

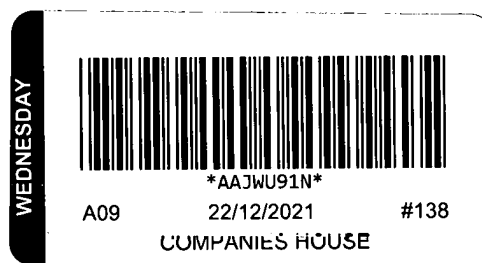
Company Registration No. 08638158 (England and Wales)

EPWORTH EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021



EPWORTH EDUCATION TRUST

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EPWORTH EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Rev P Martin
Mr K Meredith (Resigned 12 November 2020)
Mr G White (Resigned 4 November 2020)
Mrs D Lancashire (Resigned 4 November 2020)
Mr M Bailey (Resigned 19 December 2019 & Appointed 12 November 2020)
Mr D Kershaw (Appointed 12 November 2020)
Rev J Hustler (Appointed 3 November 2020)
Rev R Walton (Appointed 3 November 2020)

Trustees

Mrs J A Hewitt (CEO & Accounting Officer) (Resigned 4 November 2020)
Mr D A Harrison
Mr M Bailey (Resigned 4 November 2020)
Miss C Bale
Miss T Collier
Mr J Inman
Mrs N Taylor
Mr T Harris (Appointed 12 November 2020)
Mrs B M Easton (Appointed 12 November 2020)
Mr D E Kershaw (Chair) (Appointed 12 November 2020)
Mr J Weaving (Appointed 12 November 2020)
Mr T H Cadman (Appointed 12 November 2020)
Mrs E E Cleland (Appointed 12 November 2020)
Mr K Meredith (Appointed 12 November 2020)

Senior management team

- CEO and Accounting Officer	Mrs J A Hewitt
- Headteacher (Bedford Hall Methodist)	Mrs A Burkes
- Headteacher (Westleigh Methodist)	Mrs X Moragrega
- Headteacher (Rosehill Methodist)	Ms K Allen
- Headteacher (Wesley Methodist)	Mr M Lonsdale (Resigned 1 April 2021)
- Headteacher (Wesley Methodist)	Ms K Allen (Appointed 1 April 2021)
- Headteacher (Nutgrove Methodist)	Mrs R Bottell
- Headteacher (Summerseat Methodist)	Mrs J Whittaker
- Chief Operations Officer	Mrs J Buckley (Chief Financial Officer until 31 October 2020)
- Chief Finance Officer	Mr J Field (Appointed 1 November 2020)

Company registration number

08638158 (England and Wales)

Registered office

Epworth Education Trust Central Office
Westleigh Lane
Leigh
WN7 5NJ

EPWORTH EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Bedford Hall Methodist Primary School
Westleigh Methodist Primary School
Rosehill Methodist Primary School
Wesley Methodist Primary School
Nutgrove Methodist Primary School
Summerseat Methodist Primary School

Location

Wigan
Wigan
Tameside
Bury
St Helens
Bury

Headteacher

Mrs A Burkes
Mrs X Moragrega
Ms K Allen
Mr M Lonsdale / Ms K Allen
Mrs R Bottell
Mrs J Whittaker

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust currently operates 6 academies for pupils aged 2 to 11 in the North West area. It also operates the Westleigh Start Well Family Centre.

The Trust changed its name to Epworth Education Trust on 26th October 2020.

Structure, governance and management

Constitution

Bedford Hall Methodist Primary School and Westleigh Methodist Primary School converted to Acorn Trust ("The Academy") on 1st September 2013. The 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 Trust.

The Trust was incorporated on 5 August 2013 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

On the 1st November, the Acorn Trust merged with The Wesley Trust (consisting of 3 primary schools) and changed its name to Epworth Education Trust. On the 1st December Summerseat Methodist primary school converted to an academy as part of an academy order and joined the Epworth Education Trust (as its sponsors).

The Trustee Board act as the Trustees for the charitable activities of the Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Epworth Education Trust.

Details of the members and trustees of the Trust who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Each school has a Local Advisory Board which carries some delegated responsibility through the scheme of delegation.

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.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees' indemnities

The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA). The scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring on Trust business and provides cover up to £10,000,000. The insurance cost relating to Trustees is not separately identifiable from the total cost for the RPA.

Method of recruitment and appointment or election of Trustees

Trustees are appointed under the rules contained within the Trust memorandum and articles of association. Trustees are appointed based on their skills set and the capacity they can offer. A variety of recruitment methods are used including School Governors One Stop Shop (SGOSS) and Academy Ambassadors to attract the correct skill set through local and national advert. Potential Trustees are asked to submit an expression of interest and personal profile and also undergo an informal interview process with the CEO, Trust Chair and Members before being appointed. Potential trustees are also given the chance to observe a Trustee or committee meeting before being appointed.

Membership of the Local Advisory Board is in accordance with the terms of reference.

Method of recruitment and appointment or election of Governors

The Governors of the Local Advisory Board are appointed in the following ways:

- Parent governors are appointed through a nomination by parents of the students of the Academy
Nominations are asked from both teaching staff and support staff, if there is more than one candidate then a ballot system is used to elect staff governors. Only staff of the Academy are allowed to vote.
- Foundation governors are appointed by the Methodist Circuit
- Community governors are appointed by the Advisory Board provided that the person who is selected as a Community Governor is: a person who lives or works in the community served by the School or; a person who, in the opinion of the Advisory Board, is committed to the government and success of the School.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of Trustees and Governors

On appointment, trustees receive information relating to the trust and receive an induction pack on the role and responsibilities of Trustees. The training and induction provided for new governors and Trustees will depend on their existing experience. All new governors and trustees will be given information about the Trust and its schools and given the opportunity to visit the academies and the chance to meet with staff and pupils. They are provided with relevant copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

Induction tends to be done informally and is tailored specifically to the individual. Governor Hub is used as a central place for all correspondence and data.

On-going training is provided throughout the year. This will be based on the school improvement plan priorities and any training needs arising from any skill audits undertaken. Training is provided both by the Trust and external providers.

Organisational structure

As a charity and company limited by guarantee, the Trust is governed by its Board of Trustees whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. They are responsible for, and oversee, the management and administration of the Trust and the academies run by the Trust, alongside the running of the Westleigh Start Well Family Centre.

The Trust Board establish the overall framework for the establishment of the Trust and the academies included within the Trust. The Members determines terms of reference for the Trustees. The Board of Trustees determines terms of reference for all of the committees and approves all relevant Trust policies. The delegation of responsibility and authority is set out within the Trust scheme of delegation. This includes delegation to the CEO (who is also the Accounting Officer), and other employees of the Trust. Trustees are supported in their work by sub-committees and the Local Advisory Board at each school.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees have overall responsibility for setting the strategic direction for the Trust including the vision, aims and ethos of the Trust and also have overall responsibility for the management of the Trust's finances. This is largely exercised through strategic planning and the setting of policy. It is managed through business planning, risk management, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes. The main responsibilities of the Trust Trustees are prescribed in the Funding Agreement between the Trust and the DfE, in the Academy's Memoranda and Articles of Association and in the Academy's Financial Handbook. The main responsibilities include:

- applying the highest standards of governance, complying with charitable objects, with duties as company directors, with charity law and with the funding agreement;
- agreeing the long term financial objectives for the Trust;
- ensuring that grant from the DfE is used only for the purposes intended;
- ensuring regularity, propriety and value for money;
- adhering to the seven principles of public life;
- approval of the 3 year Trust budget forecast (including the academies individual budget forecasts);
- keeping full and accurate accounting records;
- receiving reports on the expenditure against budget for all the Trust's academies and subsidiaries;
- approval of accruals accounts, giving a true and fair view of the MAT's incoming resources and application of resources during the year, and the state of affairs at the year-end, in accordance with existing accounting standards;
- ensure that bank accounts, financial systems and financial records are operated by more than one person;
- ensure that all the MAT's property is under the control of the Trustees, and that measures are in place to prevent losses or misuse;
- approval of a written scheme of delegation of financial powers;
- establishing a separate finance & audit committee to provide assurance over the suitability of, and compliance with, the Trust's financial systems and operational controls and to manage risk;
- Comply with a Financial Notice to Improve (FNTI);
- approval of annual accounts;
- authorising orders and the award of contracts within the approval limits;
- appointment of the Chief Executive Officer (CEO);
- appointment of the Accounting Officer;
- appointment of the Chief Finance Officer and Chief Operations Officer.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The CEO, as accounting officer, is responsible for carrying out the strategic plan for the Trust as well as the leadership of the Trust and its schools. Trustees are responsible for the strategic management of the schools within the Trust. Collectively they make decisions on annual spending and set the budget for the year in liaison with the CEO, Headteachers and senior leaders. They also offer expertise in curricular subjects, project management and capital bids. Each school's management provide information about the standards, curriculum, pupil attainment and attendance for Trustee information and monitoring purposes. This is verified by the CEO and/or external inspection and monitoring reports. Through performance management, the CEO challenge the senior leadership and hold them to account regarding priorities for improvement set out in the Trust and School Development Plan. The School Development Plan is derived from a rigorous process of Trust monitoring and evaluation and the school's own self evaluation.

