

Registered number: 08138965 (England and Wales)

**EMBRACE MULTI ACADEMY TRUST
(FORMERLY BROCKINGTON COLLEGE)**

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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**EMBRACE MULTI ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

C Lewis
R Andrews
J Taylor

Trustees

J Swinfield-Wells, Trustee^{1,2,5}
R Andrews, Chair of Trustees²
M Brown, Trustee^{1,2,3}
K Slipp, Trustee^{2,3}
F Speake, Trustee^{2,5}
G Spencer, Trustee^{1,4}
J Taylor, Trustee^{2,4}
M Walton, Trustee^{1,2,5}
P Johnson, Trustee^{2,4}
C Southall, Principal and Accounting Officer^{1,2,4}
R Dunnett, Trustee^{1,2,4}
C Nash, Trustee^{2,6}
E Hawthorne, Staff Trustee (End of term of office 10 November 2017)^{1,2,3}
M McAllister, Trustee (End of term of office 31 January 2018)^{2,6}
K Saadat, Trustee^{2,6}
H Gleave, Trustee (End of term office 26 February 2018)^{1,2,3}
P Graham, Trustee^{2,6}
U Patel, Trustee (End of term of office 27 August 2018)^{1,2, 5}
C Bates, Trustee^{1,2,5}
L Mayes, Staff Trustee^{2,6}
SR Moseley, Trustee^{2,3}
S Wright, Trustee (Appointed 7 March 2018)³
K Neville, Staff Trustee (Appointed 14 December 2017)³
D Richardson, Trustee (Appointed 9 November 2017 & resigned 21 September 2018)⁶

¹ Finance and Pay and Conditions Committee

² Board Members

³ Teaching, Learning and Assessment

⁴ Leadership and Management

⁵ Pupil Outcomes

⁶ Pupil Development, Behaviour and Welfare

Senior Leadership Team

Christopher Southall, Principal
Clare Darby, Vice Principal
Beverley Cuppelditch, Business Manager
Sue Lawrence, Assistant Principal
Ian Wilson, Assistant Principal (Resigned 27 August 2018)
Victoria Carr, Assistant Principal
Jon Barton, Assistant Principal
Rakesh Patel, Assistant Principal (Appointed 28 August 2018)

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**REFERENCE AND ADMINISTRATIVE DETAILS
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Company Name

Embrace Multi Academy Trust

Principal and registered office

Blaby Road
Enderby
Leicester
LE19 4AQ

Company registered number

08138965

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Lloyds Bank
High Street
Leicester
LE1 9FS

The Co-operative Bank
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

**EMBRACE MULTI ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and Auditors' Reports of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Enderby, Narborough, Littlethorpe, Huncote, Croft and Thurlaston. It has a pupil capacity of 1,200 and had a roll of 1,290 in the school census on 1 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Academy Trust. On 12 November 2018 the charitable company changed its name from Brockington College to Embrace Multi Academy Trust, but continues to operate under the name of Brockington College.

The Trustees of Embrace Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Embrace Multi Academy Trust.

Details of the Trustees who served throughout the year 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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is included in the Risk Protection Arrangement with the ESFA.

Method of Recruitment and Appointment or Election of Trustees

Recruitment of Trustees is outlined in the Memorandum and Articles of Association. Members shall appoint a minimum of 14 Trustees (11 who are appointees of the Diocese of Leicester Educational Trust and 1 who is the incumbent ex-officio). Trustees may co-opt up to 2 Trustees. The members may appoint 2 Staff Trustees through such process as they determine. The appointment of Parent Trustees is made via a parental ballot.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustee induction training alongside a menu of extensive specialised training is available through the local network of schools that support all new Trustees. The Academy buys into the Local Authority Governor Development Service who, across the Board of Trustees, offer further Trustee training. A skills matrix is kept to identify areas of strength and weakness within the Board of Trustees.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational Structure

The Board of Trustees meet at least annually to appoint new member Trustees and to receive the annual accounts.

The Board of Trustees meets at least 5 times each year and at each meeting they receive reports from the following committees:

1. Finance and Pay and Conditions – which meets at least 3 times per year
2. Leadership and Management – which meets at least 3 times per year
3. Pupil Outcomes – which meets at least 3 times per year
4. Teaching, Learning and Assessment – which meets at least 3 times per year
5. Pupil Development, Behaviour and Welfare – which meets at least 3 times per year

The day-to-day management of the Academy is delegated to the Principal who has appointed a Leadership Team that meet weekly to discuss both strategic and day-to-day responsibilities.

A scheme of delegation has been approved which provides a clear line of responsibilities at all levels.

Arrangements for setting pay and remuneration of key management personnel

No payments are made to Trustees unless they are also an employee of the Academy and are therefore paid for their role within the Academy.

All teaching staff, including the Principal and those on the Leadership Team, are employed in accordance with the provisions of the School Teachers Pay and Conditions Document and the Academy's Teachers Performance Related Pay Policy. The following pay arrangements have been agreed by the Board of Trustees using the flexibilities contained within the STP&C Document:

- The Board of Trustees will consider any recommended pay awards agreed nationally and will decide annually on whether or not these should be applied to the pay ranges detailed in the Academy policy.
- **Principal**
The Board of Trustees will assign a seven-point Individual School Range based on the school group size, as determined by the School Teachers' Pay and Conditions document. The Board of Trustees will ensure that there is no overlap of salary bands between the Principal and other leadership posts.

The Board of Trustees will calculate the Principal group size at the start of each academic year and determine the appropriate Individual School Range for the year. The Board of Trustees will determine the group size for the school in accordance with the provisions of the School Teachers' Pay and Conditions Document.

On appointment the Principal will be appointed on one of the first 4 points on the ISR.

Progression on the ISR for the Principal will be subject to a review of the Principal's performance set against the annual appraisal review. The Board of Trustees may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Board of Trustees may decide that there should be no pay progression. The pay review for the Principal will be completed by 31 December.

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The Board of Trustees will ensure that reasons for setting the ISR at a given level are recorded and that the process for the determination of the Principal's salary is fair and transparent.

- **Other Leadership Posts**

The Board of Trustees will determine a 5 point pay range for all other leadership posts from within the leadership scale contained in the School Teachers' Pay and Conditions Document.

The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. A post with a designated deputy role in the absence of the Principal will be remunerated accordingly above the range for other leadership posts.

On appointment a teacher paid on the leadership scale will be appointed on one of the first 3 points on the pay range.

