

Company Registration Number: 07530373 (England & Wales)

EAST MIDLANDS EDUCATION TRUST

(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2023

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

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EAST MIDLANDS EDUCATION TRUST
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Reference and administrative details

Members	Dr A M Hindmarsh Mr C Campbell Mr P Harding Ms A Fitchett Dr S Gornall
Trustees	Mr P T Booth Mr B A Carr Mr N Clifton Dr J F Collins Ms K M Foale (resigned 31 August 2023) Dr A M Hindmarsh Mr R McDonough Ms M Robson Ms S A Tinley* Mr P J Winter* Ms A Witheford

* members of the Audit & Risk Committee

Company registered number	07530373
Company name	East Midlands Education Trust
Principal and registered office	The West Bridgford School Loughborough Road West Bridgford Nottingham NG2 7FA
Company secretary	Mrs E Aldridge
Chief executive officer	Mr R McDonough
Senior management team	Mr R McDonough, Chief Executive Officer Miss H Morrissey, Chief Financial Officer Mrs H Darnbrough, Director of Operations Mrs L Walton, Deputy CEO Mrs L Azemia, Deputy CEO
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust as at the 31st August 2023 consists of 23 academies, 9 secondary, 13 primary and 1 alternative provision, working across Nottingham City, Nottinghamshire, Derby City, Derbyshire and Leicestershire.

Structure, governance and management

a. Constitution

The Trust is a charitable 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 Trustees of East Midlands Education Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as East Midlands Education Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Trust insurance indemnifies the Trustees through the Department for Education risk protection arrangement (RPA).

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Trustees, who are also the Directors, are appointed under the terms of the Trust's Articles of Association as follows:

The Trust shall have the following Trustees:

- Not less than 3 Trustees, maximum 15 Trustees;
- The Chief Executive Officer;
- The members may appoint Trustees through such process as they may determine. The Members will take into consideration, but will not be bound by, the recommendations of the Local Governing Bodies of the Academies when appointing Trustees;
- The total number of Trustees including the Chief Executive Officer who are employees of the Trust shall not exceed one third of the total number of Trustees;
- There shall be a minimum of two Parent Trustees unless there are Local Governing Bodies which include at least two parent members;
- Where the Trust is required to have Parent Trustees they shall be either elected or appointed as determined by the Trustees;
- The Trustees may appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Trust as a Co-opted trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees (including the Chief Executive Officer).

e. Policies adopted for the induction and training of Trustees

During the year under review, the Trustees had 7 meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and Directors of the Charitable Company. As there is normally expected to be only a small number of new Trustees each year, induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The Chief Executive is the Accounting Officer. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, and senior staff appointments. The Trustees are responsible for monitoring the performance of the Chief Executive and Local Governing Bodies on a regular basis.

The Local Governing Bodies control the schools, implementing the policies laid down by the Trustees and reporting back to them. The Local Governing Bodies are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

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

The pay of the CEO is determined by the Trustees pay committee with other senior staff pay decisions being reported to the pay committee. The pay of the head teachers is delegated to the Local Governing Body, under the advice of the CEO, but decisions are made in accordance with EMET's pay policy. The pay of senior staff in individual schools is a matter for the local governing body to determine. Pay for any senior staff whose salary is over £100k will be determined by the Trustees.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	10
Full-time equivalent employee number	9

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	6
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	2,732
Total pay bill	63,745,337
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Engagement with employees (including disabled persons)

Employees are always consulted regarding significant issues which relate to them. This is by means of direct consultation, through the management structure in schools and through the Trade Unions. We have a Joint Consultation Panel with the Trade Unions and this is our mechanism for consultation on employee related matters. The Panel currently meet termly.

The Trust continues to promote its Employee Assist Programme, which covers health and wellbeing support for all employees. This year the Trust has introduced an employee benefits platform which offers discounts with reputable online suppliers as well as a salary sacrifice, cycle purchase scheme.

The Trust has a robust appraisal system and policy for both Teaching and Associate staff where targets are set in line with Trust and school priorities. This enables all staff to contribute to school improvement and identify any continuing professional development needs.

The Trust is an equal opportunities employer and has robust policies in place to ensure equality for all. The Trust has signed up to become more Disability Confident. Disability Confident provides employers with the knowledge, skills and confidence they need to attract, recruit, retain and develop disabled people in the workplace. The Trust has been awarded the Disability Confident Committed Certificate for 3 years.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

j. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust recognises its responsibility to all stakeholders and actively encourages engagement through a variety of channels such as the Trust website, social media and consultations. The key stakeholders for the Trust are the pupils and their parents and carers.

The Trust's procurement strategy ensures that all suppliers are dealt with in an appropriate manner throughout the working relationship. Frameworks are followed to ensure the Trust is compliant whilst achieving value for money.

Objectives and activities

a. Objects and aims

The Trust was established to improve the life chances of students in all partner schools. The mission of the Trust is consequently clear and straightforward:

'To ensure all our students realise their full potential and develop into young citizens who make a positive contribution to society.'

Schools within the Trust are therefore committed to supporting each other in providing the very best quality of education for all our students. All partner schools have pledged to achieve the Trust's mission through following our six guiding principles:

- Providing outstanding opportunities for everyone associated with our Trust and delivering a lasting legacy for each individual student.
- Helping all our students realise their full potential by raising aspirations, boosting self-esteem and growing the confidence to aim high and achieve well.
- Developing work ready students with the skills, knowledge, expertise and character aligned to the needs of employers in a global world, which will prepare them for future success in further and higher education as well as employment.
- Developing active citizens with a sense of moral purpose who will contribute positively to their local community, wider society and by leading successful economically independent lives.
- Reducing disadvantage by closing the gap through inspirational teaching and outstanding enrichment opportunities for all students regardless of ability, social background and cultural diversity.
- Ensuring, through collaboration with all stakeholders, that each school is the preferred choice within its local community.

All schools within the Trust welcome the opportunity to be an equal and valued partner within EMET and see their success as being measured in the achievement of their own targets and in the achievements of the Trust as a whole.

Partner schools undertake to contribute to the success of the Trust by:

- Working together in a spirit of collaboration and cooperation to further the interests of all Trust members.
- Celebrating and building on the traditions of all partner schools within the Trust.
- Developing our specialisms and strengths across the partnership whilst supporting one another in our respective areas for development.
- Taking a partnership approach to the recruitment and selection of staff.
- Ensuring that our facilities are used to their fullest extent by the partnership and its community.
- Coordinating our calendar to ensure that it enhances the opportunities for staff and students to work on partnership initiatives.
- Contributing to partnership wide CPD opportunities for all staff.