The daily management and organisation of each school is led by the individual Headteachers. They are supported by the senior leadership at each school who are responsible for Key Stage management, standards of attainment and curriculum provision within the school; Foundation Stage, Key Stage 1, and upper and lower KS2. The Chief Finance Officer has responsibility for finance and reporting. The Chief Operations Officer has responsibility for Capital and Estates, Procurement, data protection and Health and Safety.

The Board of Trustees meets at least six times a year to receive reports and manage its strategic objectives. This financial year has seen increased activity by Trustees as a result of the merger of the Wesley Trust and the Acorn Trust to form the Epworth Education Trust. This has taken the form of working party activity regarding the new trust as well as Trust Board meetings and sub-committee meetings as well.

The CEO is the Accounting Officer with responsibilities as described in HM Treasury's "Regularity, Propriety and Value for Money". They have personal responsibility for the propriety and regularity of the public finances for which they are answerable and must ensure that in considering proposals relating to expenditure or income for which they have responsibilities, all relevant financial considerations are taken into account and full regard is given to any issues of propriety and regularity.

The main responsibilities include:

- the initial review and authorisation of the annual Trust budget;
- the regular monitoring of actual expenditure and income against budget at the Trust level;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to Academies;
- ensuring that the regular reports provided to the Directors are full and accurate;
- authorising orders and the award of contracts up to £50,000 and with the agreement of the Finance Committee any up to £100,000.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Sub-Committees:

At the start of the academic year 2020-21, there were three permanent sub-committees, the Finance and Audit Committee, Westleigh Startwell Centre Committee and the Pay Committee. Apart from the Pay Committee, the committees meet at least once per term. The remit of the committees covers all academies within the Trust as well as the Trust itself. Each school also has a local advisory board.

Due to the risks of Covid 19 and the merger with the Wesley Trust, sub-committee structures were reviewed and updated during the course of the year to reflect the new organisational structure.

The new committee structure is as follows (with attendance figures published below)

Finance Committee:

The main responsibilities of the Finance Committee are detailed in written terms of reference which have been authorised by the Board of Trustees. The Chair of this Committee is a Trustee and other members are appointed by the board and include the Chief Finance Officer. The purpose of the committee is to assist with the decision making of the Board by enabling more detailed considerations to be given so the best means of fulfilling the Board's responsibility of ensuring the sound management of all the Trust's finances and resources, including proper planning, monitoring and probity can be carried out.

Audit committee:

The main responsibilities of the Audit committee are to ensure that an adequate programme of internal scrutiny is in place across the Trust and that risk management and internal control processes are robust. This committee is independent and obtains and reviews objective reports from external providers to form judgements and direct action for the reduction of risk, holding both executive leaders and Trustees to account

Pay and remuneration committee:

The main responsibilities of the pay committee are to agree the pay recommendations for the Executive Leader and Headteachers and to ensure there is clear policy for Executive Leaders salaries and remuneration

Resources Committee:

The main responsibilities of the resources committee is to ensure that the executives are held to account and that the employees of the Trust are subject to appropriate and fair performance management processes. This committee also ensures that the Trust positively promotes the wellbeing of all staff and compliance with employment law and statutory guidance.

Standards and Effectiveness committee:

The main responsibilities of the standards and effectiveness committee are to hold executive leaders to account for the educational performance of the organisation and its pupils, within a culture of high expectations and aspirations for all.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

All the members and the Trustees of the trust are volunteers and receive no direct or in-direct payment for their services to the Trust.

The Pay Policy for all staff within the Trust is agreed by the Trustees annually. The pay structure is in-line with STPCD handbook each year. The Trustees undertake the Performance management of the CEO with external advice. The Trustees ensure decisions about CEO pay follow a robust evidence-based process reflective of the individual's roles and responsibilities and that the approach to pay is transparent, proportionate and justifiable, in line with the Academy Financial Handbook

The CEO and Trustees undertake the performance management of the Headteachers and the Central Team. All other staff are managed by the Headteacher. All pay increases are agreed by the pay committee of the Trust or the Local Advisory Board pay committee.

All salaries are benchmarked against national comparators.

Related parties and other connected charities and organisations

The Trust has an Service level agreement with Methodist Academies Schools Trust (MAST) to provide strategic oversight and school improvement support for the wider family of Methodist Schools. A formal SLA has been established between both Trust Boards. Julie-Ann Hewitt (CEO) and Amy Burkes (Director of Education/ Executive Headteacher at Bedford Hall) are providing the support. Amy Burkes will be providing the support from 1 September 2021. The finances related to this are paid directly to the Trust.

The CEO was seconded to Wesley Trust as CEO and Accounting Officer for 2 days a week until the 1st November 2020.

Objectives and activities

Objects and aims

The Company's object ("the Object") is specifically restricted to the following:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

(i) Academies other than those designated Methodist, whether with or without a designated religious character; and

(ii) Methodist academies designated as such which shall be conducted in accordance with the principles, purposes, practices and tenets of the Methodist Church both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Methodist Council.

The Trust has worked together to develop the vision and values for the Trust. It now has a Charter which represents it's commitment to the school, staff and pupils.

The Trust's approach is anchored to six core principles. These are:

- We will build a family of schools with shared Methodist values, but who can support their individual communities in their own unique way
- Best practice will be delivered through school-based models of excellence
- Each school will deliver a dynamic and creative curriculum that holds no limits on the achievements and learning of all pupils
- A commitment to the highest standard of pastoral care and support
- Our education and ethos will be used to support and develop our local communities
- Our high-quality continuous professional development will enable staff to shine and advance in their career

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust continues to stay sharply focused upon ensuring its schools are places that provides the best outcomes for all pupils whilst also being an employer of choice for staff.

During the last academic year the Trust worked with its schools to provide strong support in managing remote learning, health and safety oversight in the management of Covid and pastoral care of staff. The cohesive approach ensure Headteachers and teachers were able to focus upon educational provision whilst the Trust supported the management of the wider challenges this period brought. As a result schools delivered a strong curriculum throughout the changing circumstances the schools experienced including full opening, full closure and partial closures. Health and safety remained a priority throughout this period. Whilst a challenging time for all the Trust, schools and their leaders remained resolute in overcoming the barriers faced. As a result there is much to celebrate.

Over the course of this year and in spite of the many challenges it has brought, Epworth Education Trust has shown strength in a number of key areas:

- The Trust has completed the positive transition from two separate trusts into one stronger organisation supported by the methodist ethos and forming the Epworth Education Trust.
- It has provided a strong remote learning offer to pupils across all the schools of the Trust with collaborative direction and support from the central team.
- The Trust has embraced the online environment with the introduction of Teams in all schools with focussed training to support all staff in utilising it effectively.
- It has developed strong collaboration between the schools and Headteachers of the Trust with regular communication and joint working to overcome challenges together.
- The launch of the Inspiring Senior Leaders training within the Trust has benefited many of our aspiring members of staff
- Governance has been supported with the development of bespoke governor training in collaboration with the National Governors Association
- To support governance, the establishment of the Chairs forum and staff forum to share ideas and enhance collaboration
- We have seen the introduction of the staff well being offer for all our employees and are focussing on growing and supporting this over time
- The Trust has benefited from successful CIF bids that have enhanced our physical environment

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Wesley

Achievements in 2020/21:

- As hub in the community we were able to support the families pastorally during covid very well with remote learning, bereavements, SEND needs, SEMH needs. Families have appreciated this and commented on the impact this support has had on their children.
- The teacher's worked incredibly hard to ensure that our children, in spite of covid, had all of the experiences that they deserved, ensuring the children were able to have a normal school experience as possible.
- The collaboration between staff in designing the recovery curriculum and ensuring that the focus was in the right place for our children and providing the adequate wellbeing opportunities within this.
- Good forest school provision
- Development of the outdoor area for Year 1

Key objectives:

Quality of Education (Intent, Implementation, Impact)
<ol style="list-style-type: none">1. To raise attainment in reading and writing, ensuring that reading is at the centre and forefront of learning. Have a particular focus on phonics, increasing vocabulary, opportunities to read and write across the curriculum.2. To provide targeted support to improve the quality of teaching and learning across the curriculum, including support for the development of all teachers and a clear plan for CPD3. To have a clear and robust plan in place for the assessment of foundation subjects and teachers to understand the expectations and objectives for each subject.
Behaviour & Attitudes
Not chosen as a focus this time to ensure focus on key areas.
Personal Development
Not chosen as a focus this time to ensure focus on key areas.
Leadership and Management
<ol style="list-style-type: none">1. All leaders are proactive in creating, implementing and driving a clear communication and well-being strategy that leads to achievement for all stakeholders.2. Governors to have a clear understanding of the strategic approach to the improvement of the school3. All subject leaders receive targeted support and CPD that ensures consistency in the monitoring, evaluation and next steps for each individual subject.
Quality of Early Years Education
<ol style="list-style-type: none">1. To ensure the vocabulary, communication and early reading are at the centre and forefront of EYFS Practice.2. To ensure objective led learning provides challenge for all learners, considered enhancements enable children to apply new learning and skills are regularly revisited throughout the day.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Westleigh:

Achievements in 2020/21:

- Strong pastoral support for children especially for those experiencing difficulties.
- SEND provision having impact on pupils
- A developing curriculum that is skills focused for DT and Art
- Staff adaptability and flexibility throughout the year in response to COVID

Key Objectives:

Quality of Education (Intent, Implementation, Impact)
<ol style="list-style-type: none">1. To create a cohesive English curriculum, with clear skills progression, which results in raised attainment across all aspects of the subject.2. All subject leaders through creating a cohesive curriculum for their subject are able to articulate its intent and implementation and support class teachers in developing excellent curriculum knowledge and pedagogy.
Behaviour & Attitudes
<ol style="list-style-type: none">1. To further embed approaches to positive behaviour management with a particular focus on vulnerable pupils to enable them to regulate their behaviour and emotions.2. To improve whole school attendance and reduce persistent absences
Personal Development
Our whole curriculum offer (including the PSHE and the RSE and Health Framework) meets the needs of our school community with a particular focus on enhancing thinking and communication skills, improving confidence and self-esteem leading to improved behavior and well-being.
Leadership and Management
<ol style="list-style-type: none">1. New leadership team is established, with a clear understanding of the strengths and areas for development.2. All leaders are proactive in creating, implementing and driving a communication, well-being and improvement strategy that leads to achievement for all.
Quality of Early Years Education
<ol style="list-style-type: none">1. To ensure that planning and provision encompasses all 7 areas of learning for the EYFS and is of a high standard.2. The environment meets the needs of all children, which is challenging, language rich and progressive, effectively supporting the intent of the new framework

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Bedford Hall:

Achievements in 2020/21:

- Strong support for pupils and staff despite the challenges of the pandemic.
- Awarded Music Mark Status - acknowledging commitment to high quality music education
- Awarded Rainbow Flag: Inclusive Curriculum, Student Voice and Skilled Teacher
- Maintained School Games Gold Active Mark - acknowledging commitment to be physically active every day
- Developed a 'Garden of Hope' inspired by Sir Captain Tom Moore as a communal reflection and worship space
- Developed the 'You be You Garden' inspired by the book 'Only One You' as a shared mental health and wellbeing area

Key Objectives:

Quality of Education (Intent, Implementation, Impact)
<ol style="list-style-type: none">1. Further improve the quality of teaching, in line with our intent, so that more is outstanding, with a specific focus on securing opportunities for pupils to be challenged and in turn deepen their learning across the curriculum.2. Further raise attainment in mathematics with a focus on developing fluency to enhance procedural understanding and number sense.3. Reading is inescapable. (To enable every child to access the curriculum and develop a love of reading).4. To enhance the quality of writing through succinct and well-structured sentences which provide transparency and cohesiveness (whilst also applying accurate spelling and handwriting skills).
Behaviour & Attitudes
Pupils continue to take responsibility for their learning and attitudes and demonstrate a desire to be the best version of themselves they can be.
Personal Development
Pupils are proactive in making a positive contribution to sustainability of the school vision within school and the wider community.
Leadership and Management
Leaders at all levels are proactive in successfully implementing the curriculum, ensuring the best outcomes for all pupils.
Quality of Early Years Education
The EYFS curriculum is without limits and is designed to give all pupils the knowledge and skills needed for future learning and success.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Nutgrove:

Achievements in 2020/21:

- Over the course of the year the school has embedded the new role of a Pastoral Assistant with a direct impact on well-being and safeguarding
- The school has earned our Flagship Status for the Inclusion Quality Mark
- Achieved the Music Mark for Schools to show Nutgrove's dedication and excellence in this area

Key objectives:

Quality of Education (Intent, Implementation, Impact)
Reading Ensure there is a well-organised system for teaching reading YR to Y6 <ul style="list-style-type: none">• To ensure there is an accredited systematic programme in place for the teaching of Phonics and Early Reading• Direct, focused phonics is taught every day in Reception and key stage 1 (including additional phonics sessions for recovery and Y3)• Children read from books with the sounds they know, while they are learning to read and are able to read unfamiliar books from the same band using decoding strategies• Teachers and teaching assistants provide extra practice through the day for the children who make the slowest progress in reading• Most children in Year 3 and above can read age-appropriate books• teachers instil in children a love of literature: the best stories and poems
Recovery Curriculum Ensure that the 'recovery curriculum is coherently planned and sequenced; that there is clarity around the knowledge and skills taught in each year group and how this will build on previous years learning and that this is evidenced through assessments.
Curriculum <ul style="list-style-type: none">• The curriculum will drive a love of reading• Further improve the quality of teaching, in line with our intent, so that more is outstanding, with a specific focus on securing opportunities for all children to be challenged and in turn deepen their learning across the curriculum, particularly in science and foundation subjects.• Continue to improve outcomes in reading, writing and maths
Behaviour & Attitudes
<ul style="list-style-type: none">• Refine the school approach to developing positive learning behaviours• Provide effective and targeted support to those pupils with SEMH needs
Personal Development
<ul style="list-style-type: none">• Further develop global citizenship, diversity and culture across the curriculum
Leadership and Management
<ul style="list-style-type: none">• Governors to be more visible in school, post Covid• Continue to develop leaders at all levels• Manage staff well-being• Continue to work with the EET
Quality of Early Years Education
<ul style="list-style-type: none">• To ensure objective led learning provides challenge for all learners, considered enhancements enable children to apply new learning and skills are regularly revisited throughout the day.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Rosehill:

Achievements in 2020/21:

- 1st Class phonics and reading specialist teacher – last year 87.5% achieved expected progress and a reading accuracy of 90% or above = 21/ 24 children.
- Developing a designated story time which enthuses the children and promotes a love of reading, leading to more children now asking for books as birthday presents
- Class names changing to famous Mancunians – all children knowing about famous Mancunians and why their class is named after them.
- Reception provision recognised as a strength with practitioners from other schools booking in visits
- Curriculum – use of knowledge retention maps to revisit learning
- Excellent forest school provision

Key objectives:

Quality of Education (Intent, Implementation, Impact)
<ol style="list-style-type: none">1. To continue to further raise attainment in reading and spelling so that attainment at the end of KS2 is in line with national average. Ensure that reading is front and centre of all that we do.2. To continue to develop and use a mastery approach to raise standards in mathematics so that attainment at the end of KS2 remains in line with national average.3. To ensure that the revised curriculum is coherently planned and sequenced; that there is clarity around the concepts/knowledge and skills taught in each year group and how this will build on previous years learning and that this is evidenced through assessments.4. Further improve the quality of teaching, in line with our intent, so that more is outstanding, with a specific focus on securing opportunities for all children to be challenged and in turn deepen their learning across the curriculum, particularly in science and foundation subjects.
Behaviour & Attitudes
<ol style="list-style-type: none">1. Ensure that all children demonstrate highly positive attitudes and resilience in their learning and behaviour2. Pupils have an opportunity to contribute to the wider community, within and beyond the school
Personal Development
<ol style="list-style-type: none">1. To further deepen pupils understanding of diversity
Leadership and Management
<ol style="list-style-type: none">1. To continue to improve the skill level of all our subject leaders so that they can play a more prominent role in ensuring that their subject is being delivered as effectively as it should in each year group and children are making at least good progress2. Continue to embed well-being strategies introduced
Quality of Early Years Education
<ol style="list-style-type: none">1. Through quality provision, ensure that more children achieve and exceed GLD, narrowing the gap between school and national.2. Ensure that the new EYFS curriculum and assessments are embedded into daily practice.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Summerseat:

Achievements in 2020/21

- Significant progress in addressing the actions in the Ofsted report
- Pearson Silver Winner for outstanding new teacher of the year
- Revising the school vision, ethos, motto and updating the website to communicate this clearly and effectively with all stakeholders.
- Delivering effective remote learning for periods of school closure and to individuals as required. This meant gaps were not as wide compared to last lockdown and subjects, such as reading, ensured continued progress.
- A clear curriculum intent is in place which shares the what and how of our approach to teaching and learning.
- Mental health and wellbeing now takes a central place in our approach: Forest School, Relax Kids, Calm-a-class, Relax and Reflect areas with Zones of Regulation.