The pay range for teachers paid on the leadership spine will be reviewed by 31 October each year or at any time during the year where there is a significant permanent change in the duties and responsibilities of the post, or where it is necessary to consider a retention payment for a member of staff on the leadership spine.

Progression on the pay range for a member of staff paid on the leadership scale will be subject to a review of their performance set against the annual appraisal review. The Board of Trustees may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Board of Trustees may decide that there should be no pay progression. The pay review will be completed by 31 October.

For any support staff on the Leadership Team, their pay is determined in line with other similar posts locally and nationally and in accordance with the Academy's Support Staff Pay Policy.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials – 3.

Full-time equivalent employee number - 2.44.

No school time or funds were spent during the year on trade union facilities time. The staff undertook no paid trade union activities during the period.

Related parties and other connected charities and organisations

Embrace Multi Academy Trust works in conjunction with the Football Association to deliver sporting opportunities to the wider community.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Embrace Multi Academy Trust is an average sized secondary school for students aged 11-16 which converted to Academy Trust status in August 2012.

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Following a successful business case to the Education and Skills Funding Agency, Embrace Multi Academy Trust was granted permission to become an 11-16 secondary school and to increase the number on roll from 900 to 1200 pupils. From September 2015, the college has accepted Year 10 pupils and in September 2016, Year 11 pupils. The first set of GCSE exams were taken by pupils in June 2017.

There are a high percentage of pupils that are white British, but also pupils from a range of ethnicities, attending the college.

Embrace Multi Academy Trust was last inspected by Ofsted in November 2017 and was judged to be a good school with outstanding elements.

The Church of England Voluntary Aided Status is central to the life of the Academy and although there are a variety of faith backgrounds, the strong Christian ethos of the Academy is a firm foundation for all that we do.

During the last statutory inspection of Anglican schools, in December 2015, the school was graded as outstanding.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Trustees believe that the Academy's admissions policy and achievements and performance in the year (as outlined below) provide clear evidence that the Academy is meeting its obligations as a charity to deliver public benefit.

Objectives, Strategies and Activities

The key priority areas for the college for 2017-18 were:

1. Ensure that Leadership and Management across the college provide the climate for all children to prosper. For 2017-18, we aim to ensure that all leaders work together to provide an environment where Key Stage 3 and Key Stage 4 pupils can thrive through achieving our whole-school targets.
2. Further develop Teaching and Learning practices to an optimum level. For 2017-18, we will continue to challenge our teaching members of staff to perform at the level that our skill level descriptor document indicates for each individual. This will reflect pay and experience. This in turn will ensure that our teaching and learning is outstanding.
3. Ensure that, through inclusive practices, barriers to learning are reduced so that all children make high levels of progress in all areas. We aim to narrow the gap for disadvantaged children alongside targets given within the SIP and to further raise the level of achievement for more and most able pupils.
4. For 2017-18, pupil outcomes will be for KS4 exam results to generate a progress 8 score of +0.2 and for those receiving pupil premium funding, to generate a progress 8 score of 0.
5. Seek additional opportunities for pupils through our extensive range of partnerships. For 2017-18, this will include developing and strengthening initiatives that support teaching and learning and intervention, especially at KS4 and the growing of the school to become an outstanding 11-16 establishment.

These priorities were achieved in the following ways:

1. At the end of the 2017-18 academic year, we completed our second experience of taking a Key Stage 4 cohort through GCSE accreditation. The Trustees were fully informed throughout the two years of how this was progressing and improved their knowledge and skills via committee meetings and explicit training; the Senior Leadership Team has led a massive increase in pupil numbers, staffing and facilities. In 2017-18, we had 1,290 pupils (increase from 880), an increase in staffing by 40% and an increase in

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physical resources to match. The extended Senior Leadership Team led initiatives around these developments specifically supporting our pupil premium children, careers provision, work experience, pastoral leadership, maths faculty leadership and English faculty leadership, Middle leadership has written and followed schemes of work for Key Stage 4 in all subjects and in most subjects, two schemes of work given that new specifications have been introduced from 2016-17. Our second set of GCSE results were extremely pleasing with progress 8 reaching +0.13 and high standards within many subjects.

2. The college has a rigorous and robust monitoring and evaluation schedule in relation to teaching and learning. We ensure that we have the data available that allows us to reward, celebrate and share good practice. Additionally, we are able to prioritise support for members of staff when it is required. A high priority for the college is CPD for members of staff and we invest heavily in our most precious resource, in this manner. As a result of this work, the vast majority of teaching staff receive a pay award that is as a result of improving standards. Clearly, the outcomes for pupils reflects the quality of teaching and learning across the college.
3. In 2017-18, we continued with our small group intervention classes for English and Maths to work predominantly with pupil premium children across the school. Our ESLT Pupil Premium Champion represents PP children and advocates for them. She undertook several creative initiatives in 2017-18, which have made a difference to the outcomes of PP children. As a result, there were many opportunities for PP children and specific support towards their GCSE exams. The overall progress 8 score for PP children was -0.23, which is a significant improvement and approaching the national average for all pupils. The school counsellor, appointed in 2015-16, has seen many PP children and is an outstanding support mechanism for them.
4. As part of rigorous monitoring we continue to track the progress of all pupils so that we are able to respond through targeted intervention. The use of small group intervention at Embrace Multi Academy Trust has continued to be successful and has led to improved pupil performance and the narrowing of achievement gaps between groups of pupils. This is in addition to the support offered for PP pupils and the MAMA. On top of this there are a significant amount of intervention classes that take place after school, at weekends and during school holidays. 68% of pupils gained a grade 4 or above in both English and Maths; 75% of pupils gained a grade 4 or above in English; 75% of pupils gained a grade 4 or above in Maths; 75% of pupils gained a grade 4 or above in Science; 72% of pupils gained a grade 4 or above in RS.
5. We are a lead strategic partner in a local Teaching and Learning Alliance (TELA) for which the Principal is the Chair of the Strategic Heads' Group. This has given us access to a wide range of training opportunities. Additionally, our CPD budget means that all teaching staff have access to training externally and internally. All subject areas have also worked hard to develop links with other local schools around key stage 4 that has enabled us to share resources and develop expertise around working with our new Key Stage 4 pupils at Brockington. The 'excellence groups' which involve 8 other recently converted or soon to be converted age range change schools, have been a real success and have led to improved pupil outcomes. These have centred around the subjects of English, Maths, Science, MFL and Humanities with most groups chaired by a member of the Senior Leadership Team at Brockington. We are a member of PiXL (Partners in Excellence) and have been a leading member of the work being undertaken to form a MAT between local schools.

