

Company Registration Number: 11717748 (England & Wales)

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 15
Governance statement	16 - 19
Statement on regularity, propriety and compliance	20
Statement of Trustees' responsibilities	21
Independent auditors' report on the financial statements	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 58

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Allsop S Armitage M Jakhara M Mallender
Trustees	S E Armitage, Chair of Trustees (appointed 7 December 2018) M J Crawford, Chief Executive (appointed 7 December 2018) E J Hedley (appointed 25 February 2019) J Hewitt (appointed 25 February 2019) D E Outhwaite (appointed 7 December 2018) I R Paxton (appointed 7 December 2018) A Round (appointed 25 February 2019)
Company registered number	11717748
Company name	Embark Multi Academy Trust
Principal and registered office	Office 40 Derwent Business Centre Clarke Street Derby DE1 2BU
Chief executive officer	M J Crawford
Senior management team	M J Crawford, Chief Executive Officer P Se arson, Head Teacher (Longford CofE Primary School) K Mason, Head Teacher (Richardson Endowed Primary School) R Hull, Head Teacher (Kilburn Junior School) L Pilling, Head Teacher (Howitt Primary School) E Peach, Head Teacher (Horsley Woodhouse Primary School) J Lynch, Head Teacher (Heath Primary School) J Evans, Head Teacher (Aldercar Infant School)
Independent auditors	Smith Cooper Audit Limited St Helens House King Street Derby DE1 3EE
Bankers	Lloyds Bank plc Chesterfield S40 1LR
Solicitors	Flint Bishop LLP St Michael's Court Derby DE1 3HQ

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2019

The Trustees present their annual report together with the audited financial statements and independent auditor's report of the charitable company for the period ended 31 August 2019 from the date of incorporation on 7 December 2018. The annual report serves the purposes of both a Trustees' report, and a director's report under company law.

Structure, governance and management

Constitution

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

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

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

There have been no qualifying third-party indemnity provisions in place for the period to 31 August 2019.

Method of recruitment and appointment or election of Trustees

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

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

Policies adopted for the induction and training of Trustees

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

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

- There is a training element to each main meeting delivered in-house
- External speakers deliver key elements, particularly covering statutory responsibilities
- This is supplemented by attendance at regional events
- Email alerts from National Bodies

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Organisational structure

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

Academy	Date of Conversion	Type
Aldercar Infant School	1 January 2019	Convertor
Heath Primary School	1 January 2019	Convertor
Horsley Woodhouse Primary School	1 January 2019	Convertor
Howitt Primary School	1 January 2019	Convertor
Kilburn Junior School	1 January 2019	Convertor
Longford Primary School	1 August 2019	Convertor
Richardson Endowed Primary School	1 June 2019	Convertor

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

During the period to 31 August 2019 the Board of Trustees established two committees; Finance, Audit and Risk Committee and a Standards and Performance Committee to assist them in carrying out their responsibilities. These committees did not meet during the period as all business was conducted through the full Board of Trustees. These committees have commenced meeting in 2019/20.

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

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

The Trust is still in its first full year of operation, when Trustees were appointed consideration was given to their skill set and experience. The Trust intends to complete a self evaluation of its governance arrangements during 2019/20 to ensure that as the Trust increases the number of schools that it is responsible for that its governance arrangements are still effective and support effective decision making.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

When considering and setting salary levels across the Trust a clear set of principles are followed to ensure transparency. During the reporting period no decisions on senior pay were made.

Trade union facilities time

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

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

Related parties and other connected charities and organisations

During the reporting period there were no transactions with related parties, connected charities or organisations other than those disclosed in note 28. During the period the Trust implemented a pecuniary and business interests policy, details of relevant entries can be viewed on the Trusts website.

Objectives and activities

Objects and aims

Our Core Purpose

To develop well rounded children with the skills to make a difference in our ever changing world.

Our Vision

To create 'stand out' schools at the heart of their communities.

The core beliefs of our Trust provide the foundation of how we work as a group of schools. They are key in everything we do and when you visit one of our schools you will see these come to life in every classroom that you visit and as you walk around school.

Family

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

Integrity

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

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives and activities (continued)

Teamwork

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

Success

Success to us means every child and member of staff fulfilling their potential. We will not put a ceiling on what can be achieved and we strive for everyone in our Trust to 'be the best they can be.' Our focus is relentlessly placed on 'whatever it takes' to make a difference to a child.

Academic success is important to us but only a part of education here. Providing the best possible opportunities for children in Science, the Arts, Physical Education, Modern Foreign Languages, Humanities and other subjects is just as important to us. We want all our children to be inquisitive, confident, happy learners and wish to bring the very best out of everyone. We will celebrate all our successes at every opportunity and look to encourage all of our team.

