity, respect, and excellence. The school recognises that success comes in a variety of forms, and strives to provide a learning environment where everyone realises success.

- Highly effective teaching and learning
- Highly effective personalised curriculum, broad and balanced, which is deep and rich in both skills and knowledge
- Highly effective culture and climate
- Highly effective student wellbeing
- Highly effective resourcing and sustainable development

All of this is underpinned by the school's CORE and associated values:

- Commitment
- Opportunity
- Respect
- Excellence

The school's progress is regularly measured against a clear, strategic, improvement plan which is regularly monitor by the Governing Body.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

• **Public benefit**

The Academy Trust aims to advance for the public benefit education in the Leamington Spa and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

• **Key performance indicators**

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its 6th year of operation since conversion to an Academy Trust.

The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

- Sustained high quality results year on year
- 75% A*B grades at A level
- Average A level grade B+
- 80% achieved 9 – 4 in English and Maths GCSE 2022
- 61% achieved 9 – 5 in English and Maths GCSE 2022
- Attainment 8 2022 – 54.6
- The school continues to be oversubscribed on an annual basis
- Local Authority Category A School

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £1,576,000 (2021: £1,621,000), which is after transfers of £229,000 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 1,446 which is a reduction of 9 from the previous census.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

• **Going concern**

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

The trustees also recognise the current financial funding crisis affecting schools, and are therefore taking active measures to reduce costs where possible, including implementation of the following measures:

- Reviewing all posts as they become vacant
- Continually reviewing services and looking for opportunities for shared services
- Investigating collaborative purchasing
- Reviewing external contracting arrangements
- Actively seeking to grow the trust to improve efficiency

Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants) was £8,999,000 (2021: £8,457,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £8,815,000 (2021: £8,072,000), resulting in a net surplus for the year of £184,000 (2021: £385,000).

The net book value of fixed assets at 31 August 2022 is £23,398,000, which includes depreciation charges for the period of £554,000. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £1,268,000 (2021: £5,328,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy Trust. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in note 23 to the financial statements.

• **Reserves policy**

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The trustees expect the school to hold contingency reserves from their annual GAG funding or other income awarded to or generated by the school. The policy of North Leamington School is to carry forward a prudent level of resources, designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

In deciding the level of reserves, trustees will take into account the following:

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

- one month salary bill (approx. £560,000)
- the Academy Trust's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years

The trustees support the school's financial strategy to create a revenue reserve in order to fund future expenditure related to North Leamington School's long term aims and future strategic direction as a new MAT. As such, there is an annual capital expenditure plan, and a policy to transfer £100,000 annually into a capital contingency reserves fund. Due to our high specification facility, this is intended for future high cost expenditure, for example the resurfacing of the All Weather Pitch.

The Academy Trust's current level of reserves at 31 August 2022 is £1,576,000 (2020: £1,621,000). Of this, £281,000 is held within the capital contingency reserves fund, leaving £1,295,000 as general reserves, which meets the criteria set by the reserves policy.

The value of the restricted fixed asset fund at 31 August 2022 is £23,398,000 (2021: £23,693,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2022 of £1,268,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that the Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

● **Investment policy**

The current policy is to hold reserves as liquid cash funds.

● **Principal risks and uncertainties**

The principal risks and uncertainties identified through our risk register include the following priorities:

- Risk of industrial action in relation to national pressures including cost of living crisis and workload
- Appropriate leadership and central capacity to manage the growth of the trust
- Impact of cost of living crisis on the ability to recruit and retain staff in specialist roles
- External relationships not being effective
- Inappropriate/inaccurate communication to stakeholders
- Cashflow is an inherent risk in any organisation, however, with the current level of cash reserves this is not considered a concern

Fundraising

The trustees recognise the increasing need to raise additional funds to support tightening Government funding, and the need to conform to recognised regulations whilst doing so. Funds are mainly raised using the following methods:

- Ticket sales for attendance at school productions
- Voluntary contributions requested to support the cost of trips and visits

North Leamington School does not work with any commercial participators or professional fundraisers.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Plans for future periods

Success for all continues to be the intended outcome, through the achievement of the main school priorities below. These are underpinned by the wider school aims of commitment, opportunity, respect, and excellence. The school recognise that success comes in a variety of forms, and strives to provide a learning environment where everyone realises success.