Key objectives:

Quality of Education (Intent, Implementation, Impact)
1. Refine the curriculum and ensure consistent implementation. 2. Further improve the quality of teaching so that all learning, in all classes, is at least good.
Behaviour & Attitudes
1. To re-establish and embed our high expectations of behaviour across school.
Personal Development
1. To continue to embed all requirements of the new RSE and Health Framework.
Leadership and Management
1. To continue to improve the skill level of our subject leaders so that they can play a more prominent role in ensuring that their subject is being delivered as effectively as it should in each year group and add capacity through subject specialists within the Epworth Trust. 2. To address the actions identified in the Governance review to ensure governors are effective in fulfilling their roles and responsibilities with a specific focus on monitoring.
Quality of Early Years Education
1. To implement the new statutory framework for the EYFS successfully ensuring effective foundations for future learning.

Public benefit

The Board of Trustees are aware of the Charity Commission's guidance on public benefit and have had due regard to this in exercising their duties during the period. They fully comply with all statutory guidance and support wider educational objectives through a stronger community role.

The key public benefit delivered by the Trust is the maintenance and development of the high-quality broad all rounded education provided by the Schools, to the young people of Leigh and the communities, the operation of a before and after school club and the leading of the Startwell centre for the Leigh, Lowton and Golborne borough to aid development of 0-5 year olds and their families.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Trust schools continue to be successful in providing the children with a good level of education.

Ofsted rating for academies within the trust

Bedford Hall Methodist Primary School – OUTSTANDING – October 2007

Westleigh Methodist Primary School – GOOD – October 2019

Rosehill Methodist Primary School – GOOD – June 2015

Wesley Methodist Primary School – GOOD – July 2017

Nutgrove Methodist Primary School – OUTSTANDING – June 2014

Summerseat Methodist Primary School – INADEQUATE – March 2020

SIAMS Inspections for faith schools within the Trust

Bedford Hall Methodist Primary – OUTSTANDING – May 2019

Westleigh Methodist Primary – OUTSTANDING – September 2017

Rosehill Methodist Primary School – OUTSTANDING – March 2017

Wesley Methodist Primary School – GOOD – October 2015

Nutgrove Methodist Primary School – OUTSTANDING – Feb 2016

Summerseat Methodist Primary School – GOOD – February 2019

Key performance indicators

The Trust has had a successful year since the merger, working alongside the schools and their leaders to ensure that there is a strong vision for the Trust. The schools work collaboratively for the benefit of all pupils.

There has been a strong focus on ensuring that pupil's educational offer had the least disruption possible during the pandemic. We have worked closely with schools to ensure risk assessments were effective, and schools were supported during any outbreaks. There was a strong focus on supporting schools to deliver a strong remote offer and all schools went beyond the minimum expectations.

The reputation of the Trust continues to grow and this has led to renewed interest from schools seeking to join the Trust. We have been developing a hub model approach to growth enabling us to ensure the ethos of the Trust remains strong as we develop into a national Trust.

Going concern

After making appropriate enquiries and reviewing the 3 year budget, 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, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The Trust's total incoming resources during the period were £12,223,977 (2020: £3,016,858). The majority of the Trust's income derives from central government funding via the Education & Skills Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the period was £7,688,713 (2020: £2,850,572).

Total outgoing resources for the period were £8,197,759 (2020: £3,243,272), all of which related to the direct provision of educational operations. The excess of income over expenditure resulted in a surplus of £4,026,218 (2020: £226,414). This surplus includes balances transferred in of £3,423,758.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

At the period end the Trust's total reserves were £2,544,959 comprising: unrestricted funds of £670,626, restricted funds (excluding pension deficit) £892,726, the restricted fixed asset fund of £7,430,015, less the Local Government Pension Scheme deficit of £6,448,408. The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of the Trust closing, outstanding local government pension scheme liabilities would be met by the Department for Education.

At 31 August 2021 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Trust's Schools. There are plans to use some reserves to assist Summerseat Methodist Primary school (a sponsorship school) as this school has some financial difficulty due to low pupil numbers.

The Trustees have agreed that all restricted GAG reserves and unrestricted reserves will be held centrally in the Trust's bank account. The academies can request to use these reserves for any one off project such as building work, IT resources or large curriculum projects. The money will not be used to support central services.

Reserves policy

Reserves held at 31 August 2021 were as follows:

	£
Total reserves	2,544,959
Add back pension reserve	6,448,408
Less reserves attributable to fixed assets	<u>(7,430,015)</u>
Unrestricted and general restricted funds	1,563,352
Less other restricted funds	<u>(892,726)</u>
Free reserves	<u>670,626</u>

Restricted GAG reserves

The level of reserves is determined by the Trustee Board annually and can fluctuate depending on operational needs but the Trustees have determined that the Trust in 2020/21 should aim to have a minimum of £200,000 held in reserves but no more than 20% of GAG income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

At 31 August 2021 the Trust held GAG reserves of £379,393 which represents 7% of the GAG income for the year of £5,283,944, which is within the reserve policy.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school holds unrestricted reserves, which provide additional working capital which is not committed or designated. It is the Trustees' policy to aim to hold approximately 1 months' expenditure, which equates to approximately £150,000 to £200,000 per month, in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve.

At 31 August 2021 the level of free/unrestricted reserves held was £670,625 which was mainly attributable to lettings income, before and after school income, income from staff consultancy work, sundry educational income and the balance of funds inherited on conversion. This is above the agreed reserves policy but is considered to be a prudent level of reserves in the light of the forthcoming increases to pension and salaries.

Investment policy

All investments are agreed by the Board of Directors, which has regard to the Charity Commission guidance in relation to charity investment policy. The Trust does not currently hold any investments other than cash, which is held for its normal operations. The Trust has adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access deposit account to ensure that there is always access to sufficient cash to meet short and medium term requirements, whilst earning a competitive rate of interest on any surplus balances.

Principal risks and uncertainties

The Trust's financial objectives are as follows:

- Ensuring that all academies have effective financial performance and are financially sustainable into the long term
- Applying best value principles in the procurement of all goods and services
- Achieving economies of scale for each academy and the Startwell Centre through centralised procurement
- Maintaining pupil numbers
- Successful application of capital grants for building project
- Regularly monitoring controls in place to avoid risk of fraud.

A Risk Register is maintained at the Trust which is reviewed by all committees of the Trust and overseen by the Audit Committee. It identifies all of the risks, the likelihood of those risks occurring, their potential impact on the Trust and its academies and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

At the start of the year, the Audit committee met with executives to discuss these key risks. The Trust risk register was updated to reflect any new risks and in addition, key current risks for HR, finance, the Startwell Centre and the schools are identified and reviewed every term with the trustees and relevant senior leaders. Current risks are tabled at every Trustee Meeting for discussion and control measure resolution.

The Audit Committee have assessed the major risks to which the academies are exposed, in particular those relating to teaching, health and safety, school trips, child protection, and finances.

From January 2020, the pandemic Covid 19 affected key financial and operational areas within the Trust and its schools and Startwell centre. Covid 19 became a major risk on the register. The Trust carried out a risk assessment for COVID-19 which included its potential effect on educational standards, attendance, health & safety, loss of income, increased unbudgeted expenditure, governance, amongst many other areas. A Covid 19 sub-committee was created so Trustees were aware of the risks and control measures in place.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The majority of our academies do not face any financial risk associated with falling rolls. However, the uncertainties relating to Covid-19, budget reforms, increasing employment and salary costs as well as increasing premises costs and the uncertainty of Brexit are all contributing to cost pressure in future periods which increases the importance of maintaining robust levels of revenue reserves. The main risks that are within the Trust's majority control are:

- Setting a vision, ethos and governance approach appropriate for the merged academy Trust
- The loss of reputation resulting from a drop in standards, poor Ofsted result and/or academic performance at the schools
- Failure to safeguard our pupils
- Falling pupil numbers
- Pressures on growth which exceed Trust capacity
- Lack of succession planning within Trust governance and leadership
- Business interruption due to significant property related incidents
- Recruitment and retention difficulties
- Risk of breaching the Academies Financial Handbook

The principal risks and uncertainties identified that are not always within the Trust's control are:

- Pandemics – the covid virus created many risks for the schools financially, educationally and health and safety wise. Although the Trust can implement controls to help ease some of these risks, the pandemic is not under the Trust's control.
- Government Funding - The academies within the Trust have considerable reliance on continued government funding through the ESFA. Changes to national funding formula may have a detrimental effect.
- Pension Liabilities - Both academies are members of the LGPS which results in the recognition of a significant deficit on the Trust balance sheet. The financial statements report the share of the pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS102. There is also uncertainty regarding the Teachers' Pension increased costs and the level and time length of funding that the Government will continue to support the increased costs.
- UIFSMs – this appears to be having a detrimental effect on the number of pupils signing up for FSMs in reception, Y1 and Y2 thus affecting pupil premium funding
- SEND – the amount of children being identified with SEND within school and the lack/lateness of funding to help support this child.
- Opening of Free schools within the area that may impact on pupil numbers
- Changes to Pay and Conditions that are unfunded
- A drop in birth rates in the areas where our schools are located

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

A number of new operational systems have been implemented during the year in order to minimise specific risks.