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

Whilst we understand the need for some common systems and procedures and how the team benefits from these our schools are all unique and therefore have autonomy and freedom to shape a curriculum for their own context. However, there are things that make our schools special places to be and ways they 'stand out' which are identified below. It is the Embark Practice, Embark Offer and Embark Way which could also be described as the 'POW' effect!

We encourage and support all our schools to deliver a creative curriculum that meets the needs of its learners. High quality professional development of our staff is crucial to this and we will invest in this as a priority. Also, there is so many examples of exceptional teaching and learning across the schools in our Trust that it is vital we share this across our family.

Therefore, our directory of excellence is a crucial document and schools know where to look within the Trust for expert advice in certain areas. We encourage teaching and learning that is challenge based and involves children developing key skills alongside their knowledge.

We always expect our children to be working harder than staff in lessons and teachers should be providing a climate for learning where children can thrive.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives and activities (continued)

Objectives, strategies and activities

As a Trust we are determined for the offer for our children and families to be very clear. The Embark Award is at the heart of this and is our commitment to our pupils. It is based on 100 activities around our core beliefs which are activities that we would want our children to have experienced by the time they leave Primary School. These encourage family learning too but for those children who don't get these life chances at home we will make sure they do at school.

In addition to this we expect all our schools to deliver a broad, balanced and exciting curriculum that meets the children's needs and is not a narrow diet of just English and Maths that is geared towards the end of Key Stage Tests. However, we want our schools to achieve success in all areas and don't dismiss the importance of high academic standards. We believe this can be achieved by learning key skills through other subjects.

This is all about the culture in our schools and the positive atmosphere for pupils, staff and parents. We are committed to positive behaviour management and want our children to feel part of our family.

We want the very best for our staff too! Embark was selected for a national case study on staff workload and well-being that was used for the main national teacher's union. Not only do we want our staff to be fresh so they can deliver exciting lessons in the classroom and bring their passions into school to make it a richer environment.

Also, we look to develop a clear career pathway for our staff and use our 10-year career plans and talent identification to ensure this happens. Our commitment to staff development is crucial to this.

Visitors often comment on the positive atmosphere and family feel at our schools. We will always work hard at this as a Trust.

Integrity at every level is important to Embark. The way we speak to our children, staff and parents is very important to us. 'Doing the right thing when nobody is watching' has become a key mantra for Embark and we

Public benefit

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

Strategic report

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

Achievement and performance

The following tables outline the educational performance of pupils attending schools within Embark Multi Academy Trust.

A summary of Foundation Stage Outcomes

Foundation Stage GLD %	2019
Aldercar Infant School	74
Howitt Primary School	60
Richardson Endowed Primary School	76
Horsley Woodhouse Primary School	72
Heath Primary School	73
Longford C of E Primary School	89
Embark	74
National	72

Summary

Overall pupils achieving a good level of development at the end of the foundation stage has improved by 1%. For both years the Trust average is above the National Average. In a number of our schools children enter lower than the national expectations. They make good progress and 5 out of the 6 schools achieved either in line or above the national average in 2019. The good level of development at Howitt was lower this year due to cohort issues. There were a number of successes in 2019, 4 out of 6 schools improved their % achieving GLD from 2018 and two of our schools were consistently above the National Average.

A summary of Y1 Pupil Outcomes

Y1 Phonics %	2019
Aldercar Infant School	76
Howitt Primary School	85
Richardson Endowed Primary School	77
Horsley Woodhouse Primary School	54
Heath Primary School	73
Longford C of E Primary School	100
Embark	78
National	82

Summary

The percentage of pupils achieving the expected standard in phonics declined across the trust in 2019 by 1%. The performance of schools was mixed and the teaching of phonics has become a key area to improve for the Trust.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

The Trust has agreed to support schools in a number of ways including:

- Our school improvement lead has assessed phonics practice within all of our schools.
- External practitioners specialising in phonics to provide additional focussed support to those schools whose phonic scores were below national

A summary KS1 Pupil Outcomes

KS1	Reading	Writing	Maths
Achieving expected level % and above	2019	2019	2019
Aldercar Infant School	79	74	81
Howitt Primary School	80	72	82
Richardson Endowed Primary School	82	79	83
Horsley Woodhouse Primary School	76	70	76
Heath Primary School	67	71	73
Longford C of E Primary School	50	60	50
Embark	64	71	74
National	75	69	76

Summary

The Trust aggregate is below the National Average for Reading and Maths, however, the percentages at Longford are lower than the other schools due to their very small cohorts and affect this.

There are a number of positives including:

- 4 out of our 6 schools are above the national average at the expected standard for reading, writing and maths.
- Some schools performed significantly above the national average.
- The Trust aggregate of 71% in writing is 2% above the national average.
- Schools are beginning to share best practice with each other across the Trust.