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

STRATEGIC REPORT

Achievements and Performance

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TRUSTEES' REPORT (continued)
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Key Performance Indicators

The Peer Challenge conducted in April 2016 viewed the school as an outstanding provider in all categories. The report can be accessed via the link to the college website below and by picking up the mock Ofsted report on the home page. This supports our successful Ofsted report of November 2017 and our outstanding SIAMS report of December 2015.

<https://www.brockington.leics.sch.uk/>

Pupil Outcomes 2018 compared to 2017

<u>Progress 8 and Attainment 8</u>	School GCSE 2018	School GCSE 2017	Local authority state-funded schools 2017	England state-funded schools 2017
Number of pupils	280	283	6867	527859
Average KS2 Prior Attainment	4.79 (-0.1)	4.89	N/A	N/A
Progress 8 score	+0.16 (+0.36)	-0.2	-0.11	-0.03
Progress 8 score: English	+0.17 (+0.26)	-0.09	-0.01	-0.04
Progress 8 score: Maths	+0.2 (+0.12)	+0.08	0.1	-0.02
Progress 8 score: EBacc slots	+0.16 (+0.18)	-0.02	-0.05	-0.03
Progress 8 score: Open slots:	+0.11 (+0.76)	-0.65	-0.36	-0.04
Attainment 8 score	48.5 (+1.0)	47.5	45.7	46.3
Attainment 8 score: English	10.4 (=)	10.4	10	9.9
Attainment 8 score: Maths	9.5 (-0.3)	9.8	9.2	9
Attainment 8 score: EBacc slots	13.86 (+0.36)	13.5	12.5	12.6
Attainment 8 score: Open slots:	14.64 (+0.84)	13.8	14	14.9

<u>Headline Figures</u>	School GCSE 2018	School GCSE 2017	Local Authority state-funded schools 2017	England state-funded school 2017
Grade 5 or above in English and maths GCSEs	42.3% (-5.7%)	48%	45%	39.6%
Achieving the EBacc at grade 5/C or above	4.6% (-5.4%)	10%	17.4%	19.7%
Grade 4 or above in English and maths GCSEs	67.3% (-1.7%)	69%	67.00%	63.90%
Achieving the EBacc at grade 4/C or above	8.9% (-1.1%)	10%	18.90%	23.70%
Entering EBacc	11.7% (-5.3%)	17%	33%	35%

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Subject Level Data (Figures in brackets indicates number of candidates entered per subject 2018)	School GCSE 7+ 2018	School GCSE A/A* 2017	School GCSE 4+ 2018	School GCSE C+ 2017
Art (74)	7% (-18%)	25%	38% (-29%)	67%
Biology (96)	38% (-7%)	45%	92% (+1%)	91%
Business Studies (27)	0%	N/A	33.3%	N/A
Chemistry (96)	24% (-24%)	48%	90% (-4%)	94%
Computer Science (72)	32% (+5%)	27%	72% (+6%)	66%
Drama (54)	19% (+3%)	16%	70% (-1%)	71%
English Literature (278)	19% (-2%)	21%	72% (-1%)	73%
English Language (278)	20% (+6%)	14%	71% (-3%)	74%
Food	3% (-13%)	16%	33% (-27%)	60%
French (39)	15% (-17%)	32%	74% (+8%)	66%
Geography (111)	23% (+4%)	19%	67% (+10%)	57%
German (2)	100%	N/A	100%	N/A
Graphics (34)	9% (+4%)	5%	29% (-3%)	32%
History (154)	20% (+6%)	14%	59% (+7%)	52%
ICT (121)	29% (+3%)	26%	77% (-6%)	83%
Maths (279)	23% (-3%)	26%	75% (=)	75%
Music (13)	62% (+40%)	22%	100% (+33%)	67%
PE (69)	12% (-3%)	15%	57% (+15%)	42%
Physics (96)	33% (-10%)	43%	90% (-4%)	94%
Resistant Materials (30)	7% (+7%)	0%	43% (+17%)	26%
RS (274)	27% (+13%)	14%	71% (+13%)	58%
Science (181)	12% (+3%)	9%	71% (=)	71%
Spanish (2)	100%	N/A	100%	N/A
Textiles (13)	31% (-7%)	38%	92% (+4%)	88%

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TRUSTEES' REPORT (continued)
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Period 31/08/2017 - 13/7/2018

Year Group	Pupils in year	Attendance	Authorised Absences	Unauthorised Absences	Late Before	Late After
Year 7	257	94.8	4.8	0.4	0.7	0.0
Year 8	246	94.6	5.1	0.4	0.7	0.0
Year 9	249	95.1	4.5	0.4	1.2	0.0
Year 10	276	92.8	6.4	0.8	2.3	0.1
Year 11	282	95.0	4.5	0.6	1.7	0.1
Totals/average	1310	94.5	5.1	0.5	1.3	0.1

Number on roll data 2017-18 (12/07/18)

Year 7	Year 8	Year 9	Year 10	Year 11	Total
250	239	242	274	280	1285

Key Financial Performance Indicators

Year on year, since academy conversion, and age range change, the Academy has had an in year surplus budget which has led to healthy reserves.

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

Reserves Policy

At 31 August 2018 the total funds comprised:

		£
Unrestricted:		564,000
Restricted:	Fixed asset funds	1,142,000
	GAG	718,000
	Pension reserve	(1,640,000)
	Other	5,000
Total		<u>789,000</u>

There are a number of constraints placed upon Academies in terms of financial management. One of these constraints is the inability to borrow funds. This constraint represents a key risk to the Academy in relation to financial planning and monitoring, however, one of the ways the Academy mitigates this risk is through the effective management of reserves which provide alternative temporary funding streams should there be a delay in grant receipts or a sudden unforeseen increase in expenditure.

Trustees have agreed that an appropriate reserves balance would equate to 4 weeks of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £500,000.

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The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the Teachers' Pension Scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased Government funding or changes to scheme benefits.

Restricted funds will be spent in accordance with the terms of the funding agreement. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees. The aim of the Trustees has been to increase this reserve to meet current working capital requirements. The capital requirements are the lease of an 18 classroom modular build to accommodate the additional pupil numbers as a result of 11-16 age range change.