- Highly effective teaching and learning
- Highly effective personalised curriculum, broad and balanced, which is deep and rich in both skills and knowledge
- Highly effective culture and climate
- Highly effective student wellbeing
- Highly effective resourcing and sustainable development

Funds held as custodian on behalf of others

The academy and its trustees do not act as the custodian trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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



R Freeth
Chair of Trustees

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Elm Tree Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Aspinall	3	5
J Cleary	4	5
H J Foulerton	5	5
R Freeth, Chair of Trustees	3	5
V R Hill	3	5
M J Lowdell	5	5
R Matthews	4	5
S Owen	5	5
R Pearce	4	5
E Semple	4	5
A J Turner	4	5
L Whittleton	5	5

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Resources Committee as detailed further below. This is a sub-Committee of the Board of Trustees and it met 5 times during the year. The minutes of this sub-Committee's meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources Committee's purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance during the year at meetings of the resources committee were as follows:

Trustee	Meetings attended	Out of a possible
J Cleary	4	5
R Freeth	5	5
M Lowdell	5	5
S Owen	5	5
R Pearce	5	5
E Semple	5	5

Review of value for money

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

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

- Ensuring regular reviews and improvements to the Financial Regulations Manual. This creates improved robustness of internal financial controls and greater accountability for individual budget holders to manage expenditure in line with budgets.
- Undertaking a full and detailed review of the curriculum and associated staffing requirement in order to ensure the staff resource is appropriate.
- Regular reviews of staff structure to ensure it is fit for purpose and jobs are scaled appropriately.
- Regularly reviewing facilities contracts to ensure suppliers are competitive and the appropriate mix of preventative vs reactive maintenance is in place.
- Completing full competitive tender processes where appropriate to ensure suppliers are competitive and provide best value
- Contracting out cleaning services to improve efficiency and effectiveness
- Seeking additional funding opportunities and grants to maximise staff training, international opportunities, music facilities and careers education.
- Increased investment in technologically advanced systems to streamline workload and reduce the need for manual processes.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Elm Tree 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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 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 academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the 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
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has agreed to buy-in an internal audit service from MLG Education Services Limited.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. During the year September 2021 to August 2022, themed financial risk reviews were carried out by MLG concerning the following:

- Purchases
 - Walkthroughs to include:
 - Purchase Orders
 - Invoices
 - Delivery Notes
 - Nominal Ledger Postings
 - VAT126 Forms
 - Bank Statements
- Estate Management Procedures

Any control issues highlighted have been or are being resolved. Following each review, the internal auditor reports to the board of trustees, through the Resources Committee, on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

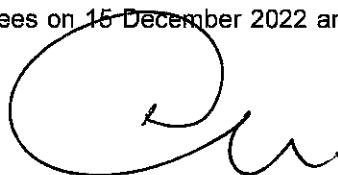
- the work of the internal auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- completion of the school resources management self-assessment tool;
- the work of a school resources management advisor;
- the work of the external auditor.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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:



R Freeth
Chair of Trustees



M J Lowdell
Accounting Officer

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Elm Tree Multi Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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 J Lowdell
Accounting Officer
Date: 15 December 2022

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a cursive 'J' and 'L'.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 on 15 December 2022 and signed on its behalf by:



R Freeth
Chair of Trustees

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELM
TREE MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of Elm Tree 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 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 Auditor's 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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELM
TREE MULTI ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELM
TREE MULTI ACADEMY TRUST (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Education Act 2011, Academies Act 2010, Companies Act 2006, Charities Act 2011, Academy Trust Handbook 2021, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management, consideration of the results of the internal scrutiny function and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing 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.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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.