There are a number of areas we are working on including:

- Curriculum leaders developing a skills progression document for the Trust which will underpin curriculum planning
- Working parties have been formed to develop medium term curriculum planning proformas
- Working parties to develop feedback documents and policies across the schools.
- Curriculum development programme with an external Trust to generate ideas and model ways of working to inform curriculum development
- Shared reading training provided for two staff from each school to develop better teacher questioning to probe children's understanding

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

KS2 Pupil Attainment

School	Reading		Writing		Maths		SPAG		R,W+M combined	
	Exp	GD	Exp	GD	Exp	GD	Exp	GD	Exp	GD
Howitt Primary	70	17	80	24	78	28	72	35	63	9
Richardson Endowed	84	35	87	35	81	32	84	35	74	26
Horsley Woodhouse Primary	61	6	78	33	66	28	66	39	56	0
Heath Primary	58	18	65	20	75	13	68	23	53	5
Longford Primary	100	50	83	50	83	0	100	33	67	0
Kilburn Junior	87	26	85	28	87	15	74	21	85	5
Trust Aggregate	77	25	80	32	78	19	77	31	66	8
National	73	28	78	20	79	24	76	24	65	10

Summary

There are a number of strengths and things to celebrate with this set of results including:

- At the expected standard the Trust is either in line or above the national average for all subjects.
- The Trust aggregate combined score is 1% higher than the national average despite two of our results being significantly lower this year and bringing the average down.
- Two of our schools are significantly above the national average for Reading, Writing and Maths combined.
- Richardson Endowed are significantly above the national average for the higher standard and will share strategies across the Trust.
- Five of our schools are in line or above the national average at the expected standard for writing.

There are also some key areas we are looking to improve including:

- Develop a long term curriculum plan for the Trust and each individual school so that provision meets the needs of the children in our schools
- Develop a language rich environment throughout all schools to impact progress in reading and writing
- To further develop attainment in reading through the development of questioning skills for shared reading sessions.
- Improve attainment and progress so that it is at least in line with the national average in all of our schools.
- Improve attainment in Reading, Writing and Maths combined at the expected standard.
- Improve attainment in Reading, Writing and Maths combined at the higher standard so that it is at least in line with the national average.
- Improve proportion of children attaining the higher standard in Maths across the Trust.
- Improve attainment in the year 1 Phonics screening check so that all school are at least in line with national average.
- Establish effective and consistent self-evaluation in all the schools, through a system of regular audit and review.
- Ensure consistent school development planning, and self evaluation documentation.
- Establish complimentary, challenging and supportive governance systems and working practices for governors and Trustees.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

Reporting

Regular update reports are completed by the Chief Executive Officer, who reports progress on the plan to the Board of Trustees and key issues affecting individual schools. Data is provided to the Board on safeguarding, key performance indicators and the delivery of plans, including the ongoing impact of strategies to improve the sponsored schools and action taken on attendance.

Going concern

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

Financial review

Financial Review

Embark Multi Academy Trust income is derived in the main from the Department for Education (DFE) via the Education & Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

Incoming resources during the period ended 31 August 2019 totalled £15,517,459 and were sufficient to cover outgoing resources and provided a surplus of £10,814,341 before transfers and other recognised gains and losses.

At 31 August 2019 the net book value of fixed assets was £12,235,054. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. At the 31 August 2019 the net assets excluding pension liability was £12,773,341.

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

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the Academy Trust recognises a significant pension fund deficit totaling £3,174,000. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount.

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Reserves policy

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

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

Total reserves at the end of the period amounted to £9,599,341, this balance includes unrestrictive funds (free reserves) of £470,757 which is considered appropriate for the Academy Trust, and restricted funds excluding pension and fixed assets of £67,530.

Investment policy

A Trust Investment policy is yet to be implemented should any potential investment opportunity arise this would be escalated to the Board for consideration. As at 31st August 2019 no investments were held.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Fundraising

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

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

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

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Principal risks and uncertainties

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

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

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

A trust risk register has been implemented and is updated and reviewed regularly. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Trust priorities and development

The Trust strategic plan includes:

Business strategy

- Develop a Business Model for the Trust that is effective and efficient, and ensures that academies have access to high quality core services from the Trust.
- Continue to generate income through trading financial and business related services outside of the Trust.
- Actively seek out opportunities to attract capital investment. The £4.4 billion Priority School Building Programme (PSBP) previously announced by the Department for Education is aimed at rebuilding and refurbishing school buildings in the worst condition across the country. There are two phases of the programme covering a total of 537 schools. Heath Primary School was identified in the second phase of PSBP as one of the 277 school nationally that will be rebuilt or refurbished using capital grant. The ESFA plans for all PSBP2 schools to open their new or refurbished buildings by the end of 2021.
- Actively seek out opportunities for both fundraising & bidding for funds, including those focused on school improvement and school workforce professional development.