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Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

- Adapting our timetable and options system to promote wider choice and participation for staff and students within the partnership.
- Deploying our best teachers, managers and leaders within the partnership, to promote the best teaching and learning across the partnership.
- Making a unique contribution to the development of knowledge, skills and understanding in education.
- Providing the Trustees with accurate and useful information about the progress of the partner schools.

b. Objectives, strategies and activities

The Trust's Development Plan describes our objectives and aims. Having consistently achieved excellent academic results for a number of years our plans are to ensure that all schools in the Trust achieve an Ofsted judgement of at least 'Good'. Leaders and managers at all levels are encouraged to innovate in response to a continually changing educational climate and an absolute priority remains to ensure that all children feel safe in an environment where the discipline is firm but fair yet where student voice is heard.

Best practice in teaching and learning is widely shared in order to ensure that all children thrive and succeed and make better than expected practice.

c. Public benefit

In setting the objectives, the Trustees have given careful consideration to the Trust's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The objective of the Trust during the year was to advance for public benefit education in our schools and the surrounding area, in particular, but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools and offering a broad curriculum.

Strategic report

Achievements and performance

a. Review of activities and key performance indicators

The Trust now provides education for approximately 13,093 children across the East Midlands region.

Secondary Progress and Attainment

The performance of our schools at GCSE was strong in terms of our progress 8 measure with just one school being adversely impacted on by the pandemic.

School	Progress 8	OFSTED
The West Bridgford School	+0.80	Outstanding (2011)
The Kimberley School	+0.26	Good (2022)
Limehurst Academy	+0.23	Good (2022)
John Flamsteed Community School	+0.16	Good (2019)
South Wolds Academy and Sixth Form	+0.16	Good (2019)
Highfields School	+0.09	Good (2017)
The Joseph Whitaker School	-0.03	Good (2019)
Castle Donington College	-0.16	Good (2019)
The Ripley Academy	-0.31	Good (2020)

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Ten of our schools were inspected during this reporting year and all secured Ofsted Good grades. Our teacher training division was also inspected and secured a good grade.

Our Alternative Provision school continues to provide excellent support to local schools for children who require a more individually tailored experience and the majority of the children in their care achieve well and go onto further education and training.

Primary Progress and Attainment

Our primary school performance was also strong, especially with those schools who have been with us for more than three years. Heathlands Primary School and Blidworth Oaks Primary School have only recently joined the trust.

2023 KS2 Data	Reading	Reading Progress	Writing	Writing Progress	Maths	Maths Progress	Combined RWM	OFSTED
Awsorth Primary & Nursery School	64%	0.30	74%	2.3	66%	0.6	56%	Good (2022)
Blidworth Oaks Primary School	63%	-0.6	67%	0.6	57%	-1.1	45%	Good (2017)
Chellaston Junior School	77%	-1.33	66%	-0.38	69%	-1.09	59%	Good (2023)
Gilthill Primary School	97%	1.2	83%	1.0	80%	1.4	67%	Good (2022)
Homefields Primary School	84%	0.2	82%	0.41	87%	1.82	80%	Outstanding (2010)
Hollywell Primary School	69%	0.71	79%	3.24	76%	1.89	62%	Good (2023)
Heathlands Primary School	60%	-1.4	80%	3.0	60%	-1.5	44%	Good (2018)
Kimberley Primary School	86%	1.5	79%	0.6	93%	2.9	68%	Good (2022)
Mornington Primary School	68%	1.2	72%	0.7	79%	2.5	57%	Good (2022)
Street Lane Primary School	92%	0.55	92%	1.29	85%	-0.22	85%	Good (2022)
EMET	73%	0.26	77%	1.42	73%	0.8	69%	

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

c. Promoting the Success of the Company

The Board of Trustees has in place formal approved Terms of Reference, which create the framework for the Trustees to achieve its purpose of leading and directing the affairs of the Trust in order to promote the long-term sustainable success of the Trust and ensuring sound governance, with consideration for the interests of employees, suppliers and other stakeholders.

Financial review

a. Annual review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended the 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2023, one new school joined the Trust, Heathlands Primary School. The school joined the trust on 1 January 2023 and the financial impact of this conversion is set out in note 34 to these financial statements. The trust also worked throughout 2022/23 on the opening of a new primary school, Oak Grange in Derby City, which opened to children September 2023.

The Trust also received grants for fixed assets from the ESFA and via the Local Authority. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year capital expenditure of £9,953k was utilised for investment in the Trusts' fixed assets.

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Trustees' report (continued)
For the year ended 31 August 2023

b. Reserves policy

The Board of Trustees review the level of reserves held annually. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves.

Reserves at the end of the period are £193,232k. The reserves will be used to fund, current commitments, and future building projects as well as expenditure required to set up new courses and implement the Aims and Objectives of the Trust as outlined in the Development Plan.

The total of restricted and unrestricted funds, the principle measure used by the ESFA to assess the financial health of a Trust, now stands at £9,622k. This represents an improvement of £932k from 31 August 2022.

The fund balances held by the Trust as at 31 August 2023 comprise a surplus of £3,630k (2022: £3,567k) of restricted general funds (excluding pension reserve), a surplus of £5,922k (2022: £5,123k) of unrestricted general funds and a pension reserve deficit of £1,776k (2022: £8,796k). The deficit position of the pension scheme will only have an impact on cash flows for the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years. The majority of the net assets relate to fixed asset funds (land and buildings) being £185,386k (2022: £171,005k).

The Trust has cash balances of £18,607k at the end of August 2023.

c. Investment policy

In line with the Investment policy the Chief Financial Officer has transferred a proportion of funds to a deposit account in order to earn a higher interest rate on the funds available. In addition, research into other opportunities is underway to secure a better return on the funds available with the lowest risk possible.

d. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed and a Risk Management Statement and Statement of Control is in place. The Trustees have a range of policies in place to assess risks that the schools face, especially in operational areas (e.g. in relation to teaching, health and safety, bullying, school trips, safeguarding and the control of finance). Our audit committee examine all of the trusts risks in detail and they receive comprehensive reports on all aspects of the trusts operations and our assessment of risk.

There are a number of factors which may affect the principal risks and uncertainties that the Trust faces and how the Trust intends to resolve them. These include:

A change in government policy

With a change in Government policy, the funding of the Trust may change and may result in a reduction in funding. This is mitigated by building unrestricted reserves which may be used in time where funding has been restricted.

Pensions

The Trusts' non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme and consequently the Trust balance sheet shows a net liability of £1,776k. It should be noted that this does not present the Trust with any current liquidity problem.