Control measures include:

- A newly formed Articles of association, Member structure and Board of Trustees to reflect the organisation of the new trust
- Updated Risk register – reflecting revised structure of the trust and its committees
- A number of new financial and operational systems to ensure uniformity across the trust
- Risk assessments continuously updated for Covid.
- Regular weekly covid meetings with SLT to review key risks
- Review of the Trust financial procedures in line with the Academies Financial Handbook 2020
- In-depth regular data analysis through the Quality Assurance programme, including Consortia validation and external peer reviews
- Robust self-evaluation procedures and careful monitoring of learning and teaching linked to rigorous performance management
- Financial planning, budgeting and regular monitoring reports highlighting key areas of financial risk
- Ensuring academies are keeping to an "in-year" budget
- Reserves to be used for only one-off projects and to be agreed by the CEO.
- Recruitment policy and vetting procedures as required by legislation for the protection of vulnerable children
- Review of retention incentives including flexible working
- Tabling of current risks at every Trustee meeting
- Reviewing the business continuity plans for the Trust and its academies

The Trustees have overall responsibility for ensuring that the Trust has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure the financial statements comply with the Companies Act. The Trustees also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Trust is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the Trust or for publication is reliable;
- The Trust complies with relevant laws and regulations.

Fundraising

To date there has been no fundraising for the purpose of the Trust. The schools and the Startwell Centre undertake fundraising on behalf of other charities such as Comic Relief, Children in Need, local food banks. All funds are collected by the Finance department and paid to the relevant charity by cheque.

Where there is a PTA within a school they fundraise on behalf of the school through family events, socials and fun activities. All fundraising is optional and the Trust Leadership team ensure all activities are monitored at its schools, with its PTAs and the Startwell centre to ensure and PTA follow the Charity Commission's code of practice is followed.

The Trust is mindful of protecting vulnerable people and members of the public thus they ensure all donations for fundraising events are completely voluntary without undue pressure or persistent approaches.

The Trust does not work with professional fundraisers or commercial participators and has received no complaints in relation to its fundraising activities.

EPWORTH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

During the next academic year we will continue to refine our policies and procedures to best reflect the needs of our developing Trust. The Trust has good quality assurance processes in place but is developing a new approach particularly with regards to the operational aspects of the school's work.

The new Director of Education role will continue to build upon the good practice already established within the Trust to further support the strong commitment to collaborative working. 2 new aspects of this work are related to the development of Trust wide CPD for staff at all levels including the development of the aspiring senior leaders course. We will also develop 'Epworth Leaders of Education', a trust accreditation program for staff with the skills to support staff beyond their own school.

As a Trust we continue to endeavour to grow. We are accredited as an academy sponsor and continue to seek to find appropriate matches of school to join the trust. We have had growing interest in schools seeking to join the Trust including primaries schools and secondary schools, faith schools and community schools. We are currently developing the hub model within the Trust and will develop our first hub in the Midlands. During this time of growth we will continue to ensure that the ethos and culture of the trust remains a priority.

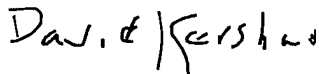
Auditor

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.

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 19/12/2021 and signed on its behalf by:



.....
Mr D E Kershaw
Chair

EPWORTH EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Epworth Education 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 have delegated the day-to-day responsibility to the CEO, 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 Epworth Education 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs J A Hewitt (CEO & Accounting Officer) (Resigned 4 November 2020)	6	6
Mr D A Harrison	6	6
Mr M Bailey (Resigned 4 November 2020)	2	2
Miss C Bale	2	6
Miss T Collier	6	6
Mr J Inman	4	6
Mrs N Taylor	3	6
Mr T Harris (Appointed 12 November 2020)	4	4
Mrs B M Easton (Appointed 12 November 2020)	3	4
Mr D E Kershaw (Chair) (Appointed 12 November 2020)	4	4
Mr J Weaving (Appointed 12 November 2020)	4	4
Mr T H Cadman (Appointed 12 November 2020)	3	4
Mrs E E Cleland (Appointed 12 November 2020)	3	4
Mr K Meredith (Appointed 12 November 2020)	4	4

EPWORTH EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Both the membership of the Trust and the composition of The Board of Trustees has undergone a radical transformation over the course of the past financial year as a result of the Trust taking on the responsibility as the Trust officially recognised by the Methodist Church as advancing education in academies with a Methodist character. This is set out in a standing order of the Methodist Conference and is therefore recognised in its constitutional proceedings.

The Membership has been reorganised in order to include a number of senior postholders in the Methodist church, including the Secretary of the Methodist conference, the chair of the Methodist Schools Committee and the one from amongst the Chairs of the Methodist districts. The Chair of the Board of Trustees is also a member by virtue of the post they hold and the final member is appointed to ensure that the membership as a whole has a voice representing the professional skills necessary to set the vision of the Trust.

The Board of Trustees has been reorganised significantly as well, taking existing trustees from the Acorn Trust as well as appointing new trustees from the Wesley Trust. These appointments have been managed and planned carefully to ensure that this change recognises the partnership between the two parties as well as bringing the skills relevant to managing a growing Multi Academy Trust.

The Board has operated successfully throughout the course of the year and after operating jointly as the Epworth Education Trust board since the merger in November is now taking steps to undertake an independent review of how it operates and how its composition reflects the needs and aspirations of the Trust. This review will take place in 2021/22 and the recommendations will be considered in order to ensure that the Trust continues to be led effectively as it grows into the future.

The Trustees are confident that the data that is provided to the board is fit for purpose. Data is cross checked and scrutinised in more detail on a regular basis. The CEO and Chairs committees review the data in detail on a regular basis with the key executives. Performance data is verified against external data (through benchmarking data from a number of sources including DfE data) to equip the Trustees with the understanding of the performance of the schools and wider Trust against national measures. The CEO and Chair each look in more detail at the data within individual schools and cohorts. Due to the pandemic there were no statutory assessments at the end of the year. The Trust have planned for assessment processes to be amended in the next academic year to address this including baseline testing to give a baseline for progress.

Review of value for money

As accounting officer the CEO 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 available. The accounting officer for the multi-academy trust has delivered improved value for money during the year by:

- Merger of 2 trusts to create a more viable and sustainable organisation for the long term
- Implementation of a procurement programme across all schools co-ordinated by the Chief Operating Officer
- Continued sharing software and licenses where possible between academies by purchasing as a Trust
- Continued review of Service Level Agreements with Local authorities and service contracts
- More use of Microsoft office 365 apps to aid communication, reduce paper and increase online connectivity

The area of future focus will be to embed joint procurement and sharing of best practice across the newly merged trust.

EPWORTH EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Epworth Education Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on the Academies Financial Handbook which is documented in the Trust Financial Policy, procedures and regulations. The system of internal financial control is based on a framework of regular management information and the operation of a detailed process managed through the audit committee and considered regularly by all committees of the Trust. The resulting information is compiled and managed through the trust risk register. administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Setting key performance indicators to measure financial and other performance;
- The use of standardised systems and processes across the different functional areas of the Trust to ensure consistency
- A system of internal scrutiny reported back to the audit committee and supported by the use of independent and objective external experts in specific risk areas
- Clearly defined financial, human resources, purchasing and other functional guidelines;
- Identification, regular review and management of risks through the Trust risk register.
- Benchmarking against other similar multi-academies.

EPWORTH EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Audit one to carry out an internal financial audit at each academy in the Trust. This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, they report to the Finance Committee and Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

A meeting was held with the internal auditor to agree a program of works based on the key financial risks identified for the Trust.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period as per the agreed program included:

- Basic testing on financial systems and controls in place in as a multi-academy Trust
- Testing of month end and reconciliation processes for the Trust
- Testing of payroll and human resources procedures

On an annual basis, the results of the internal auditor's checks on the operation of the systems of control are reported to the board of trustees, through the audit committee.

Audit One have delivered their schedule of work as planned. Minor issues have been raised and addressed by the Trust and school management on a timely basis. No significant weaknesses or discrepancies have been highlighted. Plans have already been put in place to address recommendations and a number have been completed.

Review of effectiveness

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

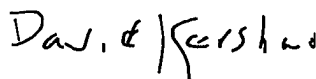
- The regular scrutiny of financial and other performance monitoring data by the Finance and the Audit Committee;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The internal audit checks carried out by Audit One;
- The work of the managers within the trust, who have responsibility for the development and maintenance of the internal control framework with clear levels of delegation and separation of duties.
- There being no material irregular or improper transactions and no instances of transactions which would not comply with the provisions of the Financial Handbook.

20/12/2021

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



Mrs J A Hewitt
CEO & Accounting Officer



Mr D E Kershaw
Chair

EPWORTH EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Epworth Education Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust's 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 2020.