Finance strategy

- Maintain a 3 year budget plan / Medium Term Financial Strategy to support the Trust Development Plan and ensure resources can be allocated swiftly to need.
- Ensure robust mechanisms are in place to comply with statutory policies and regulations.
- Continue to develop consistent financial practice across the Trust.

Growth

- Expand the Trust into the 4 geographic hubs identified in the Trusts growth plan.
- Chaucer Nursery and Infant School, and Chaucer Junior School both applied and have been granted an academy order to join Embark Multi Academy Trust from the Department for Education. This process is likely to be completed by April 2020 subject to consultation and due diligence processes.

Leadership strategy

- Plan for identified needs and succession, using opportunities for cross school secondments/ employment and training.
- Embed Governor Networks based upon specific areas
- Embed Governor – Trustee interface and communication strategy.
- Each school works with the Trust to ensure a consistent approach to School Improvement planning and School Self Evaluation, through consistent audit and review.
- CEO and Executive Leadership team develop further cohesive practices, consistently improving teaching and learning strategies in a school led system.

Assessment and Monitoring

- Continue to develop a consistent assessment, moderation, data collection and analysis cycle, resulting in a shared understanding of pupil attainment and progress at all levels.

Teaching and Learning

- CEO and Executive Leadership team to tackle underperformance rigorously.
- Monitor and develop the teaching profile in each school. Recruit/ deploy across the Trust to any vacancies.
- Triangulate teaching, pupil's work and pupil outcomes to judge the quality of teaching consistently in each school, sharing good practice when identified.
- High quality live feedback to pupils in order that they make rapid progress with lessons

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Trust priorities and development (continued)

We are working to review and refine the following services to create greater efficiencies of scale:

- Facilities & property management.
- Further opportunities to rationalise procurement processes and gain economies of scale and improved value for money.
- Enhanced range of high quality and specialist educational, business, & financial services that support schools

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 19/12/2019 and signed on its behalf by:



S E Armitage
(Chair of Trustees)

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Embark 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 4 times during the period.

Attendance during the period at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S E Armitage, Chair of Trustees	4	4
M J Crawford, Chief Executive	4	4
E J Hedley	1	2
J Hewitt	2	2
D E Outhwaite	4	4
I R Paxton	3	4
A Round	2	2

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

During the period to 31 August 2019 the Board of Trustees established two committees; Finance, Audit and Risk Committee and a Standards and Performance Committee to assist them in carrying out their responsibilities. These committees did not meet during the period as all business was conducted through the full Board of Trustees. These committees have commenced meeting in 2019/20.

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

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

The Trust is still in its first full year of operation, when Trustees were appointed consideration was given to their skill set and experience. The Trust intends to complete a self evaluation of its governance arrangements during 2019/20 to ensure that as the Trust increases the number of schools that it is responsible for that its governance arrangement are still effective and support effective decision making.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees 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 period by;

- reviewing a number of contractual arrangements for the delivery of services. This has included the provision of catering services to schools and also absence insurance schemes. Both have delivered efficiency savings.
- securing sponsorship arrangements to facilitate a wider curricular offer to children within Embark schools.

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 Embark Multi Academy Trust for the period 7 December 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

During the period 7 schools entered the Trust each of which were local authority converters. At each school the Trust has looked to implement a system of internal control however it has taken time for this to be fully fit for purpose in this first period. The Trust continue to work with their internal auditors to further improve the system of internal control.

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 7 December 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 Audit and Risk 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 decided to appoint Smith Cooper Audit Limited as internal auditor.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of control account and bank reconciliations
- testing of controls around other areas such as fixed assets, expense claims, credit card transactions, income, related party transactions and other compliance matters

On a semi-annual basis, the internal auditor reports to the board of Trustees through the Finance Audit and Risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Smith Cooper Audit Limited has been able to deliver their schedule of work as planned. As expected for newly converted Academy Trusts there were some weaknesses identified but no material control issues that aren't being addressed.

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:



S E Armitage
Chair of Trustees
Date: 19/12/19



M J Crawford
Accounting Officer

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Embark Multi Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 Academies Financial Handbook 2018.

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

M. Crawford

M J Crawford

Accounting Officer

Date: *19.12.19*

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 AUGUST 2019

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 & 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 period. 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:

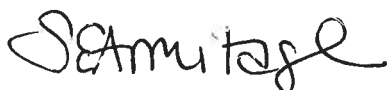
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



S E Armitage
(Chair of Trustees)

Date: 19/12/19

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Embark Multi Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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 auditors' report.