Health and safety and compliance failures

The Trust employs a third party health and safety management company to audit the Trust estate, the findings are reported to the audit committee for scrutiny. Allocation of the Trust's capital funds across the estate is driven by the health and safety reporting to ensure risks are mitigated.

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Trustees' report (continued)
For the year ended 31 August 2023

Fundraising

The Trust has no commercial fund raising arrangements in place with any internal or external partners. Academies within the Trust do secure a relatively small amount of funding as voluntary contributions. The Trust does however generate income through the hire of its facilities. All fundraising during the year was monitored by the Trustees.

Streamlined energy and carbon reporting

The Trust's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	4,070,288	4,365,320
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	253.30	279.29
Owned transport	6.21	4.17
Total scope 1	<u>259.51</u>	<u>283.46</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>514.98</u>	<u>550.59</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>9.00</u>	<u>7.76</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>783.49</u>	<u>841.81</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.06</u>	<u>0.07</u>

The Trust has followed and used the following quantification and reporting methodologies:

- the 2022 Streamlined Energy and Carbon Reporting (SECR) for academy trusts Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2022 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Three key measures taken to improve energy efficiency:

1. Building insulation improvements at 3 schools and roof and window replacement at 1 school
2. LED light replacement programme at several schools
3. New energy efficient boiler at 1 secondary school

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Trustees' report (continued)
For the year ended 31 August 2023

Plans for future periods

The trust has grown rather cautiously in order to ensure we can maintain the very highest of standards in all of our schools.

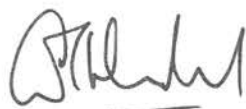
During the 2023/24 year we will be welcoming more schools into the East Midlands Education Trust and we continue to engage with a number of other prospective partners. We are presently in the pre-opening stage of a maths school for the East Midlands in partnership with the University of Nottingham.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11.12.23 and signed on its behalf by:



.....
Dr A M Hindmarsh
(Chair of Trustees)

EAST MIDLANDS EDUCATION TRUST
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that East Midlands 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 East Midlands 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 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
P Booth	7	7
J Collins	4	7
A Hindmarsh (Chair)	5	7
R McDonough (CEO and Accounting Officer)	7	7
K Foale (resigned 31 August 2023)	5	7
B Carr	7	7
P Winter	6	7
N Clifton	7	7
S Tinley	6	7
A Witheford	6	7
M Robson	6	7

Trustees receive a range of data from the corporate team which provides detailed insights into the working of the trust and trust performance. But trustees also use a range of external data to triangulate the accuracy of corporate reports and they look for confirmation. This year external data has come from Ofsted reports, external audit and internal audit reports, FFT school performance data and DfE information about the trust.

There were no specific matters dealt with by the committee during the year which are necessary to disclose. There were no significant changes made to the composition of the board during the year.

Conflicts of interest

The trust manages potential conflicts of interests by ensuring that:

- There is systematic capturing of declarations of interest and the register of interests is updated at least annually
- Conflicted individuals/organisations are removed from the decision-making process
- Competitive procurement procedures are followed in line with the Trust procurement policy
- Decision making is based on a value for money assessment

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Governance Statement (continued)

Governance (continued)

Governance reviews

Trustees undertake an annual self-review using metrics derived from a number of available tools. This is used to help inform best practice and to review the skills of the trustees and the possible need for additional recruitment. Trustees conclude the board is a strong board offering extensive experience. Their skills mapping exercise shows there to be no gaps in the expertise and experience we need at present.

The next review we intend to undertake will be in the summer of 2024.

The Audit & Risk Committee is also a sub-committee of the main Board of Trustees. Its main purpose is to advise the Board of Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Winter	3	3
S Tinley	3	3

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- The use of public sector framework agreements to leverage best cost solutions for key, repeatable contracted services. Examples of this include:
 - The management information system for all secondary schools are now on one central agreement via a framework. Value for money benefits include aggregated spend/volume and reduced operational time throughout its life.
 - The compliance management system contract was sourced via a compliant framework route, removing the inconsistencies of varying contracts and end dates. Value for money benefits include aggregated spend/volume leveraging discounts to their full potential and reduced operational time throughout its life.
- The Procurement Manager has supported schools in sourcing individual requirements, often via framework agreements to leverage best value opportunities. An example of this is print management contracts which resulted in cost savings as well as favourable service levels and terms and conditions.
- Utility meters (gas and electric) across a number of schools have now been strategically transferred (at renewal) to a public sector framework agreement to lower the impact of financial risks in the volatile market. The strategy for energy procurement had to evolve in line with the recent crisis and whilst increases in spend have been seen, value for money has been achieved by avoiding further cost increases at the most volatile times.
- School Condition Allocation (SCA) funds have been utilised by the Trust to address building condition and health and safety works across the estate. Examples of this include:

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Governance Statement (continued)

Review of value for money (continued)

- Roof repairs or replacements at Chellaston Junior School, The Kimberley School and The Ripley Academy
- Replacement of cladding and new windows at The West Bridgford School
- Boiler replacements at Highfields School and Southwolds Academy
- LED light replacement programme and electrical safety works at Southwolds Academy
- Toilet refurbishments and resurfacing works at a number of sites

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in East Midlands Education Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ UHY Hacker Young LLP as internal auditor.

This option has been chosen because UHY offer significant expertise to carry out internal scrutiny reviews of the Trust and assist the Accounting Officer to fulfil their duties to the ESFA.

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

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

On a semi-annual basis, the internal auditor reports to the board of Trustees through the Audit & Risk Committee

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Governance Statement (continued)

The risk and control framework (continued)

on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress..

UHY Hacker Young LLP has been able to deliver their schedule of work as planned and no material control issues were identified.

Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- correspondence from ESFA e.g. FNI/Ntl and 'minded to' letters.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



.....
Dr A M Hindmarsh
Chair of Trustees



.....
Mr R McDonough
Accounting Officer

Date: 11.12.23

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

As accounting officer of East Midlands Education Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, including for estates safety and management, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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



Mr R McDonough
Accounting Officer

Date: 11/12/2023

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2023

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

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

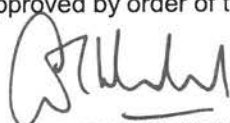
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



.....
Dr A M Hindmarsh
Chair of Trustees

Date: 11.12.23

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of East Midlands Education Trust

Opinion

We have audited the financial statements of East Midlands Education Trust (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of East Midlands Education Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of East Midlands Education Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of East Midlands Education Trust (continued)

Use of our report

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



Sarah Flear (Senior statutory auditor)

for and on behalf of

PKF Smith Cooper Audit Limited

Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 12 December 2023

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to East Midlands Education Trust
and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 2 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by East Midlands Education Trust during the year 1 September 2022 to 31 August 2023 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 East Midlands Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to East Midlands 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 East Midlands Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of East Midlands Education Trust's funding agreement with the Secretary of State for Education dated 28 March 2011 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 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 Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

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

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to East Midlands Education Trust
and the Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited
Statutory Auditors

2 Lace Market Square
Nottingham
NG1 1PB

Date: 12 December 2023

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants:	4					
Transfer from local authority on conversion		(4)	(62)	4,258	4,192	30,064
Transfer in of existing academies		-	-	-	-	3,107
Other donations and capital grants		20	-	14,165	14,185	6,055
Other trading activities	6	2,714	-	-	2,714	2,320
Investments	7	135	-	-	135	4
Charitable activities:	5					
Trust educational operations		871	80,967	-	81,838	70,502
Teaching schools		-	551	-	551	609
Total income		3,736	81,456	18,423	103,615	112,661
Expenditure on:						
Raising funds	8	2,867	537	-	3,404	3,265
Charitable activities:	8					
Trust educational operations		-	79,786	6,052	85,838	79,430
Teaching schools		-	596	-	596	565
Total expenditure carried forward		2,867	80,919	6,052	89,838	83,260

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note					
Total expenditure brought forward		2,867	80,919	6,052	89,838	83,260
Net income		869	537	12,371	13,777	29,401
Transfers between funds	20	-	(2,010)	2,010	-	-
Net movement in funds before other recognised gains/(losses)		<u>869</u>	<u>(1,473)</u>	<u>14,381</u>	<u>13,777</u>	<u>29,401</u>
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	28	-	8,799	-	8,799	47,350
Derecognition of pension surplus	28	-	(243)	-	(243)	-
Net movement in funds		<u>869</u>	<u>7,083</u>	<u>14,381</u>	<u>22,333</u>	<u>76,751</u>
Reconciliation of funds:						
Total funds brought forward		5,123	(5,229)	171,005	170,899	94,148
Net movement in funds		869	7,083	14,381	22,333	76,751
Total funds carried forward		<u>5,992</u>	<u>1,854</u>	<u>185,386</u>	<u>193,232</u>	<u>170,899</u>

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

The notes on pages 29 to 65 form part of these financial statements.

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)
Registered number: 07530373

Balance sheet
As at 31 August 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	15	180,973	165,819
		<u>180,973</u>	<u>165,819</u>
Current assets			
Stocks	16	27	32
Debtors	17	4,021	3,685
Cash at bank and in hand	25	18,607	17,908
		<u>22,655</u>	<u>21,625</u>
Creditors: amounts falling due within one year	18	(8,455)	(7,499)
Net current assets		<u>14,200</u>	<u>14,126</u>
Total assets less current liabilities		<u>195,173</u>	<u>179,945</u>
Creditors: amounts falling due after more than one year	19	(165)	(250)
Net assets excluding pension liability		<u>195,008</u>	<u>179,695</u>
Defined benefit pension scheme liability	28	(1,776)	(8,796)
Total net assets		<u><u>193,232</u></u>	<u><u>170,899</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	185,386	171,005
Restricted income funds	20	3,630	3,567
		<u>189,016</u>	<u>174,572</u>
Restricted funds excluding pension asset	20	189,016	174,572
Pension reserve	20	(1,776)	(8,796)
Total restricted funds	20	<u>187,240</u>	<u>165,776</u>
Unrestricted income funds	20	5,992	5,123
Total funds		<u><u>193,232</u></u>	<u><u>170,899</u></u>

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)
Registered number: 07530373

Balance sheet (continued)
As at 31 August 2023

The financial statements on pages 24 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Dr A M Hindmarsh
Chair of Trustees

Date: 11.12.23

The notes on pages 29 to 65 form part of these financial statements.

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	3,467	4,341
Cash flows from investing activities	24	(2,649)	754
Cash flows from financing activities	23	(119)	(47)
Change in cash and cash equivalents in the year		699	5,048
Cash and cash equivalents at the beginning of the year		17,908	12,860
Cash and cash equivalents at the end of the year	25, 26	18,607	17,908

The notes on pages 29 to 65 form part of these financial statements

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

1. General information

East Midlands Education Trust is a charitable company limited by guarantee, incorporated in England, United Kingdom. The address of its principal place of business and registered number is given on page 1 of these financial statements. The nature of its operations are set out in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

East Midlands Education Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is the functional currency of the Trust. Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

2.2 Company status

The members of the company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

2.3 Going concern

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

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

- **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Donations and Capital Grants' to the net assets acquired.

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.5 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 allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.6 Taxation

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

2.7 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

EAST MIDLANDS EDUCATION TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- not depreciated
Freehold property	- between 10 and 50 years straight line
Long leasehold land	- over the useful economic life of 125 years straight line
Long leasehold buildings	- over the useful economic life of between 24 and 59 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 4 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

2.8 Stocks

Unsold uniform, catering and stationery stocks are valued at the lower of costs or net realisable value.

2.9 Liabilities and provisions

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 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.

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

EAST MIDLANDS EDUCATION TRUST
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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

2.11 Operating leases

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

EAST MIDLANDS EDUCATION TRUST
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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.12 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

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

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

As a result of the assumptions applied by the actuary, the actuarial valuation at the year-end has resulted in a surplus position for one scheme within the Trust. The recognition of a surplus under FRS102 should only be made to the extent that an employer can expect to secure economic benefit from it, either by paying a reduced rate of contributions or taking a refund. It is not anticipated that the next actuarial valuation will result in a reduction to contributions and the Trust has no option to take a refund. The surpluses for the affected schemes have therefore been removed and are shown as a breakeven position at the year-end. The derecognition adjustment is shown as other recognised gains/losses. No offsetting has been applied against the other scheme's LGPS liability present at the year-end

2.13 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 33.

The Trust also acts as an agent in distributing training bursaries to trainee teachers from the NCTL. Funds received and paid are disclosed in note 33.

EAST MIDLANDS EDUCATION TRUST
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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.14 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

Local Government Pension Scheme

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 28, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Trust expects to consume the future economic benefits embodied in the assets.

Critical areas of judgment:

Transfers on conversion into to the Trust

Heathlands Primary School converted to academy status and the assets and liabilities as at the date of conversion were transferred into the Trust.

Significant balances transferred included the LGPS pension scheme deficit and freehold/leasehold land and buildings. Whilst valuations have been received in respect of these assets and liabilities, there is an inherent level of judgment and estimation involved in their recognition as alluded to above.