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



Mrs J A Hewitt
Accounting Officer

20/12/2021
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EPWORTH EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Epworth Education Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

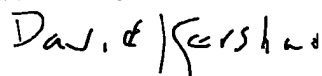
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 19/12/2021 and signed on its behalf by:



Mr D E Kershaw
Chair

EPWORTH EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH EDUCATION TRUST FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Epworth Education Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

EPWORTH EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

Other information includes Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

EPWORTH EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor's responsibilities for the audit of the accounts

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

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

- Enquiries with management , including governors , about any known or suspected instances of noncompliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academies Financial Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EPWORTH EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Mason

Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

20/12/2021
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EPWORTH EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EPWORTH EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 17 August 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Epworth Education Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Epworth Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Epworth Education Trust's funding agreement with the Secretary of State for Education dated 29 August 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes consideration of governance issues, an evaluation of the control environment of the Trust together with appropriate enquiry, analytical review and substantive testing of transactions.


EPWORTH EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EPWORTH EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

20/12/2021

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EPWORTH EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	11,395	1,015,745	1,027,140	109,271
Donations - transfer from local authority on conversion	27	73,263	(51,000)	375,000	397,263	-
Donations - transfer of existing academy into the trust	27	340,846	(2,573,000)	5,258,649	3,026,495	-
Charitable activities:						
- Funding for educational operations	4	37,722	7,650,991	-	7,688,713	2,850,572
Other trading activities	5	84,175	-	-	84,175	56,547
Investments	6	191	-	-	191	468
Total		536,197	5,038,386	6,649,394	12,223,977	3,016,858
Expenditure on:						
Raising funds	7	41,588	-	-	41,588	48,556
Charitable activities:						
- Educational operations	9	80,500	7,930,351	145,319	8,156,170	3,194,716
Total	7	122,088	7,930,351	145,319	8,197,758	3,243,272
Net income/(expenditure)		414,109	(2,891,965)	6,504,075	4,026,219	(226,414)
Transfers between funds	19	-	6,816	(6,816)	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(1,130,000)	-	(1,130,000)	(664,000)
Net movement in funds		414,109	(4,015,149)	6,497,259	2,896,219	(890,414)
Reconciliation of funds						
Total funds brought forward		256,517	(1,540,533)	932,756	(351,260)	539,154
Total funds carried forward	19	670,626	(5,555,682)	7,430,015	2,544,959	(351,260)

EPWORTH EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13		2,511		-
Tangible assets	14		6,565,900		872,038
			<u>6,568,411</u>		<u>872,038</u>
Current assets					
Debtors	15	1,362,637		148,659	
Cash at bank and in hand		1,834,603		1,030,444	
		<u>3,197,240</u>		<u>1,179,103</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(757,395)		(219,778)	
Net current assets			<u>2,439,845</u>		<u>959,325</u>
Total assets less current liabilities			<u>9,008,256</u>		<u>1,831,363</u>
Creditors: amounts falling due after more than one year	17		(25,297)		(37,623)
Net assets before defined benefit pension scheme liability			<u>8,982,959</u>		<u>1,793,740</u>
Defined benefit pension scheme liability	21		(6,438,000)		(2,145,000)
Total net assets/(liabilities)			<u><u>2,544,959</u></u>		<u><u>(351,260)</u></u>
Funds of the Academy Trust:					
Restricted funds	19				
- Fixed asset funds			7,430,015		932,757
- Restricted income funds			892,726		604,468
- Pension reserve			(6,448,408)		(2,145,000)
Total restricted funds			<u>1,874,333</u>		<u>(607,775)</u>
Unrestricted income funds	19		<u>670,626</u>		<u>256,515</u>
Total funds			<u><u>2,544,959</u></u>		<u><u>(351,260)</u></u>

The accounts on pages 35 to 63 were approved by the Trustees and authorised for issue on 19/12/2021 and are signed on their behalf by:

David E Kershaw

Mr D E Kershaw
Chair

Company Number 08638158

EPWORTH EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		367,537		95,447
Cash flows from investing activities					
Dividends, interest and rents from investments		191		468	
Capital grants from DfE Group		1,015,745		85,798	
Purchase of tangible fixed assets		(566,992)		(36,893)	
Net cash provided by investing activities			448,944		49,373
Cash flows from financing activities					
Repayment of other loan		(12,322)		(12,321)	
Net cash used in financing activities			(12,322)		(12,321)
Net increase in cash and cash equivalents in the reporting period			804,159		132,499
Cash and cash equivalents at beginning of the year			1,030,444		897,945
Cash and cash equivalents at end of the year			1,834,603		1,030,444

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. The trustees have considered the impact of the Government response to Covid-19 on the activity of the Academy Trust in terms of both increased costs of compliance with guidelines and catch up in learning and also reduced income. The trustees 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 accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Summerseat Methodist Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

1.4 Income

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

Grants

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

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

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Sponsorship income

Sponsorship income provided to the 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

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Charitable activities

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

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - over the length of the software license

1.7 Tangible fixed assets and depreciation

The land and buildings at Bedford Hall, Westleigh Methodist, Rosehill Methodist and Nutgrove Methodist are the subject of a deed from the Methodist Church which grants the Trust the use of the land and buildings until the earlier of the termination of the funding agreement or the Church giving the Trust two years notice to leave.

The guidance provided by the Academy Accounts Direction states that the key criteria for determining whether a value for land and buildings occupied under a Church licence agreement should be included in the accounts is whether or not the Church authority has retained control over the use of and access to the land and buildings or whether this has been passed to the Trust, and the extent to which the Church has given up the rights to consent to capital works being carried out.

In the light of this guidance, the Directors have concluded that the Trust does not have control and have adopted an accounting policy whereby the land and buildings occupied under the deed (including any subsequent improvements made to the land and buildings) are not recognised in the accounts. The alternative treatment whereby the Trust's occupation for the period may be recognised as a notional donation has not been adopted as the donated amount cannot be reliably measured.

This treatment excludes the school playing fields at Bedford Hall and a proportion of the land & buildings at Rosehill Methodist and Nutgrove Methodist schools which are under 125 year leases from Wigan Borough Council, Tameside Borough Council and St. Helens Borough Council. Therefore the control of these areas are with the Trust and as such has been included in the balance sheet.

Computer equipment costing £500 or more or other assets costing £750 or more are considered for capitalisation as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Leasehold land and buildings	2%
Property alterations	2%
Computer equipment	20%
Furniture and equipment	33.3%
Motor vehicles	20%

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

1.8 Liabilities

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

1.9 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.10 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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 are 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education & Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

(Continued)

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Classification and valuation of the playing fields at Bedford Hall, the nursery & sports pitch at Rosehill and property at Nutgrove:

The playing fields at Bedford Hall, the nursery and sports pitch at Rosehill and the main site at Nutgrove are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy.

At the date of transition, the long leasehold land and buildings were measured at their fair value at 1 September 2014 (Bedford Hall) and 14 November 2019 (Rosehill and Nutgrove Methodist), which upon transition, has been interpreted as deemed cost. Subsequent purchases of land and buildings are initially measured at cost.

Classification and valuation of long leasehold land and buildings owned by the Methodist Church

The buildings occupied by the Trust, and the land on which the buildings are situated are the subject of a deed from the the Methodist Church, which grants the school the use of these land and buildings until the earlier of the termination of the funding agreement or the members giving the school two years notice to leave. Following guidance from the Academy Accounts Direction, the land and buildings (excluding the assets noted above) are not recognised in the accounts on the grounds that the Methodist Circuit retains control over the use of and access to the land and buildings. Further information on the accounting treatment adopted can be found in the tangible fixed assets accounting policy.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	1,015,745	1,015,745	85,798
Other donations	-	11,395	11,395	23,473
	-	1,027,140	1,027,140	109,271

The income from donations and capital grants was £1,027,140 (2020: £109,271) of which £- was unrestricted (2020: £2,008), £11,395 was restricted (2020: £21,465) and £1,015,745 was restricted fixed assets (2020: £85,798).

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,283,944	5,283,944	1,730,952
Other DfE / ESFA grants:				
UFSM	-	128,195	128,195	56,164
Pupil premium	-	503,778	503,778	153,030
Others	-	663,140	663,140	133,429
	-	6,579,057	6,579,057	2,073,575
Other government grants				
Local authority grants	-	832,947	832,947	642,973
Special educational projects	-	-	-	1,709
	-	832,947	832,947	644,682
Exceptional government funding				
Coronavirus job retention scheme grant	-	693	693	-
Coronavirus exceptional support	-	127,784	127,784	-
	-	128,477	128,477	-
Other incoming resources	37,722	110,510	148,232	132,315
Total funding	37,722	7,650,991	7,688,713	2,850,572

The income from funding for educational operations was £7,688,713 (2020: £2,850,572) of which £37,722 was unrestricted (2020: £96,039) and £7,650,991 was restricted (2020: £2,754,533).

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

(Continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding." £40,900 of the 'Covid Catch-Up' grant has been carried forwards into the next year.