Use of our report

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



James Delve (senior statutory auditor)

for and on behalf of

Smith Cooper Audit Limited

St Helens House

King Street

Derby

DE1 3EE

Date: 19 December 2019

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 9 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Embark Multi Academy Trust during the period 7 December 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Embark Multi Academy Trust's funding agreement with the Secretary of State for Education dated 19 December 2018 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 December 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

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

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 7 December 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Deive

Smith Cooper Audit Limited
St Helens House
King Street
Derby
DE1 3EE

Date: 19 December, 2019

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2019**

	Note	Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Restricted fixed asset funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Income from:					
Donations and capital grants:	3				
Transfer from local authority on conversion		581,436	(1,736,000)	12,356,000	11,201,436
Other donations and capital grants		21,290	-	33,464	54,754
Charitable activities		-	4,141,898	-	4,141,898
Other trading activities		119,153	-	-	119,153
Investments	6	218	-	-	218
Total income		722,097	2,405,898	12,389,464	15,517,459
Expenditure on:					
Charitable activities	8	-	4,545,660	157,458	4,703,118
Total expenditure		-	4,545,660	157,458	4,703,118
Net income/(expenditure)		722,097	(2,139,762)	12,232,006	10,814,341
Transfers between funds	19	(251,340)	248,292	3,048	-
Net movement in funds before other recognised gains/(losses)		470,757	(1,891,470)	12,235,054	10,814,341
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	25	-	(1,215,000)	-	(1,215,000)
Net movement in funds		470,757	(3,106,470)	12,235,054	9,599,341
Reconciliation of funds:					
Net movement in funds		470,757	(3,106,470)	12,235,054	9,599,341
Total funds carried forward		470,757	(3,106,470)	12,235,054	9,599,341

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

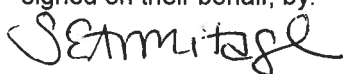
The notes on pages 30 to 58 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £
Fixed assets		
Tangible assets	15	12,235,054
		<u>12,235,054</u>
Current assets		
Stocks	16	41
Debtors	17	444,305
Cash at bank and in hand		724,740
		<u>1,169,086</u>
Creditors: amounts falling due within one year	18	(630,799)
		<u>538,287</u>
Net current assets		<u>538,287</u>
Total assets less current liabilities		<u>12,773,341</u>
Net assets excluding pension liability		<u>12,773,341</u>
Defined benefit pension scheme liability	25	(3,174,000)
Total net assets		<u><u>9,599,341</u></u>
Funds of the Academy Trust		
Restricted funds:		
Fixed asset funds	19	12,235,054
Restricted income funds	19	67,530
		<u>12,302,584</u>
Restricted funds excluding pension asset	19	12,302,584
Pension reserve	19	(3,174,000)
		<u>9,128,584</u>
Total restricted funds	19	<u>9,128,584</u>
Unrestricted income funds	19	470,757
		<u>9,599,341</u>
Total funds		<u><u>9,599,341</u></u>

The financial statements on pages 27 to 58 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



S E Armitage
 (Chair of Trustees)

Date: 19/12/19

The notes on pages 30 to 58 form part of these financial statements.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2019

	Note	Period ended 31 August 2019 £
Cash flows from operating activities		
Net cash provided by operating activities	21	13,117,034
Cash flows from investing activities	22	(12,392,294)
Change in cash and cash equivalents in the period		724,740
Cash and cash equivalents at the end of the period	23	<u><u>724,740</u></u>

The notes on pages 30 to 58 form part of these financial statements

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are prepared in Sterling which is the functional currency of the Academy Trust and rounded to the nearest £.

1.2 Going concern

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Transfer on conversion**

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

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

EMBARK MULTI ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

1.6 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.

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

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

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities

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.

1.12 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 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the predecessor school to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Fund accounting

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

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

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

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

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

Local Government Pension Scheme Valuation

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and Building valuation

The Trust has estimated the value of land and buildings transferred in from the local authority on conversion as it has not been considered value for money to obtain 7 professional valuation reports.