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Notes to the financial statements
For the year ended 31 August 2023

4. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	20	-	7,015	7,035	49
Capital Grants	-	-	7,150	7,150	6,006
Transfer of existing academies into the trust	-	-	-	-	3,107
Transfer from local authority on conversion	(4)	(62)	4,258	4,192	30,064
Total 2023	<u>16</u>	<u>(62)</u>	<u>18,423</u>	<u>18,377</u>	<u>39,226</u>
<i>Total 2022</i>	<u>246</u>	<u>(4,442)</u>	<u>43,422</u>	<u>39,226</u>	

EAST MIDLANDS EDUCATION TRUST
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Notes to the financial statements
For the year ended 31 August 2023

5. Funding for the Academy Trust's education operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	70,966	70,966	61,912
Other DfE/ESFA grants				
Pupil premium	-	2,808	2,808	2,382
Universal infant free school meals	-	451	451	322
Other DfE Group grants	-	1,227	1,227	1,146
	-	-	75,452	65,762
Other Government grants				
Special educational projects	-	2,225	2,225	1,755
Local authority grants	-	589	589	314
	-	2,814	2,814	2,069
Exceptional government funding				
Catch-up premium	-	(7)	(7)	78
Other DfE/ESFA Covid-19 funding	-	-	-	299
	-	(7)	(7)	377
Other income from the Trust's education operations				
School trip income	-	1,555	1,555	799
Other income	871	1,153	2,024	1,495
	871	2,708	3,579	2,294
Total 2023	871	80,967	81,838	70,502
<i>Total 2022</i>	619	69,883	70,502	

EAST MIDLANDS EDUCATION TRUST
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Notes to the financial statements
For the year ended 31 August 2023

6. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Hire of facilities	775	775	549
Catering income	1,939	1,939	1,771
Total 2023	<u>2,714</u>	<u>2,714</u>	<u>2,320</u>
<i>Total 2022</i>	<u>2,320</u>	<u>2,320</u>	

7. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Short term deposits	135	135	4

8. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Expenditure on raising funds:					
- Direct costs	1,408	-	1,996	3,404	3,265
Trust's educational operations					
- Direct costs	55,882	-	5,873	61,755	52,450
- Allocated support costs	11,726	8,922	3,435	24,083	26,980
Teaching school					
- Direct costs	241	-	297	538	522
- Allocated support costs	58	-	-	58	43
Total 2023	<u>69,315</u>	<u>8,922</u>	<u>11,601</u>	<u>89,838</u>	<u>83,260</u>
<i>Total 2022</i>	<u>65,812</u>	<u>8,389</u>	<u>9,059</u>	<u>83,260</u>	

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Notes to the financial statements
For the year ended 31 August 2023

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Trust's educational operations	61,755	24,083	85,838	79,430
Teaching school	538	58	596	565
	<u>62,293</u>	<u>24,141</u>	<u>86,434</u>	<u>79,995</u>

Analysis of direct costs

	Trust's educational operations 2023 £	Teaching school 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	55,882	241	56,123	48,352
Depreciation	501	-	501	449
Other direct costs	3,093	297	3,390	2,360
Books, apparatus and stationary	1,327	-	1,327	1,118
Examination fees	952	-	952	693
	<u>61,755</u>	<u>538</u>	<u>62,293</u>	<u>52,972</u>
<i>Total 2022</i>	<u>52,450</u>	<u>522</u>	<u>52,972</u>	

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Notes to the financial statements
For the year ended 31 August 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Trust's educational operations 2023 £	Teaching school 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	11,726	58	11,784	15,695
Depreciation	5,550	-	5,550	5,048
Maintenance of premises and equipment	1,287	-	1,287	1,325
Cleaning	488	-	488	516
Rent and rates	648	-	648	497
Heat and light	1,598	-	1,598	1,349
Insurance	302	-	302	245
Transport	25	-	25	16
(Profit)/loss on disposal of fixed assets	1	-	1	-
Technology costs	848	-	848	769
Bank and interest costs	8	-	8	7
Other support costs	1,527	-	1,527	1,330
Governance costs	75	-	75	226
	<u>24,083</u>	<u>58</u>	<u>24,141</u>	<u>27,023</u>
<i>Total 2022</i>	<u>26,980</u>	<u>43</u>	<u>27,023</u>	

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Notes to the financial statements
For the year ended 31 August 2023

10. Net income

Net income for the year includes:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	6,051	5,497
Loss on disposal of fixed assets	1	-
Fees paid to auditors for:		
- audit	37	37
- other services	8	5
	<u>6,091</u>	<u>5,539</u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses
- Compensation payments

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	50,235	44,509
Social security costs	5,077	4,204
Pension costs	12,471	15,933
	<u>67,783</u>	<u>64,646</u>
Agency staff costs	1,451	1,022
Staff restructuring costs	81	144
	<u>69,315</u>	<u>65,812</u>

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Notes to the financial statements
For the year ended 31 August 2023

11. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2023	2022
	£000	£000
Redundancy payments	78	102
Severance payments	3	42
	<u>81</u>	<u>144</u>

b. Severance payments

The Trust paid 1 severance payments in the year (2022 - 3), disclosed in the following bands:

	2023	2022
	No.	No.
£0 - £25,000	<u>1</u>	<u>3</u>

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	738	761
Admin and Support	1,066	1,035
Management	104	79
	<u>1,908</u>	<u>1,875</u>

d. Higher paid staff

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

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Notes to the financial statements
For the year ended 31 August 2023

11. Staff (continued)

d. Higher paid staff (continued)

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	26	<i>15</i>
In the band £70,001 - £80,000	12	<i>11</i>
In the band £80,001 - £90,000	5	<i>-</i>
In the band £90,001 - £100,000	3	<i>4</i>
In the band £100,001 - £110,000	4	<i>3</i>
In the band £110,001 - £120,000	1	<i>-</i>
In the band £130,001 - £140,000	1	<i>-</i>
In the band £140,001 - £150,000	-	<i>1</i>
In the band £170,001 - £180,000	-	<i>1</i>
In the band £210,001 - £220,000	1	<i>-</i>
	=====	<i>=====</i>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £842,000 (2022 - £708,000).