The academy furloughed some of its playworkers in the afterschool club under the government's CJRS. The funding received of £693 relates to staff costs in respect of 3 staff which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	743	-	743	1,160
Other income	83,432	-	83,432	55,387
	<u>84,175</u>	<u>-</u>	<u>84,175</u>	<u>56,547</u>

The income from other trading activities was £84,175 (2020: £56,547) of which £84,175 was unrestricted (2020: £56,547).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	191	-	191	468
	<u>191</u>	<u>-</u>	<u>191</u>	<u>468</u>

The income from funding for investment income was £191 (2020: £468) of which £191 was unrestricted (2020: £468).

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	41,588	-	-	41,588	48,556
Academy's educational operations					
- Direct costs	4,877,584	43,041	503,240	5,423,865	2,344,276
- Allocated support costs	1,536,935	656,502	538,868	2,732,305	850,440
	<u>6,456,107</u>	<u>699,543</u>	<u>1,042,108</u>	<u>8,197,758</u>	<u>3,243,272</u>

The expenditure on raising funds was £41,588 (2020: £48,556) of which £41,588 was unrestricted (2020: £48,556).

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	12,750	6,675
- Other services	6,700	4,048
Depreciation of tangible fixed assets	144,482	76,099
Amortisation of intangible fixed assets	837	-
Net interest on defined benefit pension liability	<u>74,000</u>	<u>26,000</u>

8 Central services

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

- Human resources
- Financial services
- Legal services
- Health & Safety services
- GDPR services

The central service charge is based on an estimate of budgeted central costs, which is 5% of each academy's GAG funding for that year.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2021 £	2020 £
Bedford Hall Methodist Primary School	51,941	80,654
Westleigh Methodist Primary School	37,653	96,996
Rosehill Methodist Primary School	73,931	-
Wesley Methodist Primary School	50,992	-
Nutgrove Methodist Primary School	34,261	-
Summerseat Methodist Primary School	6,015	-
	<u>254,793</u>	<u>177,650</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	31,410	5,392,455	5,423,865	2,344,276
Support costs				
Educational operations	49,090	2,683,215	2,732,305	850,440
	<u>80,500</u>	<u>8,075,670</u>	<u>8,156,170</u>	<u>3,194,716</u>

The expenditure on charitable activities was £8,156,170 (2020: £3,194,716) of which £80,500 was unrestricted (2020: £95,210), £7,930,351 was restricted (2020: £3,023,407) and £145,319 was restricted fixed assets (2020: £76,099).

	2021 £	2020 £
Analysis of support costs		
Support staff costs	1,536,935	425,426
Depreciation and amortisation	102,278	46,170
Premises costs	488,466	160,687
Legal costs - conversion	9,316	9,316
Legal costs - other	59,323	1,965
Other support costs	468,540	193,735
Governance costs	67,447	13,141
	<u>2,732,305</u>	<u>850,440</u>

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	4,477,351	1,760,762
Social security costs	363,381	141,813
Pension costs	1,506,714	589,579
Staff costs - employees	6,347,446	2,492,154
Agency staff costs	83,896	41,458
Staff restructuring costs	24,765	-
Total staff expenditure	6,456,107	2,533,612

Staff restructuring costs comprise:

Redundancy payments	24,765	-
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Staff numbers

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

	2021 Number	2020 Number
Teachers	62	18
Administration and support	144	54
Management	12	9
	218	81

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 employer's pension contributions for these members of staff amounted to £67,669 (2020: £37,619).

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £479,537 (2020: £342,963).

11 Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees. During the year, travel and subsistence payments totalling £nil (2020: £1,902) were reimbursed to Trustees. The reduction in travel and subsistence payments is due to a reduction in travel expenses with meetings being held virtually.

The value of Trustees' remuneration was as follows:

Mrs J A Hewitt (Headteacher and Director until 1 November 2020)

Remuneration £15,000 - £20,000 (2020: £95,000 - £100,000)

Employer's pension contributions £0 - £5,000 (2020: £20,000 - £25,000)

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

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2021 was £530 (2020: £530).

The cost of this insurance is included in the total insurance cost.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2020	-
Additions	3,348
At 31 August 2021	3,348
Amortisation	
At 1 September 2020	-
Charge for year	837
At 31 August 2021	837
Carrying amount	
At 31 August 2021	2,511
At 31 August 2020	-

14 Tangible fixed assets

	Leasehold land and buildings £	Property alterations £	Computer equipment £	Furniture and equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2020	35,400	819,751	156,018	236,080	22,974	1,270,223
Transfer on conversion	375,000	-	-	-	-	375,000
Transfer of school joining	4,498,890	339,105	25,968	32,389	-	4,896,352
Additions	2,100	413,491	128,291	23,110	-	566,992
At 31 August 2021	4,911,390	1,572,347	310,277	291,579	22,974	7,108,567
Depreciation						
At 1 September 2020	1,450	77,334	116,741	199,597	3,063	398,185
Charge for the year	54,705	24,185	42,204	18,792	4,596	144,482
At 31 August 2021	56,155	101,519	158,945	218,389	7,659	542,667
Net book value						
At 31 August 2021	4,855,235	1,470,828	151,332	73,190	15,315	6,565,900
At 31 August 2020	33,950	742,417	39,277	36,483	19,911	872,038

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Debtors

	2021 £	2020 £
Trade debtors	2,967	-
VAT recoverable	315,619	11,783
Other debtors	-	1,080
Prepayments and accrued income	1,044,051	135,796
	<u>1,362,637</u>	<u>148,659</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	12,323	12,319
Trade creditors	165,364	7,944
Other taxation and social security	99,205	35,570
Other creditors	265,683	41,372
Accruals and deferred income	214,820	122,573
	<u>757,395</u>	<u>219,778</u>

17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>25,297</u>	<u>37,623</u>
Analysis of loans	2021 £	2020 £
Not wholly repayable within five years by instalments	-	3,441
Wholly repayable within five years	<u>37,620</u>	<u>46,501</u>
	37,620	49,942
Less: included in current liabilities	<u>(12,323)</u>	<u>(12,319)</u>
Amounts included above	<u>25,297</u>	<u>37,623</u>
Loan maturity	<u></u>	<u></u>

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Creditors: amounts falling due after more than one year

(Continued)

Included within other creditors payable within and greater than one year, are five Salix loans totalling £37,619. The first loan is repayable in instalments of £2,789 every six months, commencing from 1 March 2015. The second and third loans are repayable in instalments of £290 each every six months, commencing from 1 March 2016. The fourth loan is repayable in instalments of £1,070 every six months, commencing from 1 March 2017. The fifth loan is repayable in instalments of £1,720 every six months, commencing from 1 March 2019.

18 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	129,556	71,705
	<u> </u>	<u> </u>
Deferred income at 1 September 2020	71,705	64,964
Released from previous years	(71,705)	(64,964)
Resources deferred in the year	129,556	71,705
	<u> </u>	<u> </u>
Deferred income at 31 August 2021	129,556	71,705
	<u> </u>	<u> </u>

At the balance sheet date the Trust was holding funds received in advance in relation to the Universal Free School Meals grant and Local Authority Start Well Centre funding.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	406,826	5,283,944	(5,304,561)	6,816	393,025
UIFSM	-	128,195	(128,195)	-	-
Pupil premium	50,010	503,778	(538,388)	-	15,400
Other DfE / ESFA grants	6,343	663,140	(447,741)	-	221,742
Other government grants	125,168	961,424	(798,270)	-	288,322
Other restricted funds	16,120	121,905	(163,788)	-	(25,763)
Pension reserve	(2,145,000)	(2,624,000)	(549,408)	(1,130,000)	(6,448,408)
	<u>(1,540,533)</u>	<u>5,038,386</u>	<u>(7,930,351)</u>	<u>(1,123,184)</u>	<u>(5,555,682)</u>
Restricted fixed asset funds					
Inherited on conversion	33,950	375,000	(2,288)	-	406,662
Inherited on transfer	-	5,258,649	(69,687)	(11,723)	5,177,239
DfE group capital grants	528,040	1,015,745	(29,596)	(73,553)	1,440,636
Capital expenditure from GAG	370,766	-	(43,748)	78,460	405,478
	<u>932,756</u>	<u>6,649,394</u>	<u>(145,319)</u>	<u>(6,816)</u>	<u>7,430,015</u>
Total restricted funds	<u>(607,777)</u>	<u>11,687,780</u>	<u>(8,075,670)</u>	<u>(1,130,000)</u>	<u>1,874,333</u>
Unrestricted funds					
General funds	<u>256,517</u>	<u>536,197</u>	<u>(122,088)</u>	<u>-</u>	<u>670,626</u>
Total funds	<u>(351,260)</u>	<u>12,223,977</u>	<u>(8,197,758)</u>	<u>(1,130,000)</u>	<u>2,544,959</u>

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

General Annual Grant must be used for the normal running expenses of the Trust and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Educational Needs, Early Years funding, Growth funding and Start Well Centre funding.

The pension reserves represents the value of the Trust's share of the deficit in the Local Government Pension Scheme.