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Restricted fixed asset funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Donations	21,290	-	-	21,290
Transfer from local authority on conversion	581,436	(1,736,000)	12,356,000	11,201,436
Capital grants	-	-	33,464	33,464
	<u>602,726</u>	<u>(1,736,000)</u>	<u>12,389,464</u>	<u>11,256,190</u>

4. Funding for the Academy Trust's educational operations

	Restricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
DfE/ESFA grants		
General Annual Grant (GAG)	3,081,037	3,081,037
Other DfE/ESFA Grants	409,686	409,686
Start up Grants	175,000	175,000
	<u>3,665,723</u>	<u>3,665,723</u>
Other Government grants		
Local Authority grants	476,175	476,175
	<u>476,175</u>	<u>476,175</u>
Total 2019	<u>4,141,898</u>	<u>4,141,898</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Hire of facilities	122	122
Catering income	40,120	40,120
Other income	78,911	78,911
	<u>119,153</u>	<u>119,153</u>

6. Investment income

	Unrestricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Short term deposits	<u>218</u>	<u>218</u>

7. Expenditure

	Staff Costs Period ended 31 August 2019 £	Premises Period ended 31 August 2019 £	Other Period ended 31 August 2019 £	Total Period ended 31 August 2019 £
Educational operations:				
Direct costs	3,029,731	-	183,555	3,213,286
Allocated support costs	638,776	310,227	540,829	1,489,832
	<u>3,668,507</u>	<u>310,227</u>	<u>724,384</u>	<u>4,703,118</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Educational operations	4,703,118	4,703,118

9. Analysis of expenditure by activities

	Activities undertaken directly Period ended 31 August 2019 £	Support costs Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Educational operations	3,213,286	1,489,832	4,703,118

Analysis of direct costs

	Educational operations Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Staff costs	3,029,731	3,029,731
Technology costs	10,908	10,908
Educational supplies	31,440	31,440
Examination fees	1,050	1,050
Staff development	13,753	13,753
Educational consultancy	53,022	53,022
Other direct costs	73,382	73,382
	<u>3,213,286</u>	<u>3,213,286</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

Analysis of support costs

	Educational operations Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Staff costs	638,776	638,776
Depreciation	157,458	157,458
Technology costs	12,619	12,619
Premises costs	154,197	154,197
Other support costs	506,138	506,138
Governance costs	20,644	20,644
	<u>1,489,832</u>	<u>1,489,832</u>

10. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	2019 £
Depreciation of tangible fixed assets	157,458
Fees paid to auditors for:	
- audit	10,550
- other services	4,436
	<u>162,444</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

11. Staff costs

a. Staff costs

Staff costs during the period were as follows:

	Period ended 31 August 2019 £
Wages and salaries	2,702,087
Social security costs	223,591
Pension costs	699,699
	<hr/>
	3,625,377
Agency staff costs	43,130
	<hr/>
	3,668,507
	<hr/> <hr/>

b. Staff numbers

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

	Period ended No. 2019 No.
Teachers	77
Admin and support	147
	<hr/>
	224
	<hr/> <hr/>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

11. Staff costs (continued)

c. Higher paid staff

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

	Period ended 31 August 2019 No.
In the band £60,001 - £70,000	1

d. Key management personnel

The key management personnel of the Academy trust comprise the Trustees and other senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £329,881.

12. Central services

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

- finance, administration and systems
- educational consultancy
- professional services
- publicity and marketing

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

- 5% of GAG income

The actual amounts charged during the period were as follows:

	2019 £
Aldercar Infant and Nursery School	20,311
Heath Primary School	39,483
Horsley Woodhouse Primary School	16,144
Howitt Community Primary School	44,405
Kilburn Junior School	20,456
Richardson Endowed Primary	9,247
Longford Primary	1,358
Total	151,404

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

13. Trustees' remuneration and expenses

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

	Period ended 31 August 2019 £
M J Crawford, Chief Executive (appointed 7 December 2018)	Remuneration 60,000 - 65,000
	Pension contributions paid 10,000 - 15,000

During the period ended 31 August 2019, travel and subsistence expenses totalling £408 were reimbursed or paid directly to 1 Trustee.

14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
Additions	12,356,000	32,584	3,928	12,392,512
At 31 August 2019	12,356,000	32,584	3,928	12,392,512
Depreciation				
Charge for the period	154,392	1,757	1,309	157,458
At 31 August 2019	154,392	1,757	1,309	157,458
Net book value				
At 31 August 2019	12,201,608	30,827	2,619	12,235,054

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

15. Tangible fixed assets (continued)

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

	2019 £
Long-term leasehold land	2,483,904

16. Stocks

	2019 £
Stock held for resale	41

17. Debtors

	2019 £
Due within one year	
Trade debtors	23,492
Other debtors	296,574
Prepayments and accrued income	38,558
Grants receivable	85,681
	<u>444,305</u>

18. Creditors: Amounts falling due within one year

	2019 £
Trade creditors	235,719
Other taxation and social security	90,590
Other creditors	99,083
Accruals and deferred income	205,407
	<u>630,799</u>
	2019 £
Resources deferred during the period	<u>87,681</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