Investment Policy

The Investment Policy can be found in the Financial Management Manual and ensures that the Academy monitors cash flow on a regular basis and that surplus funds are deposited so as to maximise interest, with a consideration to only invest in risk free and short term deposit accounts, whilst limiting liability. Investments held at 31 August 2018 are as follows:

	Invested (£)	Interest Earned (£)
Saffron Building Society	85,442	1,325
Lloyds Fixed Term Deposit (5/2/18-13/11/18)	240,000	1,478
Lloyds 32 day notice account (5/2/18 – ongoing)	300,000	0.57% increased to 0.82% on 3/8/18

Principal Risks and Uncertainties

The principal risks facing the Academy are included in the Risk Register and Management Plan and include:

- Reputational Risk;
- Performance Risk;
- Financial Risk – reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs; and
- Risks associated with Personnel.

Control measures are identified in the Risk Register and Management Plan to manage these risks. The Leadership Team and the Board of Trustees hold regular discussions on how the Academy can improve further. This involves ensuring teaching and learning is monitored, reviewed and improved as well as ensuring students are fully supported in preparation for their exams. Budgets are monitored carefully to facilitate any reduction in funding or change in pupil numbers due to demographic decline.

The Academy also has two insurance policies, one to mitigate the risk of the Local Government Pension Scheme deficit, which the Academy currently holds within its accounts, and one to insure against staff long term absence.

The Academy Trust practices through its Board, namely the Board of Trustees and the constituted committees, risk management principles. Trustees received Risk Management training from Internal Audit during the year and Finance and Pay and Conditions Committee meetings include a standing agenda item on the management of risk. Any major risks highlighted at any committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of the process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by Senior Executive Officers.

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FUNDRAISING

The college actively supports both national and local charities. Staff and students are involved in raising funds by organising events such as non-uniform days. All contributions are given on a purely voluntary basis with no minimum amount being set or expected.

The income is credited to a separate cost centre and nominal code in the college's finance system to ensure that it is ring-fenced. This allows for full transparency of income collected and charity donations made. This is also therefore subject to scrutiny annually by audit.

During the year ending 31 August 2018 the following charities have benefited from the fundraising activities of the college:

National

- Green for Grenfell – The Kensington and Chelsea Foundation - £653
- Childreach International - £635
- Tumaini – New Hope - £631
- Diabetes UK - £955
- Guide Dogs - £139

Local

- Kenya - £1,403
- Reality Youth Project - £543

As a college we do not use professional fundraisers or any commercial participators to fundraise on our behalf.

During the year we received no fundraising complaints with the public receiving no unreasonably intrusive fundraising approaches or undue pressure to donate.

PLANS FOR FUTURE PERIODS

The key priority areas for the college are:

1. Ensure that Leadership and Management across the college provide the climate for all children to prosper. For 2018-19, we aim to ensure that all leaders work together to provide the culture where Key Stage 3 and Key Stage 4 pupils can thrive as individuals and academically.
2. Further develop Teaching and Learning practices to an optimum level. For 2018-19, we will continue to challenge our teaching members of staff to perform at the level that our skill level descriptor (appraisal) document indicates for each individual. This will reflect pay and experience levels. This in turn will ensure that our teaching and learning is outstanding.
3. Ensure that, through inclusive practices, barriers to learning are reduced so that all children make high levels of progress in all areas. We aim to continue to narrow the gap for disadvantaged children alongside targets given within the SIP and to further raise the level of achievement for more and most able pupils. This will be undertaken whilst continuing to develop the character of all our learners.
4. For 2018-19, pupil outcomes will be for KS4 exam results to generate a progress 8 score of +0.2 and for those receiving pupil premium funding to generate a progress 8 score of 0.

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5. Seek additional opportunities for pupils through our extensive range of partnerships. For 2018-19, this will include forming a Multi-Academy Trust, whilst developing and strengthening initiatives that support teaching, learning and intervention, especially at KS4 as we continue to grow the school to become an outstanding 11-16 establishment in respect of culture first and academia second.

We plan to meet these priorities in the following ways:

1. We will build capacity for leadership through the widening of the ESLT, who will be responsible for a range of pupil-related support mechanisms. Additionally, we will review the leadership processes that served us through our age range change to our first set of GCSE results to ensure that we are as effective as possible.
2. We will continue to prioritise high quality training for all members of staff; to prioritise the recruitment of good/outstanding practitioners, to use working parties that provide teaching staff with an internal support and development programme alongside colleagues and to routinely analyse performance data in order to intervene with pupils and, where necessary, with teachers. We will plan 'open door' weeks across the school year to facilitate all teachers to visit and give feedback to colleagues. We will facilitate further Dedicated Improvement and Reflection Time (DIRT) within classrooms. We will support our NQTs through their involvement in an internal coaching programme alongside senior members of staff, as well as external training.
3. Through achievement group meetings, we will challenge the ongoing work that supports both pupil premium and MAMA pupils. Small group intervention will remain a feature of our curriculum, particularly for vulnerable pupils who are not achieving in line with peers.
4. We will undertake examination reviews with all departments to analyse performance and explore changes that are required. We will routinely analyse performance data in order to provide intervention opportunities for pupils. Following each of the assessment points at Key Stage 4, senior leaders will meet for Post-Assessment Briefings (PAB) with all middle leaders to verify the accuracy of performance data and to discuss intervention. All departments will host intervention classes, for all pupils, and there will be compulsory intervention for some following data analysis.

We will continue to play a full role in the Healthy Partnerships of Leicestershire Secondary Heads, Learning South Leicestershire, Thomas Estley Learning Alliance, Brockington Family of Schools and Excellence Groups, which have been extended to include English, Maths, Science, Humanities and MFL. We will be a lead member in the establishment of a MAT, which will become a vehicle for the further raising of standards.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as Custodian Trustee on behalf of others.

**EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

AUDITOR

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2018 and signed on the board's behalf by:

.....
R Andrews
Chair of Trustees

.....
C Southall
Principal

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Embrace 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 Principal 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 Embrace 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 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Swinfield-Wells, Trustee	6	7
R Andrews, Chair of Trustees	6	7
M Brown, Trustee	7	7
K Slipp, Trustee	6	7
F Speake, Trustee	7	7
G Spencer, Trustee	5	7
J Taylor, Trustee	7	7
M Walton, Trustee	7	7
P Johnson, Trustee	6	7
C Southall, Principal and Accounting Officer	7	7
R Dunnett, Trustee	7	7
C Nash, Trustee	6	7
E Hawthorne, Staff Trustee	1	2
M McAllister, Trustee	0	4
K Saadat, Trustee	5	7
H Gleave, Trustee	5	5
P Graham, Trustee	6	7
U Patel, Trustee	6	7
C Bates, Trustee	5	7
D Richardson, Staff Trustee	1	5
L Mayes, Staff Trustee	6	7
SR Moseley, Trustee	6	7
K Neville, Staff Trustee	3	4
S Wright, Trustee	2	2

**EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustee committees reflect the updated Ofsted Framework for Inspection as follows:

- Leadership and Management;
- Teaching, Learning and Assessment;
- Pupil Outcomes;
- Pupil Development, Behaviour and Welfare; and
- Finance and Pay and Conditions.