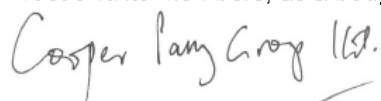
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELM
TREE 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

West Midlands

B3 3AX

Date: 16 December 2022

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 13 August 2020 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 Elm Tree 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 Elm Tree 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 Elm Tree 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 Elm Tree Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Elm Tree Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Elm Tree Multi Academy Trust's funding agreement with the Secretary of State for Education dated 14 October 2016 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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Date: 16 December 2022

ELM TREE 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 funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and capital grants	3	4	-	30	34	32
Other trading activities	5	135	-	-	135	46
Charitable activities		341	8,519	-	8,860	8,409
Total income		480	8,519	30	9,029	8,487
Expenditure on:						
Raising funds		-	-	-	-	3
Charitable activities	7	366	9,018	554	9,938	8,970
Total expenditure		366	9,018	554	9,938	8,973
Net (expenditure) /income		114	(499)	(524)	(909)	(486)
Transfers between funds	16	-	(229)	229	-	-
Net movement in funds before other recognised gains/(losses)		114	(728)	(295)	(909)	(486)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	4,629	-	4,629	(869)
Net movement in funds		114	3,901	(295)	3,720	(1,355)
Reconciliation of funds:						
Total funds brought forward		1,123	(4,830)	23,693	19,986	21,341
Net movement in funds		114	3,901	(295)	3,720	(1,355)
Total funds carried forward		1,237	(929)	23,398	23,706	19,986

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 48 form part of these financial statements.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09648936

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	13	23,398	23,693
Current assets			
Debtors	14	215	177
Cash at bank and in hand		1,638	1,652
		<u>1,853</u>	<u>1,829</u>
Creditors: amounts falling due within one year	15	(277)	(208)
Net current assets		1,576	1,621
Total assets less current liabilities		<u>24,974</u>	<u>25,314</u>
Defined benefit pension scheme liability	23	(1,268)	(5,328)
Total net assets		<u><u>23,706</u></u>	<u><u>19,986</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	23,398	23,693
Restricted income funds	16	339	498
Pension reserve	16	(1,268)	(5,328)
Total restricted funds	16	<u>22,469</u>	<u>18,863</u>
Unrestricted income funds	16	1,237	1,123
Total funds		<u><u>23,706</u></u>	<u><u>19,986</u></u>

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:



R Freeth
Chair of Trustees

The notes on pages 26 to 48 form part of these financial statements.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	215	421
Cash flows from investing activities	19	(230)	(84)
Change in cash and cash equivalents in the year		(15)	337
Cash and cash equivalents at the beginning of the year		1,653	1,316
Cash and cash equivalents at the end of the year	20, 21	<u>1,638</u>	<u>1,653</u>

The notes on pages 26 to 48 form part of these financial statements

ELM TREE 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, 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.

1.2 Going concern

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

1.3 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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **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.

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 Taxation

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

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

1.7 Tangible fixed assets

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

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

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold land	- Over 125 years
Long-term leasehold property	- Over 50 years
Computer equipment	- Over 3-10 years

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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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.

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

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.

1.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

ELM TREE 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 judgement

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

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.

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 23, 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.

The depreciation rates used to determine the charge for the year have been determined based on the Trustees' estimate of the useful economic life of the academy trust's assets or the length of the long term lease agreements that the property is held under. To assist in their estimation of useful economic lives, the Trustees have reviewed the depreciation rates utilised by other academy trusts.

Critical areas of judgement:

The classification of expenditure between restricted and unrestricted funds is considered a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material, the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

ELM TREE 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

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	4	-	4	2
Grants	-	30	30	30
Total 2022	<u>4</u>	<u>30</u>	<u>34</u>	<u>32</u>
Total 2021	<u>2</u>	<u>30</u>	<u>32</u>	

ELM TREE 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's educational operations

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Educational operations				
DfE/ESFA grants				
General annual grant	-	7,692	7,692	7,170
Other DfE/ESFA grants				
Pupil Premium	-	179	179	175
Teacher pay grant	-	19	19	101
Teacher pension grant	-	53	53	285
Supplementary grant	-	87	87	-
School led funding	-	23	23	-
Other DfE Group grants	-	62	62	82
	-	8,115	8,115	7,813
Other Government grants				
Special educational projects	-	278	278	234
Other local authority grants	-	23	23	3
	-	301	301	237
Other income from the Academy's educational operations	341	56	397	219
COVID-19 additional funding (DfE/ESFA)				
Recovery / Catch-up Premium	-	47	47	140
	-	47	47	140
	341	8,519	8,860	8,409
	341	8,519	8,860	8,409
Total 2021	209	8,200	8,409	