19. Statement of funds

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General Funds	722,097	-	(251,340)	-	470,757
Restricted general funds					
General Annual Grant (GAG)	3,081,037	(3,261,799)	248,292	-	67,530
Start Up Grant	175,000	(175,000)	-	-	-
Pupil Premium	313,956	(313,956)	-	-	-
Other grants	571,905	(571,905)	-	-	-
Pension reserve	(1,736,000)	(223,000)	-	(1,215,000)	(3,174,000)
	<u>2,405,898</u>	<u>(4,545,660)</u>	<u>248,292</u>	<u>(1,215,000)</u>	<u>(3,106,470)</u>
Restricted fixed asset funds					
Transfer on conversion	12,356,000	(154,392)	-	-	12,201,608
DfE Group capital grants	33,464	(3,066)	3,048	-	33,446
	<u>12,389,464</u>	<u>(157,458)</u>	<u>3,048</u>	<u>-</u>	<u>12,235,054</u>
Total Restricted funds	<u>14,795,362</u>	<u>(4,703,118)</u>	<u>251,340</u>	<u>(1,215,000)</u>	<u>9,128,584</u>
Total funds	<u>15,517,459</u>	<u>(4,703,118)</u>	<u>-</u>	<u>(1,215,000)</u>	<u>9,599,341</u>

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

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

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

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

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

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

The transfer out of the general fund and into the GAG fund represents the unapplied grants from Derbyshire County Council at the date of conversion.

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 2019.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019
	£
Aldercar Infant and Nursery School	67,966
Heath Primary School	44,921
Horsley Woodhouse Primary School	22,830
Howitt Community Primary School	121,666
Kilburn Junior School	59,575
Richardson Endowed Primary	60,752
Longford Primary	93,595
Central Services	66,982
	<hr/>
Total before fixed asset funds and pension reserve	538,287
Restricted fixed asset fund	12,235,054
Pension reserve	(3,174,000)
	<hr/>
Total	9,599,341
	<hr/> <hr/>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Aldercar Infant and Nursery School	539,789	101,655	4,458	102,640	748,542
Heath Primary School	839,236	125,121	11,306	200,639	1,176,302
Horsley Woodhouse Primary School	286,629	55,853	5,060	74,122	421,664
Howitt Community Primary School	862,117	141,417	4,616	276,981	1,285,131
Kilburn Junior School	334,381	93,206	5,364	102,325	535,276
Richardson Endowed Primary	144,340	35,504	238	43,841	223,923
Longford Primary	23,239	4,174	385	2,397	30,195
Central Services	-	81,846	13	42,768	124,627
Academy Trust	3,029,731	638,776	31,440	845,713	4,545,660

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,235,054	12,235,054
Current assets	470,757	698,329	-	1,169,086
Creditors due within one year	-	(630,799)	-	(630,799)
Provisions for liabilities and charges	-	(3,174,000)	-	(3,174,000)
Total	<u>470,757</u>	<u>(3,106,470)</u>	<u>12,235,054</u>	<u>9,599,341</u>

21. Reconciliation of net income to net cash flow from operating activities

	Period ended 2019 £
Net income for the period (as per statement of financial activities)	<u>10,814,341</u>
Adjustments for:	
Depreciation	157,458
Interest receivable	(218)
Defined benefit pension scheme obligation inherited	1,736,000
Defined benefit pension scheme cost less contributions payable	223,000
(Increase)/decrease in stocks	(41)
(Increase)/decrease in debtors	(444,305)
Increase in creditors	630,799
Net cash provided by operating activities	<u><u>13,117,034</u></u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

22. Cash flows from investing activities

	2019
	£
Dividends, interest and rents from investments	218
Purchase of tangible fixed assets	(36,512)
Transfer of capital assets on conversion	(12,356,000)
Net cash (used in)/provided by investing activities	(12,392,294)

23. Analysis of cash and cash equivalents

	2019
	£
Cash in hand	724,740
Total cash and cash equivalents	724,740

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

24. Conversion to an academy trust

On 01 January 2019 Aldercar Infant and Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,334,000	1,334,000
Current assets				
Cash - representing budget surplus on LA funds	101,531	-	-	101,531
Non-current liabilities				
LGPS deficit	-	(387,000)	-	(387,000)
Net assets/(liabilities)	<u>101,531</u>	<u>(387,000)</u>	<u>1,334,000</u>	<u>1,048,531</u>

On 01 January 2019 Heath Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

24. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	2,740,000	2,740,000
Current assets				
Cash - representing budget surplus on LA funds	72,705	-	-	72,705
Non-current liabilities				
LGPS deficit	-	(412,000)	-	(412,000)
Net assets/(liabilities)	<u>72,705</u>	<u>(412,000)</u>	<u>2,740,000</u>	<u>2,400,705</u>