These committees focus on a specific area which has enabled a more in-depth understanding to inform the reports given directly back to the Board of Trustees. As a result, Trustees are better informed on school progress and make a useful contribution to monitoring work and ultimately college improvement.

It was reported in the Ofsted inspection in November 2017 that “Governors know the strengths of the college and what can improve further. They have a good range of skills and experience to support and challenge college leaders and managers”.

The Academy Trust members review the effectiveness of the Board of Trustees on an annual basis via the Leicester Diocesan Annual Return for School Governing Boards. Areas that are reviewed include the skills of Trustees, how well the Governing Board holds school leaders to account, the leadership and effectiveness of the Chair of Trustees, the impact of effective governance on pupil outcomes and training (undertaken and planned) of Trustees.

The Governing Board completed a skills audit in April 2018, which was subsequently reviewed within Leadership and Management Committee meetings during the academic year 2017-18. This led to discussions at committee and full Governing Board level about broadening the skill set and experience across the Governing Board, via appropriate training and skills-based recruitment of Trustees when vacancies arise. A skills audit takes place every two years, with the next one scheduled for April 2020.

‘Outstanding Governance’ is a standing item on every agenda at full Governing Board meetings and this ensures that Trustees understand their roles and responsibilities via this forum and disseminated documents.

The Finance and Pay and Conditions Committee is a committee of the main Board of Trustees. Its purpose is to:

- review with the Principal, the staffing structure and salaries for the predicted annual financial budget;
- review the School Pay Policy, taking account of current legislation and any guidance issued by the Department of Education and to recommend amendments to the Board of Trustees for approval;
- ensure that the School Pay Policy is applied;
- make recommendations to the Board of Trustees, in respect of remuneration;
- set the annual budget and make recommendations to the Board of Trustees;
- monitor and review the annual budget and report to the Board of Trustees;
- monitor and review all income streams and report to the Board of Trustees;
- present a report to the Board of Trustees at least once a term;
- recommend to the Board of Trustees investment opportunities and to monitor such investments; and
- make any other relevant recommendations to the Board of Trustees that relate to finance or pay and conditions.

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at meetings of the Finance and Pay and Conditions Committee in the year were as follows:

Trustee	Meetings attended	Out of a possible
M Brown, Chair	4	4
R Dunnett, Trustee	3	4
H Gleave, Trustee	1	2
E Hawthorne, Staff Trustee	0	0
U Patel, Trustee	3	4
C Southall, Principal	4	4
G Spencer, Trustee	3	4
J Swinfield-Wells, Trustee	3	4
M Walton, Trustee	3	4
C Bates, Trustee	0	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Principal 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing all contracts for services and re-negotiating or changing provider. This includes gas and electric which have resulted in major savings. Light bulbs have now been or are in the process of being changed to energy savings bulbs.
- Opening the college 7 days a week to maximise income potential whilst providing the community with additional sporting and social opportunities.

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 Embrace Multi Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Pay and Conditions 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council 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. On an annual basis the internal auditor reports to the Board of Trustees, through the Finance and Pay and Conditions Committee on the operation of the systems of control and on the discharge of the Board of Trustee's financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor; and
- the work of staff 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 and Pay and Conditions Committee and a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3 December 2018 and signed on its behalf by:

.....
R Andrews
Chair of Trustees

.....
C Southall
Accounting Officer

**EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of Embrace Multi Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

.....
C Southall
Accounting officer

3 December 2018

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as Governors of Embrace Multi Academy Trust and 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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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:

.....
R Andrews
Chair of Trustees

Date: 3 December 2018

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

OPINION

We have audited the financial statements of Embrace Multi Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 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.

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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, and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who are also the directors of the Academy 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'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 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'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 the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.

Robert Neslon BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 18 December 2018

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EMBRACE
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Embrace Multi Academy Trust during the year ended to 31 August 2018 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 Embrace 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 Embrace Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Embrace Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF EMBRACE MULTI ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Embrace Multi Academy Trust's funding agreement with the Secretary of State for Education dated 22 March 2013, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EMBRACE
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

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

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 18 December 2018

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Fixed asset funds 2018 £000	Total funds 2018 £000	As restated total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	-	77	-	77	19
Charitable activities:						
Funding for the Academy						
Trust's educational activities	3	63	6,347	-	6,410	6,533
Other trading activities	4	461	-	-	461	487
Investments	5	2	-	-	2	4
TOTAL INCOME		526	6,424	-	6,950	7,043
EXPENDITURE ON:						
Raising funds	6	358	-	-	358	375
Academy Trust educational operations	7	63	6,605	176	6,844	6,598
TOTAL EXPENDITURE	8	421	6,605	176	7,202	6,973
NET BEFORE TRANSFERS		105	(181)	(176)	(252)	70
Transfers between Funds	19	-	(13)	13	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		105	(194)	(163)	(252)	70
Actuarial gains on defined benefit pension schemes	23	-	562	-	562	323
NET MOVEMENT IN FUNDS		105	368	(163)	310	393
RECONCILIATION OF FUNDS:						
Total funds brought forward		459	(1,285)	17,123	16,297	16,291
Prior period adjustment	18	-	-	(15,818)	(15,818)	(16,205)
TOTAL FUNDS CARRIED FORWARD		564	(917)	1,142	789	479

The notes on pages 30 to 55 form part of these financial statements.

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08138965

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	As restated 2017 £000
FIXED ASSETS					
Tangible assets	14		1,142		1,305
CURRENT ASSETS					
Stocks		8		7	
Debtors	15	228		169	
Investments	16	240		-	
Cash at bank and in hand		1,096		1,214	
		<u>1,572</u>		<u>1,390</u>	
CREDITORS: amounts falling due within one year	17	<u>(285)</u>		<u>(307)</u>	
NET CURRENT ASSETS			<u>1,287</u>		<u>1,083</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,429</u>		<u>2,388</u>
Defined benefit pension scheme liability	23		<u>(1,640)</u>		<u>(1,909)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>789</u>		<u>479</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	723		624	
Fixed asset funds	19	1,142		1,305	
Restricted income funds excluding pension liability		1,865		1,929	
Pension reserve	19	<u>(1,640)</u>		<u>(1,909)</u>	
Total restricted income funds			<u>225</u>		<u>20</u>
Unrestricted income funds	19		<u>564</u>		<u>459</u>
TOTAL FUNDS			<u>789</u>		<u>479</u>

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:

.....
R Andrews
Chair of Trustees

.....
C Southall
Accounting Officer

The notes on pages 30 to 55 form part of these financial statements.