Restricted fixed asset funds include Bedford Hall playing field, expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	498,659	1,730,952	(1,870,831)	48,047	406,827
Other DfE / ESFA grants	31,380	342,623	(317,650)	-	56,353
Other government grants	89,652	644,682	(550,385)	(58,781)	125,168
Other restricted funds	17,920	57,741	(59,541)	-	16,120
Pension reserve	(1,256,000)	-	(225,000)	(664,000)	(2,145,000)
	<u>(618,389)</u>	<u>2,775,998</u>	<u>(3,023,407)</u>	<u>(674,734)</u>	<u>(1,540,532)</u>
Restricted fixed asset funds					
Transfer on conversion	34,241	-	(290)	-	33,951
DfE group capital grants	475,229	85,798	(19,983)	(13,002)	528,042
Capital expenditure from GAG	401,774	-	(55,826)	24,816	370,764
	<u>911,244</u>	<u>85,798</u>	<u>(76,099)</u>	<u>11,814</u>	<u>932,757</u>
Total restricted funds	<u>292,855</u>	<u>2,861,796</u>	<u>(3,099,506)</u>	<u>(662,920)</u>	<u>(607,775)</u>
Unrestricted funds					
General funds	<u>246,299</u>	<u>155,062</u>	<u>(143,766)</u>	<u>(1,080)</u>	<u>256,515</u>
Total funds	<u>539,154</u>	<u>3,016,858</u>	<u>(3,243,272)</u>	<u>(664,000)</u>	<u>(351,260)</u>

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Bedford Hall Methodist Primary School	145,577	105,450
Westleigh Methodist Primary School	507,622	373,485
Rosehill Methodist Primary School	222,233	-
Wesley Methodist Primary School	131,382	-
Nutgrove Methodist Primary School	32,141	-
Summerseat Methodist Primary School	76,544	-
Central services	447,852	382,048
Total before fixed assets fund and pension reserve	1,563,351	860,983
Restricted fixed asset fund	7,430,015	932,757
Pension reserve	(6,448,408)	(2,145,000)
Total funds	2,544,958	(351,260)

Note the funds balance for Westleigh Methodist Primary School shown above also includes the Startwell Centre.

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Bedford Hall Methodist Primary School	864,304	65,795	91,314	146,637	1,168,050	1,210,664
Westleigh Methodist Primary School	874,084	356,556	109,533	218,670	1,558,843	1,372,408
Rosehill Methodist Primary School	1,329,487	374,883	84,350	219,960	2,008,680	-
Wesley Methodist Primary School	879,583	120,026	59,586	168,608	1,227,803	-
Nutgrove Methodist Primary School	544,671	131,242	68,588	103,790	848,291	-
Summerseat Methodist Primary School	250,615	65,944	34,217	59,076	409,852	-
Central services	159,605	439,312	55,654	179,353	833,924	584,102
	4,902,349	1,553,758	503,242	1,096,094	8,055,443	3,167,174

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	2,511	2,511
Tangible fixed assets	-	-	6,565,900	6,565,900
Current assets	670,626	1,665,010	861,604	3,197,240
Creditors falling due within one year	-	(757,395)	-	(757,395)
Creditors falling due after one year	-	(25,297)	-	(25,297)
Defined benefit pension liability	-	(6,438,000)	-	(6,438,000)
Total net assets	670,626	(5,555,682)	7,430,015	2,544,959

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	872,038	872,038
Current assets	317,234	861,869	-	1,179,103
Creditors falling due within one year	(60,719)	(219,778)	60,719	(219,778)
Creditors falling due after one year	-	(37,623)	-	(37,623)
Defined benefit pension liability	-	(2,145,000)	-	(2,145,000)
Total net assets	256,515	(1,540,532)	932,757	(351,260)

21 Pension and similar obligations

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

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

Contributions amounting to £119,874 were payable to the schemes at 31 August 2021 (2020: £41,372) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employers pension costs paid to the TPS in the period amounted to £597,823 (2020: £212,156).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.3 to 21% for employers and 5.5 to 12.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

Total contributions made	2021 £	2020 £
Employer's contributions	362,000	151,000
Employees' contributions	103,000	44,000
Total contributions	465,000	195,000

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.78	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.66	1.7
Inflation assumption (CPI)	2.8	

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

	2021 Years	2020 Years
Retiring today		
- Males	20.6	20.5
- Females	23.5	23.1
Retiring in 20 years		
- Males	22.0	22.0
- Females	25.4	25.0

	2021 £'000	2020 £'000
Real discount rate - 0.1% (2020: - 0.5%)	347	602
Salary increase rate + 0.1% (2020: + 0.5%)	178	45
Pension increase rate + 0.1% (2020: + 0.5%)	170	548

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

	2021 Fair value £	2020 Fair value £
Equities	4,195,214	1,269,560
Bonds	891,252	298,720
Cash	406,718	168,030
Property	422,965	130,690
Other assets	50,851	-
Total market value of assets	5,967,000	1,867,000

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

The actual return on scheme assets was £1,020,000 (2020: £226,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	836,408	350,000
Interest income	(73,000)	(29,000)
Interest cost	147,000	55,000
Benefit changes, curtailments and settlements gains or losses	(1,000)	-
Administration expenses	1,000	-
Total operating charge	910,408	376,000

Changes in the present value of defined benefit obligations	2021 £
At 1 September 2020	4,012,000
Obligations acquired on conversion	85,000
Transferred in on existing academies joining the Academy Trust	5,173,000
Current service cost	826,000
Interest cost	147,000
Employee contributions	103,000
Actuarial loss	2,077,000
Benefits paid	(18,000)
At 31 August 2021	12,405,000

Changes in the fair value of the Academy Trust's share of scheme assets	2021 £
At 1 September 2020	1,867,000
Assets acquired on conversion	34,000
Transferred in on existing academies joining the Academy Trust	2,600,000
Interest income	73,000
Actuarial gain	947,000
Employer contributions	362,000
Employee contributions	103,000
Benefits paid	(18,000)
Administrative expenses	(1,000)
At 31 August 2021	5,967,000

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	4,026,219	(226,414)
Adjusted for:		
Net surplus on conversion to academy	(397,263)	-
Net surplus on transfer of academy in the trust	(3,026,495)	-
Capital grants from DfE and other capital income	(1,015,745)	(85,798)
Investment income receivable	(191)	(468)
Defined benefit pension costs less contributions payable	475,408	199,000
Defined benefit pension scheme finance cost	74,000	26,000
Depreciation of tangible fixed assets	144,482	76,099
Amortisation of intangible fixed assets	837	-
(Increase)/decrease in debtors	(1,213,978)	30,734
Increase in creditors	537,613	76,294
Stocks, debtors and creditors transferred on conversion	762,650	-
Net cash provided by operating activities	367,537	95,447

23 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,030,444	804,159	1,834,603
Loans falling due within one year	(12,319)	(4)	(12,323)
Loans falling due after more than one year	(37,623)	12,326	(25,297)
	<u>980,502</u>	<u>816,481</u>	<u>1,796,983</u>

24 Contingent liabilities

The academy had no contingent liabilities at 31 August 2021.

25 Related party transactions

Mr Buckley, husband of Mrs J Buckley, the chief operating officer, provided maintenance services amounting to £1,855. The trust purchased these services at arms' length and Mrs Buckley did not influence the decision to purchase the service which was deemed by the directors to be in the best interest of the trust.

No other related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Members' liability

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

27 Conversion to an academy

On 1 December 2020, Summerseat Methodist Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Epworth Education Trust from the Bury Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion		
Summerseat Methodist Primary School	Bury	1 December 2020		
	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Net assets transferred:				
Pension scheme deficit	-	(51,000)	-	(51,000)
	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	375,000	375,000
LA budget funds	73,263	-	-	73,263
LGPS pension funds	-	(51,000)	-	(51,000)
	73,263	(51,000)	375,000	397,263

EPWORTH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

28 Transfer of existing academies into the Academy Trust

Nutgrove Methodist Primary School

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Net assets acquired			
Leasehold land and buildings	2,457,915	(2,057,120)	400,795
Other tangible fixed assets	19,505	-	19,505
Net assets	52,000	330,361	382,361
Pension scheme	(637,000)	-	(637,000)
Total net assets	1,892,420	(1,726,759)	165,661

Wesley Methodist Primary School

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Net assets acquired			
Leasehold land and buildings	2,376,523	-	2,376,523
Other tangible fixed assets	32,846	-	32,846
Net assets	207,000	(6,916)	200,084
Intangible assets	3,348	-	3,348
Pension scheme	(432,000)	-	(432,000)
Total net assets	2,187,717	(6,916)	2,180,801

Rosehill Methodist Primary School

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Net assets acquired			
Leasehold land and buildings	6,734,995	(4,674,318)	2,060,677
Other tangible fixed assets	5,974	-	5,974
Net assets	165,000	(48,916)	116,084
Pension scheme	(1,504,000)	-	(1,504,000)
Total net assets	5,401,969	(4,723,234)	678,735