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Notes to the financial statements
For the year ended 31 August 2023

12. Central services

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

- Chief Executive
- Financial services
- Human resources
- Educational support services
- Other services as arising

The Trust charges for these services on the following basis:

A contribution of 4% of the academy's GAG funding

The actual amounts charged during the year were as follows:

	2023	2022
	£000	£000
The West Bridgford School	396	376
The Ripley Academy	196	166
South Wolds Academy and Sixth Form	219	196
The Kimberley School	327	296
John Flamsteed Community School	200	174
The Joseph Whitaker School	324	292
Awsworth Primary & Nursery School	51	49
CP Riverside School	52	46
Gilthil Primary School	38	36
Kimberley Primary School	37	33
Mornington Primary School	53	50
Street Lane Primary School	18	16
Larkfields Infant School	33	31
Hollywell Primary School	38	36
Chellaston Infant School	55	56
Chellaston Junior School	91	85
Homefields Primary School	55	54
Limehurst Academy	160	147
Blidworth Oaks Primary School	62	5
Castle Donnington College	149	82
Highfields School	293	265
Heathlands Primary School	20	-
Total	2,867	2,491

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Notes to the financial statements
For the year ended 31 August 2023

13. Trustees' remuneration and expenses

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

		2023	2022
		£000	£000
Mr R McDonough	Remuneration	215 - 220	175 - 180
	Pension contributions paid	-	20 - 25

The Trust do not make any payments contributing to pension, the individual makes their own arrangements.

During the year ended 31 August 2023, travel and subsistence expenses totalling £375 were reimbursed or paid directly to Trustee's (2022: £464).

14. Trustees' and Officers' insurance

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

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Notes to the financial statements
For the year ended 31 August 2023

15. Tangible fixed assets

	Freehold property £000	Long- term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Assets under course of construction £000	Total £000
Cost or valuation							
At 1 September 2022	107,464	78,208	3,282	3,344	51	1,810	194,159
Additions	727	412	864	427	-	7,523	9,953
Disposals	-	-	(3)	(197)	-	-	(200)
Transfers between classes	3,929	3,780	56	-	-	(7,765)	-
Donated asset	-	7,015	-	-	-	-	7,015
Transfer on conversion	-	4,239	-	-	-	-	4,239
At 31 August 2023	<u>112,120</u>	<u>93,654</u>	<u>4,199</u>	<u>3,574</u>	<u>51</u>	<u>1,568</u>	<u>215,166</u>
Depreciation							
At 1 September 2022	20,900	2,587	2,330	2,486	37	-	28,340
Charge for the year	3,560	1,560	423	501	7	-	6,051
On disposals	-	-	(1)	(197)	-	-	(198)
At 31 August 2023	<u>24,460</u>	<u>4,147</u>	<u>2,752</u>	<u>2,790</u>	<u>44</u>	<u>-</u>	<u>34,193</u>
Net book value							
At 31 August 2023	<u>87,660</u>	<u>89,507</u>	<u>1,447</u>	<u>784</u>	<u>7</u>	<u>1,568</u>	<u>180,973</u>
At 31 August 2022	<u>86,564</u>	<u>75,621</u>	<u>952</u>	<u>858</u>	<u>14</u>	<u>1,810</u>	<u>165,819</u>

Included within freehold property is freehold land with a value of £20,248,000 (2022: £19,593,000), which is not depreciated.

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Notes to the financial statements
For the year ended 31 August 2023

16. Stocks

	2023 £000	2022 £000
Catering, uniform and stationary	27	32

17. Debtors

	2023 £000	2022 £000
Trade debtors	774	183
Other debtors	107	41
Prepayments and accrued income	2,030	1,970
VAT recoverable	1,110	1,491
	<u>4,021</u>	<u>3,685</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	88	122
Trade creditors	1,579	1,601
Other taxation and social security	1,194	1,084
Other creditors	1,284	1,207
Accruals and deferred income	4,310	3,485
	<u>8,455</u>	<u>7,499</u>

The loans are Salix loans which are repayable in half-yearly instalments over a period of 6-8 years. These loans do not bear any interest and are not secured against any asset.

	2023 £	2022 £
Deferred income		
Deferred income at 1 September 2022	971	1,170
Resources deferred during the year	1,500	971
Amounts released from previous periods	(971)	(1,170)
	<u>1,500</u>	<u>971</u>

Included within deferred income is grant funds (£1,019,000) and other income (£31,000) received in advance of entitlement, trip income received for trips (£313,000) not taking place until after the yearend and catering income (£138,000) for school meals not yet provided.

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Notes to the financial statements
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19. Creditors: Amounts falling due after more than one year

	2023	2022
	£000	£000
Loans	165	250

The loans are Salix loans which are repayable in half-yearly instalments over a period of 6-8 years. These loans do not bear any interest and are not secured against any asset.

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Notes to the financial statements
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20. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	5,123	3,736	(2,867)	-	-	5,992
Restricted general funds						
General Annual Grant (GAG)	2,872	70,966	(68,891)	(2,010)	-	2,937
Pupil premium	-	2,808	(2,808)	-	-	-
Universal infant free school meals	-	451	(451)	-	-	-
Other DfE Group	-	1,227	(1,227)	-	-	-
Other government grants	-	2,807	(2,807)	-	-	-
Other restricted funds	695	3,259	(3,261)	-	-	693
Pension reserve	(8,796)	(62)	(1,474)	-	8,556	(1,776)
	<u>(5,229)</u>	<u>81,456</u>	<u>(80,919)</u>	<u>(2,010)</u>	<u>8,556</u>	<u>1,854</u>
Restricted fixed asset funds						
Capital grants	22,084	7,150	(2,341)	-	-	26,893
Assets transferred from predecessor school	72,291	4,258	(1,949)	-	-	74,600
Capital expenditure from GAG	4,825	-	(1)	2,010	-	6,834
Assets transferred on acquisition	68,805	-	(1,696)	-	-	67,109
Donated asset	3,000	7,015	(65)	-	-	9,950
	<u>171,005</u>	<u>18,423</u>	<u>(6,052)</u>	<u>2,010</u>	<u>-</u>	<u>185,386</u>
Total Restricted funds	<u>165,776</u>	<u>99,879</u>	<u>(86,971)</u>	<u>-</u>	<u>8,556</u>	<u>187,240</u>

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Notes to the financial statements
For the year ended 31 August 2023

20. Statement of funds (continued)

Total funds	170,899	103,615	(89,838)	-	8,556	193,232
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The specific purposes for which the funds are to be applied are as follows:

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

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

Restricted general funds comprise of all other restricted funds received and include grants from the Department for Education and will only be used for the purpose that the grants were intended. The main grant received within these funds is the GAG.