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	As restated 2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>107</u>	<u>510</u>
Cash flows from investing activities:			
Interest received		2	4
Purchase of tangible fixed assets		(14)	(37)
Capital grants from DfE/ESFA		27	23
Purchase of current asset investments		<u>(240)</u>	<u>-</u>
Net cash used in investing activities		<u>(225)</u>	<u>(10)</u>
Change in cash and cash equivalents in the year		(118)	500
Cash and cash equivalents brought forward		<u>1,214</u>	<u>714</u>
Cash and cash equivalents carried forward	22	<u><u>1,096</u></u>	<u><u>1,214</u></u>

The notes on pages 30 to 55 form part of these financial statements.

EMBRACE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Embrace Multi Academy Trust constitutes a public benefit entity as defined by FRS 102. It is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional currency, rounded to the nearest £1,000.

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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there are no performance related conditions, where the receipt is probable and it can be measured reliably.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 a transfer is made to reflect these assets in the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land	-	125 years life of lease
Long leasehold property improvements	-	2% straight line and 33% straight line per annum
Fixtures and fittings	-	20% straight line per annum
Computer equipment	-	33% straight line per annum

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.

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

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

1.7 Taxation

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

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

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.

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.

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 and provisions

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 23, the 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on the amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

1.15 Fund accounting

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.16 Licence to occupy

The Trustees of Embrace Multi Academy Trust, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings and some open land on a rent free licence. Full details of the arrangement are detailed in note 14.

The Trustees have considered the guidance in the Academies Accounts Direction in relation to properties occupied under licence. Having considered the arrangements under which the Academy Trust is occupying the land and buildings, for the reasons given in note 14, the Trustees have concluded that the arrangement should not be included as an asset on the Balance Sheet and the Trustees have not included any value of land or buildings in the financial statements.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	-	67	-	67	5
Other grants and awards	-	10	-	10	14
	<u>-</u>	<u>77</u>	<u>-</u>	<u>77</u>	<u>19</u>
Total 2017	<u>-</u>	<u>19</u>	<u>-</u>	<u>19</u>	

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,699	5,699	5,857
Pupil Premium	-	213	213	224
Devolved Formula Capital	-	27	27	23
Other ESFA/DfE grants	-	56	56	56
	-	5,995	5,995	6,160
Other government grants				
Local Authority grants	-	104	104	110
	-	104	104	110
Other funding				
Trips and parental contributions	-	238	238	203
Insurance claims	63	-	63	43
Other income	-	10	10	17
	63	248	311	263
	63	6,347	6,410	6,533
Total 2017	9	6,524	6,533	

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Catering	329	-	329	342
Rental and hire of facilities	115	-	115	131
Other income	16	-	16	11
Vending machine income	1	-	1	3
	461	-	461	487
Total 2017	487	-	487	

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	2	-	2	4
Total 2017	4	-	4	

6. RAISING FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Catering	176	-	176	179
Kitchen and premises staff costs	162	-	162	175
Premises costs	20	-	20	21
	358	-	358	375
Total 2017	375	-	375	

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. CHARITABLE ACTIVITIES

	Total funds 2018 £000	As restated total funds 2017 £000
DIRECT COSTS		
Wages and salaries	3,175	3,075
National insurance	267	273
Pension cost	759	673
Depreciation	176	182
Educational supplies	67	60
Examination fees	107	84
Staff development	17	18
Other direct costs	237	151
Loss on disposal	1	5
	4,806	4,521
SUPPORT COSTS		
Wages and salaries	801	796
National insurance	56	56
Pension cost	173	166
Pension finance cost (note 13)	51	42
Travel and subsistence	37	11
Recruitment and support	11	15
Maintenance of premises and equipment	145	152
Cleaning	20	17
Rent and rates	247	224
Energy costs	82	72
Insurance	81	76
Catering	24	49
Legal and professional	44	5
Other support costs	112	279
Other services	143	103
Governance costs	11	14
	2,038	2,077
	6,844	6,598

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. TOTAL EXPENDITURE

	Staff costs	Premises	Other costs	Total	As restated
	2018	2018	2018	2018	total
	£000	£000	£000	£000	2017
					£000
Expenditure on raising voluntary income	162	20	176	358	375
Activities:					
Direct costs	4,201	564	41	4,806	4,521
Support costs	1,081	494	463	2,038	2,077
	<u>5,444</u>	<u>1,078</u>	<u>680</u>	<u>7,202</u>	<u>6,973</u>
Total 2017	<u><u>5,255</u></u>	<u><u>599</u></u>	<u><u>1,119</u></u>	<u><u>6,973</u></u>	

In 2017, of the total expenditure on charitable educational activities of £6,973,000, £375,000 was from unrestricted funds and £6,598,000 was from restricted funds.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	As restated
	£000	2017
		£000
Depreciation of tangible fixed assets:		
- owned by the charity	176	182
Auditor's remuneration for audit services	10	10
Operating lease rentals	167	166
Loss on disposal of fixed assets	1	5
	<u><u>1</u></u>	<u><u>5</u></u>

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	3,974	3,872
Social security costs	323	333
Pension costs	960	868
	<u>5,257</u>	<u>5,073</u>
Agency staff costs and apprenticeship levy	116	140
Staff restructuring costs	20	-
Pension finance cost (note 13)	51	42
	<u>5,444</u>	<u>5,255</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £20,000 (2017 - £Nil). Individually, the payments were £10,000 made on 18 April 2018 and £10,000 made on 21 June 2018.

c. Staff numbers

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

	2018	2017
	No.	No.
Teaching	68	66
Administration and support	91	94
Management	7	7
	<u>166</u>	<u>167</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	61	59
Administration and support	69	69
Management	7	7
	<u>137</u>	<u>135</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

The above employees contribute to the Teachers Pension Scheme. The annualised contributions for the employees were £29,213 (2017 - £28,219) to Teachers Pension Scheme.

e. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £666,585 (2017 - £654,860).

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£000	£000
C Southall (Principal)	Remuneration	100-105	95-100
	Pension contributions paid	15-20	15-20
K Neville	Remuneration	30-35	-
	Pension contributions paid	5-10	-
E Hawthorne	Remuneration	5-10	35-40
	Pension contributions paid	0-5	5-10
D Richardson	Remuneration	-	15-20
	Pension contributions paid	-	0-5
L Mayes	Remuneration	20-25	20-25
	Pension contributions paid	5-10	0-5

During the year, two Trustees received reimbursement of expenses of £180 (2017 - £178, three Trustees).