ELM TREE 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

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Other income	2	2	2
Lettings income	128	128	43
Catering income	5	5	1
	<u>135</u>	<u>135</u>	<u>46</u>
Total 2021	<u>46</u>	<u>46</u>	

6. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	3
Academies educational operations:					
Direct costs	5,464	-	598	6,062	5,488
Allocated support costs	1,980	1,057	838	3,875	3,482
Total 2022	<u>7,444</u>	<u>1,057</u>	<u>1,436</u>	<u>9,937</u>	<u>8,973</u>
Total 2021	<u>6,946</u>	<u>979</u>	<u>1,048</u>	<u>8,973</u>	

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total 2022 £000	Total 2021 £000
Educational operations	366	9,572	9,938	8,970
Total 2021	264	8,706	8,970	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Educational operations	6,062	3,875	9,937	8,970
Total 2021	5,488	3,482	8,970	

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Pension FRS102 net interest cost	92	92	72
Staff costs	1,980	1,980	1,831
Depreciation	554	554	530
Technology costs	78	78	55
Staff development	20	20	10
Recruitment and support	30	30	34
Maintenance of premises and equipment	196	196	183
Cleaning	86	86	22
Rent and rates	38	38	67
Energy costs	184	184	177
Insurance	77	77	84
Security and transport	17	17	15
Catering	374	374	271
Other support costs	73	73	78
Auditor's remuneration	9	9	13
Legal and professional	62	62	38
Donations	5	5	2
Total 2022	<u>3,875</u>	<u>3,875</u>	<u>3,482</u>
Total 2021	<u>3,482</u>	<u>3,482</u>	

Included within Legal and professional costs are £Nil (2021: £Nil) relating to legal costs. None of these costs related to legal costs in respect of conversion.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	15	15
Depreciation of tangible fixed assets	553	530
Fees paid to auditor for:		
- audit	11	7
- other services	4	3
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	5,150	4,974
Social security costs	518	484
Pension costs	1,690	1,470
	<u> </u>	<u> </u>
	7,358	6,928
Agency staff costs	86	18
	<u> </u>	<u> </u>
	7,444	6,946
	<u> </u>	<u> </u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	85	83
Administration	81	86
Management	9	9
	<u> </u>	<u> </u>
	175	178
	<u> </u>	<u> </u>

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	6	3
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £720,037 (2021 £726,685).

11. Trustees' remuneration and expenses

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

		2022 £000	2021 £000
J Mitchell (to 31 Dec 2020)	Remuneration	-	35 - 40
	Pension contributions paid	-	5 - 10
S Owen	Remuneration	25 - 30	25 - 30
	Pension contributions paid	5 - 10	5 - 10
H Jones (from 1 Jan 2021 to 18 Apr 2021)	Remuneration	-	25 - 30
	Pension contributions paid	-	5 - 10
M Lowdell (from 19 Apr 2021)	Remuneration	90 - 95	30 - 35
	Pension contributions paid	20 - 25	5 - 10

During the year ended 31 August 2022, expenses totalling £231 were reimbursed or paid directly to 2 Trustees (2021 - £53 to 3 Trustees). These expenses related to travel costs and reimbursement for expenditure incurred on behalf of the school.

12. Trustees' and Officers' insurance

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

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. Tangible fixed assets

	Long-term leasehold property £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 September 2021	25,135	648	25,783
Additions	-	259	259
At 31 August 2022	<u>25,135</u>	<u>907</u>	<u>26,042</u>
Depreciation			
At 1 September 2021	1,733	357	2,090
Charge for the year	434	120	554
At 31 August 2022	<u>2,167</u>	<u>477</u>	<u>2,644</u>
Net book value			
At 31 August 2022	<u>22,968</u>	<u>430</u>	<u>23,398</u>
At 31 August 2021	<u>23,402</u>	<u>291</u>	<u>23,693</u>

14. Debtors

	2022 £000	2021 £000
Due within one year		
Trade debtors	3	2
Other debtors	69	19
Prepayments and accrued income	143	156
	<u>215</u>	<u>177</u>

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	51	62
Other creditors	-	3
Accruals and deferred income	226	143
	<u>277</u>	<u>208</u>

Deferred income at the balance sheet date is represented by school trip funding and lettings received in advance which relate to activities that will be undertaken during the year ending 31 August 2023.

16. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Designated funds						
Capital contingency fund	281	-	-	-	-	281
General funds						
General Fund	842	480	(366)	-	-	956
Total Unrestricted funds	<u>1,123</u>	<u>480</u>	<u>(366)</u>	<u>-</u>	<u>-</u>	<u>1,237</u>
Restricted general funds						
General Annual Grant (GAG)	498	7,693	(7,658)	(229)	-	304
Pupil premium	-	179	(179)	-	-	-
Other DfE/ESFA grants	-	245	(245)	-	-	-
Special education grants	-	299	(299)	-	-	-
Other income	-	56	(56)	-	-	-
Covid-19 funding (DfE/ESFA)	-	47	(12)	-	-	35
Pension reserve	(5,328)	-	(569)	-	4,629	(1,268)
	<u>(4,830)</u>	<u>8,519</u>	<u>(9,018)</u>	<u>(229)</u>	<u>4,629</u>	<u>(929)</u>

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
Transferred on conversion	23,456	-	(554)	-	-	22,902
Capital grants	73	30	-	-	-	103
Funded from revenue	164	-	-	229	-	393
	<u>23,693</u>	<u>30</u>	<u>(554)</u>	<u>229</u>	<u>-</u>	<u>23,398</u>
Total Restricted funds	<u>18,863</u>	<u>8,549</u>	<u>(9,572)</u>	<u>-</u>	<u>4,629</u>	<u>22,469</u>
Total funds	<u>19,986</u>	<u>9,029</u>	<u>(9,938)</u>	<u>-</u>	<u>4,629</u>	<u>23,706</u>

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

The Capital contingency designated fund is to support the schools requirements for a high specification facility, intended for future high cost expenditure. Part of this fund has been used for capital additions this year and this is represented by the transfer to the restricted fixed asset fund.

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy.

Other DfE/ESFA grants include further grants from the DfE/ESFA including Teacher Pay grants, Teachers' Pension grants and Pupil Premium.

The special education grants fund relates to the income received and expenditure on educating pupils with special educational needs that is funded by the local authority.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the School within the Academy Trust, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Designated funds						
Capital contingency fund	281	-	-	-	-	281
General funds						
General Fund	1,008	257	(339)	(84)	-	842
Total Unrestricted funds	1,289	257	(339)	(84)	-	1,123
Restricted general funds						
General Annual Grant (GAG)	31	7,170	(6,703)	-	-	498
Pupil premium	-	175	(175)	-	-	-
Teacher pay grant	-	101	(101)	-	-	-
Teacher pension grant	-	285	(285)	-	-	-
Other DfE/ESFA grants	-	82	(82)	-	-	-
Special education grants	-	237	(237)	-	-	-
Other income	-	10	(10)	-	-	-
Covid-19 funding (DfE/ESFA)	-	140	(140)	-	-	-
Pension reserve	(4,088)	-	(371)	-	(869)	(5,328)
	(4,057)	8,200	(8,104)	-	(869)	(4,830)

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Restricted fixed asset funds						
Transferred on conversion	23,833	-	(377)	-	-	23,456
Capital grants	85	30	(42)	-	-	73
Funded from revenue	160	-	(80)	84	-	164
Donated fixed assets	31	-	(31)	-	-	-
	<u>24,109</u>	<u>30</u>	<u>(530)</u>	<u>84</u>	<u>-</u>	<u>23,693</u>
Total Restricted funds	<u>20,052</u>	<u>8,230</u>	<u>(8,634)</u>	<u>84</u>	<u>(869)</u>	<u>18,863</u>
Total funds	<u>21,341</u>	<u>8,487</u>	<u>(8,973)</u>	<u>-</u>	<u>(869)</u>	<u>19,986</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	23,398	23,398
Current assets	1,237	616	-	1,853
Creditors due within one year	-	(277)	-	(277)
Provisions for liabilities and charges	-	(1,268)	-	(1,268)
Total	<u>1,237</u>	<u>(929)</u>	<u>23,398</u>	<u>23,706</u>