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

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

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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Notes to the financial statements
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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General Funds	3,718	3,189	(1,784)	-	-	5,123
Restricted general funds						
General Annual Grant (GAG)	2,565	61,912	(60,527)	(1,078)	-	2,872
Pupil premium	-	2,382	(2,382)	-	-	-
Universal infant free school meals	-	322	(322)	-	-	-
Other DfE Group	-	1,523	(1,523)	-	-	-
Other government grants	-	2,069	(2,069)	-	-	-
Other restricted funds	625	2,284	(2,214)	-	-	695
Transfer on conversion from local authority	-	360	(360)	-	-	-
Transfer from existing academy	-	142	(142)	-	-	-
Pension reserve	(44,749)	(4,944)	(6,453)	-	47,350	(8,796)
	<u>(41,559)</u>	<u>66,050</u>	<u>(75,992)</u>	<u>(1,078)</u>	<u>47,350</u>	<u>(5,229)</u>
Restricted fixed asset funds						
Capital grants	18,082	6,006	(2,004)	-	-	22,084
Assets transferred from predecessor school	40,494	33,465	(1,668)	-	-	72,291
Capital expenditure from GAG	3,734	-	13	1,078	-	4,825
Assets transferred on acquisition	66,614	3,951	(1,760)	-	-	68,805

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For the year ended 31 August 2023

20. Statement of funds (continued)

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Donated asset	3,065	-	(65)	-	-	3,000
	<u>131,989</u>	<u>43,422</u>	<u>(5,484)</u>	<u>1,078</u>	<u>-</u>	<u>171,005</u>
Total Restricted funds	<u>90,430</u>	<u>109,472</u>	<u>(81,476)</u>	<u>-</u>	<u>47,350</u>	<u>165,776</u>
Total funds	<u><u>94,148</u></u>	<u><u>112,661</u></u>	<u><u>(83,260)</u></u>	<u><u>-</u></u>	<u><u>47,350</u></u>	<u><u>170,899</u></u>

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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£000	£000
East Midlands Education Trust (Central)	1,031	1,049
The West Bridgford School	1,052	1,480
The Ripley Academy	950	726
South Wolds Academy and Sixth Form	381	498
The Kimberley School	980	733
John Flamsteed Community School	903	583
The Joseph Whitaker School	1,676	1,218
Awsworth Primary School	156	265
CP Riverside School	499	456
Gilthil Primary School	141	103
Kimberley Primary School	184	78
Mornington Primary School	207	167
Street Lane Primary School	6	(13)
Larkfields Infant School	105	126
Hollywell Primary School	236	220
Chellaston Infant School	77	237
Chellaston Junior School	407	315
Homefields Primary School	115	135
Limehurst Academy	73	4
Blidworth Oaks Primary School	60	115
Castle Donnington College	(24)	57
Highfields School	408	138
Heathlands Primary School	(21)	-
Oak Grange Primary School	20	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	9,622	8,690
Restricted fixed asset fund	185,386	171,005
Pension reserve	(1,776)	(8,796)
	<hr/>	<hr/>
Total	193,232	170,899
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit
	£
Castle Donnington College	(24)
Heathlands Primary School	(21)
	<hr/> <hr/>

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Notes to the financial statements
For the year ended 31 August 2023

20. Statement of funds (continued)

Castle Donington College have significant issues with recruitment in the local area and this has resulted in additional staffing costs. They also face challenges with increasing pupil numbers.

Heathlands Primary School joined the Trust in a deficit position with a budget that had not been balanced against the staffing required.

The Trust is taking the following action to return the academies to surplus:

The Trust are working with the Head Teachers and Governors of both schools to put recovery plans in place and return the schools to surplus positions.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
East Midlands Education Trust (Central)	1,139	3,037	320	578	5,074	9,812
The West Bridgford School	7,285	1,261	509	1,404	10,459	9,388
The Ripley Academy	3,623	718	226	707	5,274	4,731
South Wolds Academy and Sixth Form	4,252	700	250	672	5,874	5,056
The Kimberley School	6,140	1,103	432	1,095	8,770	7,910
John Flamsteed Community School	3,510	671	240	732	5,153	4,592
The Joseph Whitaker School	5,796	975	582	1,132	8,485	7,825
Awsworth Primary School	1,151	188	77	258	1,674	1,625
CP Riverside School	862	156	48	177	1,243	1,170
Gilthil Primary School	656	161	50	183	1,050	1,034
Kimberley Primary School	903	131	41	163	1,238	1,306
Mornington Primary School	1,089	217	45	191	1,542	1,506

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Notes to the financial statements
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20. Statement of funds (continued)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
Street Lane Primary School	360	39	22	125	546	558
Larkfields Infant School	680	127	16	192	1,015	941
Hollywell Primary School	750	139	57	144	1,090	1,004
Chellaston Infant School	1,319	166	56	110	1,651	1,569
Chellaston Junior School	1,816	394	155	424	2,789	2,622
Homefields Primary School	1,347	168	49	226	1,790	1,752
Limehurst Academy	3,182	634	206	395	4,417	4,082
Blidworth Oaks Primary School	1,628	256	113	280	2,277	198
Castle Donnington College	2,866	451	182	473	3,972	2,406
Highfields School	5,497	912	403	837	7,649	6,676
Heathlands Primary School	494	80	36	91	701	-
Oak Grange Primary School	45	-	3	7	55	-
Trust	56,390	12,684	4,118	10,596	83,788	77,763

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	180,973	180,973
Current assets	13,027	5,215	4,413	22,655
Creditors due within one year	(7,035)	(1,420)	-	(8,455)
Creditors due in more than one year	-	(165)	-	(165)
Provisions for liabilities and charges	-	(1,776)	-	(1,776)
Total	5,992	1,854	185,386	193,232

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	165,819	165,819
Current assets	11,400	4,693	5,532	21,625
Creditors due within one year	(6,277)	(876)	(346)	(7,499)
Creditors due in more than one year	-	(250)	-	(250)
Provisions for liabilities and charges	-	(8,796)	-	(8,796)
Total	5,123	(5,229)	171,005	170,899

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Notes to the financial statements
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22. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	13,777	29,401
Adjustments for:		
Loss on disposal of fixed assets	1	-
Depreciation	6,051	5,497
Capital grants from DfE and other capital income	(14,165)	(6,006)
Interest receivable	(135)	(4)
Defined benefit pension scheme cost less contributions payable	1,140	5,661
Defined benefit pension scheme finance and administration cost	334	792
Decrease/(increase) in stocks	5	(11)
Increase in debtors	(337)	(408)
Increase in creditors	988	2,590
Net assets transferred on acquisition of existing academies	-	(3,107)
Net assets transferred on conversion from predecessor school	(4,192)	(30,064)
Net cash provided by operating activities	3,467	4,341

23. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(119)	(47)

24. Cash flows from investing activities

	2023 £	2022 £
Interest receivable	135	4
Purchase of tangible fixed assets	(9,953)	(5,844)
Capital grants from DfE Group	7,150	6,006
Cash transferred on acquisition of existing academies	-	338
Cash transferred on conversion from predecessor school	19	250
Net cash (used in)/provided by investing activities	(2,649)	754

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Notes to the financial statements
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25. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	10,562	12,991
Notice deposits (less than 3 months)	8,045	4,917
Total cash and cash equivalents	18,607	17,908

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	17,908	699	-	18,607
Debt due within 1 year	(122)	122	(88)	(88)
Debt due after 1 year	(250)	-	85	(165)
	17,536	821	(3)	18,354

27. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	1,454	2,798

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Notes to the financial statements
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28. Pension commitments

The 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 Nottinghamshire County Council and Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £1,268,000 were payable to the schemes at 31 August 2023 (2022 - £1,129,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £7,769,000 (2022 - £6,731,000).

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

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

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £4,138,000 (2022 - £3,734,000), of which employer's contributions totalled £3,238,000 (2022 - £2,991,000) and employees' contributions totalled £ 900,000 (2022 - £743,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.5-12.5 per cent for employees.

As described in notes 34 the LGPS obligation includes employees transferred as part of the conversion from maintained schools, acquisitions of existing academies and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school/Trust and the 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

LGPS surplus position

As at 31 August 2023, the actuarial valuation for the academies in the Trust which are members of the LGPS management by Leicestershire County Council includes a surplus totalling £243,000. This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rate which contributed to the closing surplus position. There is no specific guidance in FRS102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the Trust, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the Trust, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g., to 1% of pay per year. This suggests minimum funding requirements are applicable to the Trust as determined by IAS19. Actuary asset ceiling calculations which assume minimum funding requirements exist, provide an asset ceiling adjustment resulting in a closing position of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

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28. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.50 - 3.85	3.70 - 3.95
Rate of increase for pensions in payment/inflation	2.85 - 3.00	2.95 - 3.20
Discount rate for scheme liabilities	5.20 - 5.30	4.25
Inflation assumption (CPI)	2.85 - 3.00	2.95 - 3.20

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.4 - 20.7	21.5 - 22.0
Females	23.2 - 24.3	24.0 - 24.6
<i>Retiring in 20 years</i>		
Males	21.7	22.4 - 23.4
Females	24.6 - 25.4	25.7 - 26.0

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(773)	(1,276)
Discount rate -0.1%	794	1,309
Mortality assumption - 1 year increase	1,119	1,458
Mortality assumption - 1 year decrease	(1,091)	(1,421)
Long term salary increase +0.1%	61	71
Long term salary increase -0.1%	(61)	(71)
Pension increases +0.1%	751	1,252
Pension increases - 0.1%	(731)	(1,222)

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28. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	24,036	25,503
Gilts and other bonds	3,541	4,443
Property	4,430	6,168
Cash and other liquid assets	6,943	7,302
Total market value of assets	38,950	43,416

The actual return on scheme assets was £58,000 (2022 - £-229,000).

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

	2023 £000	2022 £000
Current service cost	4,284	7,732
Past service cost	-	353
Interest cost	2,232	1,451
Interest income	(1,918)	(670)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	94	567
Administrative expenses	20	11
Total amount recognised in the Statement of financial activities	4,712	9,444

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

	2023 £000	2022 £000
At 1 September	52,212	79,526
Conversion of academy trusts	429	7,702
Transferred in on existing academies joining the trust	-	2,960
Current service cost	4,284	7,732
Interest cost	2,232	1,451
Employee contributions	900	743
Actuarial gains	(18,551)	(48,249)
Benefits paid	(1,107)	(629)
Liabilities assumed on settlements	84	623
Past service costs	-	353
At 31 August	40,483	52,212

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28. Pension commitments (continued)

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

	2023	2022
	£000	£000
At 1 September	43,416	34,777
Conversion of academy trusts	367	3,880
Transferred in on existing academies joining the trust	-	1,838
Interest income	1,918	670
Return on plan assets	(9,752)	(899)
Employer contributions	3,238	2,991
Employee contributions	900	743
Benefits paid	(1,107)	(629)
Settlement prices received/(paid)	(10)	56
Administration expenses	(20)	(11)
Derecognition of surplus	(243)	-
At 31 August	38,707	43,416

29. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£000	£000
Not later than 1 year	110	126
Later than 1 year and not later than 5 years	133	200
Later than 5 years	9	16
	252	342

30. Members' liability

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

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31. Related party transactions

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

The following related party transactions took place during the financial period:

Expenditure related party transactions

R McDonough (CEO of the Trust) is the Chair of the the Board of Confederation of Schools' Trust. During the year the Trust paid £6,000 (2022: £7,000) in subscriptions and conference attendance fees to the organisation on an arm's length basis.

C Azemia, spouse of L Azemia, a member of the Trust's Senior Management Team, is employed by the Trust in an administrative capacity. C Azemia's appointment was made in open competition and L Azemia was not involved in the decision making process regarding appointment. C Azemia is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the Senior Management Team.

32. Post balance sheet events

In September 2023 the Trust opened a brand new school, Oak Grange Primary School, to nursery and reception children.

The land and buildings at Oak Grange Primary School were transferred to East Midlands Education Trust from Derby City Council for £NIL consideration in August 2023. These assets were transferred at their fair value of £7,015,000 and recognised in the the Balance sheet as at 31 August 2023 under the appropriate heading with a corresponding amount recognised as a net gain in the Statement of financial activities as a donation.

33. Agency arrangements

The Trust distributes the 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the Trust received £57,000 (2022: £55,000) and disbursed £38,000 (2022: £92,000) from the fund.

The Trust acts as an agent in distributing training bursaries to trainee teachers from the NCTL. During the year the Trust received £86,000 (2022: £92,000) from NCTL and disbursed £110,000 (2022: £92,000) in bursaries.

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34. Conversion to an academy trust

On 1 January 2023 Heathlands Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to East Midlands Education Trust from Nottinghamshire County Council for £NIL consideration.

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

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

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets				
Freehold land and buildings	-	-	4,239	4,239
Current assets				
(Loan)/cash - representing budget (deficit)/surplus on LA funds	(4)	-	19	15
Non-current liabilities				
LGPS pension deficit	-	(62)	-	(62)
Net (liabilities)/assets	<u>(4)</u>	<u>(62)</u>	<u>4,258</u>	<u>4,192</u>