Other related party transactions involving Trustees are set out in note 25.

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. PENSION FINANCE COST

	2018	2017
	£000	£000
Interest income on pension scheme assets	63	38
Interest on pension scheme liabilities	(114)	(80)
	(51)	(42)
	(51)	(42)

14. TANGIBLE FIXED ASSETS

	Long leasehold land £000	Leasehold property improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2017 - as restated	1,062	355	131	246	1,794
Additions	-	-	9	5	14
Disposals	-	-	(1)	(10)	(11)
At 31 August 2018	1,062	355	139	241	1,797
Depreciation					
At 1 September 2017 - as restated	43	192	66	188	489
Charge for the year	9	102	23	42	176
On disposals	-	-	-	(10)	(10)
At 31 August 2018	52	294	89	220	655
Net book value					
At 31 August 2018	1,010	61	50	21	1,142
At 31 August 2017 - as restated	1,019	163	65	58	1,305

EMBRACE MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS (continued)

The Trustees of Embrace Multi Academy Trust, in agreement with the Board of Education of the Diocese of Leicester, occupy the buildings and some open land of the Academy on a rent free licence. This continuing permission of the Board of Education is pursuant to, and subject to, the Board's charitable objects. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company. The terms of this licence have been agreed between the Secretary of State and the Trustees of Embrace Multi Academy Trust and contain a termination clause on the Trustees of Embrace Multi Academy Trust by the Board of Education giving two years notice. The Academy is responsible for the maintenance and insurance of the land and buildings.

The value of the donated facility cannot be reliably quantified and measured and accordingly no accounting adjustment has been made for this matter.

Included in long leasehold land is land valued at £1,062,500 on conversion in 2012 by the Education and Skills Funding Agency, Graham Tyerman MRICS, using the depreciation replacement method. The freehold of this land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2012.

15. DEBTORS

	2018	2017
	£000	£000
Trade debtors	-	6
Other debtors	27	22
Prepayments and accrued income	201	141
	228	169
	228	169

16. CURRENT ASSET INVESTMENTS

	2018	2017
	£000	£000
Unlisted investments (liquid)	240	-
	240	-
	240	-

17. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Other taxation and social security	87	85
Other creditors	6	6
Accruals and deferred income	192	216
	285	307
	285	307

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. CREDITORS: Amounts falling due within one year (continued)

	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	156	114
Resources deferred during the year	124	156
Amounts released from previous years	(156)	(114)
	<hr/>	<hr/>
Deferred income at 31 August 2018	124	156
	<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips and rates reimbursement relating to the next academic year.

18. PRIOR PERIOD ADJUSTMENT

The prior period adjustment reflects an alternative accounting treatment of the land and buildings of the Academy site. This adjustment has been made in accordance with the requirements of the Academies Accounts Direction 2017 – 2018 and based upon professional advice taken by the Academy. The Academy buildings were built on land owned by the Incumbent and Church Wardens of the Parish of Enderby. Funding was provided through the Government's investment programme for secondary schools, Building Schools for the Future (BSF). The Academies Accounts Direction 2017 – 2018 requires that no value is attributed to land and buildings which are Church owned/controlled. Based upon professional advice received the Academy has concluded that the property remains an asset of the Board of Education of the Diocese of Leicester despite the basis of funding.

At 31 August 2016 the net book value of the Church controlled land and buildings included in the financial statements was £16,000,178. Depreciation of £386,935 was charged on the land and buildings in the year ended 31 August 2017. The Restricted Fixed Asset Fund has been restated to remove the value of the Church owned/controlled land and buildings.

The remaining land is occupied by the Academy under the terms of a 125-year operating lease granted by Leicestershire County Council. The value of the right to occupy this land is £1,062,500 and this continues to be included as an asset of the Academy and is depreciated over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS

	As restated balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains £000	Balance at 31 August 2018 £000
Designated funds						
Astro turf pitch	-	-	-	120	-	120
Modular building	32	-	-	64	-	96
	<u>32</u>	<u>-</u>	<u>-</u>	<u>184</u>	<u>-</u>	<u>216</u>
General funds						
Unrestricted funds	427	526	(421)	(184)	-	348
Total Unrestricted funds	<u>459</u>	<u>526</u>	<u>(421)</u>	<u>-</u>	<u>-</u>	<u>564</u>
Restricted funds						
General Annual Grant (GAG)	624	5,700	(5,606)	-	-	718
Capital grants	-	27	(14)	(13)	-	-
Other DfE/ESFA grants	-	56	(56)	-	-	-
Pupil premium	-	213	(213)	-	-	-
Other income	-	257	(257)	-	-	-
Other grants	-	104	(104)	-	-	-
Donations	-	67	(62)	-	-	5
Pension reserve	(1,909)	-	(293)	-	562	(1,640)
	<u>(1,285)</u>	<u>6,424</u>	<u>(6,605)</u>	<u>(13)</u>	<u>562</u>	<u>(917)</u>
Restricted fixed asset funds						
Net book value of fixed assets	1,305	-	(176)	13	-	1,142
Total restricted funds	<u>20</u>	<u>6,424</u>	<u>(6,781)</u>	<u>-</u>	<u>562</u>	<u>225</u>
Total of funds	<u><u>479</u></u>	<u><u>6,950</u></u>	<u><u>(7,202)</u></u>	<u><u>-</u></u>	<u><u>562</u></u>	<u><u>789</u></u>

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

Designated funds

The designated fund pot contains of a transfer of £64,000 transferred from unrestricted funds which is to be done on a regular basis to cover the predicted future cost of purchasing the modular building when it's lease expires.

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19. STATEMENT OF FUNDS (continued)

It also contains of a transfer of £120,000 transferred from unrestricted funds which is to cover the predicted future cost of replacing the Astro Turf Pitch carpet.

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Transfers of £13,000 from restricted funds to the restricted fixed asset fund represents contributions towards computer equipment, furniture and other equipment.

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations.