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	23,693	23,693
Current assets	1,123	706	-	1,829
Creditors due within one year	-	(208)	-	(208)
Provisions for liabilities and charges	-	(5,328)	-	(5,328)
Total	1,123	(4,830)	23,693	19,986

18. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(909)	(486)
Adjustments for:		
Depreciation	553	530
Capital grants from DfE and other capital income	(30)	(30)
Defined benefit pension scheme cost less contributions payable	477	299
Defined benefit pension scheme finance cost	92	72
Increase in debtors	(36)	(9)
Increase in creditors	68	45
Net cash provided by operating activities	215	421

19. Cash flows from investing activities

	2022 £000	2021 £000
Purchase of tangible fixed assets	(260)	(114)
Capital grants from DfE Group	30	30
Net cash used in investing activities	(230)	(84)

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

20. Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	1,638	1,653

21. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	1,653	(15)	1,638

22. Capital commitments

	2022	2021
	£000	£000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	30	-

23. 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 Warwickshire 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.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

23. Pension commitments (continued)

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 2023.

The employer's pension costs paid to TPS in the year amounted to £855,000 (2021 - £812,000).

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.

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 £445,000 (2021 - £448,000), of which employer's contributions totalled £358,000 (2021 - £359,000) and employees' contributions totalled £ 87,000 (2021 - £89,000). The agreed contribution rates for future years are 15.8 per cent for employers and a range of 5.5 to 7.5 per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.85	3.7
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

23. Pension commitments (continued)

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

	2022 Years	2021 Years
Retiring today		
Males	21.6	21.8
Females	24.1	24.2
Retiring in 20 years		
Males	22.7	23.0
Females	25.9	26.1

Sensitivity analysis

Impact on value of scheme liabilities as reported:

	2022 £000	2021 £000
Discount rate -0.5%	715	1,200
CPI rate +0.5%	630	1,025
Salary increase rate +0.5%	90	155

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	2,699	2,668
Corporate bonds	1,214	1,033
Property	495	474
Cash and other liquid assets	90	129
Total market value of assets	4,498	4,304

The actual return on scheme assets was £74,000 (2021 - £140,000).

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

	2022 £000	2021 £000
Current service cost	(835)	(658)
Interest income	74	56
Interest cost	(166)	(128)
Total amount recognised in the Statement of Financial Activities	(927)	(730)

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

23. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	9,632	7,168
Current service cost	835	658
Interest cost	166	128
Employee contributions	87	89
Actuarial (gains)/losses	(4,892)	1,628
Benefits paid	(62)	(39)
	<hr/>	<hr/>
At 31 August	5,766	9,632
	<hr/>	<hr/>

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

	2022 £000	2021 £000
At 1 September	4,304	3,080
Interest income	74	56
Actuarial (losses)/gains	(263)	759
Employer contributions	358	359
Employee contributions	87	89
Benefits paid	(62)	(39)
	<hr/>	<hr/>
At 31 August	4,498	4,304
	<hr/>	<hr/>

24. 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 £000	2021 £000
Not later than 1 year	17	15
Later than 1 year and not later than 5 years	36	47
	<hr/>	<hr/>
	53	62
	<hr/>	<hr/>

25. Members' liability

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

ELM TREE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

26. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

The related party transactions relating to certain trustee's remuneration and expenses are disclosed in note 11.

Browne Jacobson LLP are a related party as a result of Member, Trustee and Chair of Trustees, Richard Freeth, being a partner of the LLP. During the year, North Learnington School paid £1,950 (2021: £Nil) to Browne Jacobson LLP for legal and professional services. These purchases were in accordance with the academy's financial regulations and procurement procedures and the requirements of the AFH.

27. Post balance sheet events

After the year end, Telford Junior Governors have voted in favour of joining the trust and imminently submitted an application to the ESFA.

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £8,498 (2021: £12,746), disbursed £3,638 (2021: £5,879) and repaid £11,116 from the fund. An amount of £17,606 (2021: £23,862) is included in other creditors relating to undistributed funds that is repayable to the ESFA.