On 01 January 2019 Horsley Woodhouse Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,014,000	1,014,000
Current assets				
Cash - representing budget surplus on LA funds	43,121	-	-	43,121
Non-current liabilities				
LGPS deficit	-	(151,000)	-	(151,000)
Net assets/(liabilities)	<u>43,121</u>	<u>(151,000)</u>	<u>1,014,000</u>	<u>906,121</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

24. Conversion to an academy trust (continued)

On 01 January 2019 Howitt Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	3,220,000	3,220,000
Current assets				
Cash - representing budget surplus on LA funds	183,901	-	-	183,901
Non-current liabilities				
LGPS deficit	-	(484,000)	-	(484,000)
Net assets/(liabilities)	<u>183,901</u>	<u>(484,000)</u>	<u>3,220,000</u>	<u>2,919,901</u>

On 01 January 2019 Kilburn Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

24. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,777,000	1,777,000
Current assets				
Cash - representing budget surplus on LA funds	9,439	-	-	9,439
Non-current liabilities				
LGPS	-	(102,000)	-	(102,000)
Net assets/(liabilities)	<u>9,439</u>	<u>(102,000)</u>	<u>1,777,000</u>	<u>1,684,439</u>

On 01 June 2019 Richardson Endowed Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,755,000	1,755,000
Current assets				
Cash - representing budget surplus on LA funds	75,345	-	-	75,345
Non-current liabilities				
LGPS deficit	-	(155,000)	-	(155,000)
Net assets/(liabilities)	<u>75,345</u>	<u>(155,000)</u>	<u>1,755,000</u>	<u>1,675,345</u>

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

24. Conversion to an academy trust (continued)

On 01 August 2019 Longford Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Embark Multi Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	516,000	516,000
Current assets				
Cash - representing budget surplus on LA funds	95,393	-	-	95,393
Non-current liabilities				
LGPS	-	(45,000)	-	(45,000)
Net assets/(liabilities)	<u>95,393</u>	<u>(45,000)</u>	<u>516,000</u>	<u>566,393</u>

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £96,655 were payable to the schemes at 31 August 2019 and are included within creditors.

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

25. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS has been undertaken and employer contribution rates have been reassessed and will be payable from 1 September 2019 at 23.68%.

The employer's pension costs paid to TPS in the period amounted to £476,700.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £271,000, of which employer's contributions totalled £213,000 and employees' contributions totalled £58,000. The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 - 12.5 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

	2019
	%
Rate of increase in salaries	2.8
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	1.9
Inflation assumption (CPI)	2.3

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

	2019
	Years
<i>Retiring today</i>	
Males	21.9
Females	24.4
<i>Retiring in 20 years</i>	
Males	23.9
Females	26.5

Sensitivity analysis

	2019
	£000
Discount rate -0.5%	1,055
Salary increase rate +0.5%	188
Pension Increase Rate (CPI) +0.5%	843

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

25. Pension commitments (continued)

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

	At 31 August 2019 £
Equities	2,331,000
Corporate bonds	917,000
Property	306,000
Cash and other liquid assets	267,000
Total market value of assets	3,821,000

The actual return on scheme assets was 13.0%.

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

	Period ended 2019 £
Current service cost	(355,000)
Past service cost	(49,000)
Interest income	57,000
Interest cost	(89,000)
Total amount recognised in the Statement of financial activities	(436,000)

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

	2019 £
Conversion of academy trusts	4,899,000
Current service cost	355,000
Interest cost	89,000
Employee contributions	58,000
Actuarial losses/(gains)	1,545,000
Past service costs	49,000
At 31 August	6,995,000

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

25. Pension commitments (continued)

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

	2019
	£
Conversion of academy trusts	3,163,000
Interest income	57,000
Actuarial gains	330,000
Employer contributions	213,000
Employee contributions	58,000
At 31 August	<u>3,821,000</u>

26. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019
	£
Not later than 1 year	1,034
Later than 1 year and not later than 5 years	2,067
	<u>3,101</u>

27. Members' liability

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

EMBARK MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

28. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, 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 following transactions took place in the financial period;

During the year the Trust incurred expenditure totaling £600 from Chesterfield Royal Hospital, a not for profit organisation that is connected to a Trustee, Dr D Outhwaite. The transaction related to staff training in relation to the administration of medicines in schools.

During the year the Trust incurred expenditure totaling £570 from Derby Teaching School Alliance (DTSA), a not for profit organisation that is connected to a Trustee, Dr D Outhwaite. These transactions were in respect of training events, as DTSA provide governance support, teacher training and professional development. The balance outstanding at 31 August 2019 was £240.

29. Post balance sheet events

Chaucer Nursery and Infant School, and Chaucer Junior School both applied and have been granted an academy order to join Embark Multi Academy Trust from the Department for Education. This process is likely to be completed by April 2020 subject to consultation and due diligence processes.