Pupil premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other grants

These funds include High Needs Funding from the Local Authority, pupil premium for looked after children and funding from the Department for Work and Pensions.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Restricted Fixed asset funds

The net book value of fixed asset fund has been set up to recognised the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	As restated balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains £000	As restated balance at 31 August 2017 £000
Designated funds						
Modular building	-	-	-	32	-	32
General funds						
Unrestricted funds	334	500	(375)	(32)	-	427
Total Unrestricted funds	334	500	(375)	-	-	459
Restricted funds						
General Annual Grant (GAG)	303	5,858	(5,523)	(14)	-	624
Other DfE/ESFA grants	-	56	(56)	-	-	-
Pupil premium	-	223	(223)	-	-	-
Other income	-	273	(273)	-	-	-
Other grants	-	110	(110)	-	-	-
Pension reserve	(2,005)	-	(227)	-	323	(1,909)
	(1,702)	6,520	(6,412)	(14)	323	(1,285)
Restricted fixed asset funds						
Net book value of fixed assets	1,454	23	(186)	14	-	1,305
Total of funds	86	7,043	(6,973)	-	323	479

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	As restated balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains £000	Balance at 31 August 2018 £000
Designated funds						
Astro turf pitch	-	-	-	120	-	120
Modular building	-	-	-	96	-	96
	<u>-</u>	<u>-</u>	<u>-</u>	<u>216</u>	<u>-</u>	<u>216</u>
General funds						
Unrestricted funds	334	1,026	(796)	(216)	-	348
Total Unrestricted funds	<u>334</u>	<u>1,026</u>	<u>(796)</u>	<u>-</u>	<u>-</u>	<u>564</u>
Restricted funds						
General Annual Grant (GAG)	303	11,558	(11,129)	(14)	-	718
Capital grants	-	27	(14)	(13)	-	-
Other DfE/ESFA grants	-	112	(112)	-	-	-
Pupil premium	-	436	(436)	-	-	-
Other income	-	530	(530)	-	-	-
Other grants	-	214	(214)	-	-	-
Donations	-	67	(62)	-	-	5
Pension reserve	(2,005)	-	(520)	-	885	(1,640)
	<u>(1,702)</u>	<u>12,944</u>	<u>(13,017)</u>	<u>(27)</u>	<u>885</u>	<u>(917)</u>
Restricted fixed asset funds						
Net book value of fixed assets	1,454	23	(362)	27	-	1,142
Total Restricted funds	<u>(248)</u>	<u>12,967</u>	<u>(13,379)</u>	<u>-</u>	<u>885</u>	<u>225</u>
Total of funds	<u><u>86</u></u>	<u><u>13,993</u></u>	<u><u>(14,175)</u></u>	<u><u>-</u></u>	<u><u>885</u></u>	<u><u>789</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	1,142	1,142
Current assets	564	1,008	-	1,572
Creditors due within one year	-	(285)	-	(285)
Pension liability	-	(1,640)	-	(1,640)
	<u>564</u>	<u>(917)</u>	<u>1,142</u>	<u>789</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	As restated fixed asset funds 2017 £000	As restated total funds 2017 £000
Tangible fixed assets	-	-	1,305	1,305
Current assets	459	931	-	1,390
Creditors due within one year	-	(307)	-	(307)
Pension liability	-	(1,909)	-	(1,909)
	<u>459</u>	<u>(1,285)</u>	<u>1,305</u>	<u>479</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	As restated 2017 £000
Net expenditure for the year	(252)	70
Adjustment for:		
Depreciation charges	176	182
Interest receivable	(1)	(4)
Loss on the sale of fixed assets	1	4
Increase in stocks	(1)	(2)
Increase in debtors	(59)	(9)
(Decrease)/increase in creditors	(23)	65
Capital grants from DfE and other capital income	(27)	(23)
Defined benefit pension scheme cost less contributions payable	242	185
Defined benefit pension scheme finance cost (note 13)	51	42
Net cash provided by operating activities	<u>107</u>	<u>510</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	1,096	1,214
Total	1,096	1,214

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's 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 Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

The Teachers Pension Budgeting and valuation account

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

- 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 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £435,000 (2017 - £418,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £360,000 (2017 - £341,000), of which employer's contributions totalled £284,000 (2017 - £267,000) and employees' contributions totalled £76,000 (2017 - £74,000). The agreed contribution rates for future years are 22.6% for employers and 5.5% - 12.5% 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	126	118
Discount rate -0.1%	(126)	(118)
Mortality assumption - 1 year increase	178	171
Mortality assumption - 1 year decrease	(178)	(171)
CPI rate +0.1%	99	88
CPI rate -0.1%	(99)	(88)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,743	1,279
Debt instruments	759	382
Property	253	153
Cash	56	95
Total market value of assets	<u>2,811</u>	<u>1,909</u>

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(526)	(452)
Interest income	63	38
Interest cost	(114)	(80)
Total	<u>(577)</u>	<u>(494)</u>
Actual return on scheme assets	<u>119</u>	<u>291</u>

The Academy expects to contribute £308,000 to its defined benefit pension scheme in 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2018	2017
	£000	£000
Opening defined benefit obligation	4,281	3,778
Current service cost	526	452
Interest cost	114	80
Employee contributions	76	74
Actuarial gains	(506)	(70)
Benefits paid	(40)	(33)
	<u>4,451</u>	<u>4,281</u>

Movements in the fair value of the Academy's share of scheme assets:

	2018	2017
	£000	£000
Opening fair value of scheme assets	2,372	1,773
Interest income	63	38
Actuarial gains	56	253
Employer contributions	284	267
Employee contributions	76	74
Benefits paid	(40)	(33)
	<u>2,811</u>	<u>2,372</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	140	167
Between 1 and 5 years	536	169
After more than 5 years	276	-
	<u>952</u>	<u>336</u>
Total	<u>952</u>	<u>336</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

The Trustees of Embrace Multi Academy Trust, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings and some open land on a rent free licence, the terms of which have been agreed between the Secretary of State and the Trustees of Embrace Multi Academy Trust, and within which is contained a termination clause on the Trustees of Embrace Multi Academy Trust by the Board of Education giving two years notice. Full details of the arrangement are detailed in note 14.

During the year, Embrace Multi Academy Trust provided teacher and attendance office support services to two schools in the Discovery Schools Academy Trust in which M J McAllister is a Director. £1,760 (2017 - £1,760) was charged to Danemill Primary School and £2,919 (2017 - £1,000) was charged to Greystoke Primary School for these services. The charges represents a reasonable reallocation of the staff member's time to the primary schools for the work undertaken. M J McAllister was not involved in, or influenced, the calculation of these costs. There were no amounts outstanding at the balance sheet date. In entering into the transactions the Academy Trust has complied with the requirements of the Academies Financial Handbook 2017.

No other related party transactions took place during the year of account, other than certain Trustee's remuneration and expenses already disclosed in note 11.

26. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Principal and Vice Principal.

27. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

28. 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.