

**EMBRACE MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2025**

**Registered number: 08138965  
(England and Wales)**

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## REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

<b>Members</b>	C Lewis Ven. C Wood R Dunnett S Bray Right Reverend Martyn Snow
<b>Trustees</b>	S Mullins, Trust Leader and Accounting Officer (resigned 29 October 2024) R Andrews, (Chair of Trustees to 23 September 2024) L Carlisle, Trustee D Chadwick, Trustee J Haggart, Trustee (Chair of Trustees from 24 September 2024) P Kapoor, Trustee G Killey, Trustee (resigned 27 March 2025) M Lilley, Trustee (resigned 31 August 2025) S Piggot (resigned 7 July 2025) M Poultney, Trustee K Randle, Trustee B Straw, Trustee (resigned 16 June 2025)
<b>Executive Leadership Team</b>	S Mullins, Trust Leader (resigned 31 August 2025) P Jones, Trust Leader (appointment 01 September 2025) L McWhinnie, Director of Education M Burton, Chief Finance Officer T Chambers, Estates & Compliance Manager J Baum, Network Manager L Nixon, Governance Manager C Clasper, HR Manager
<b>Company Name</b>	Embrace Multi Academy Trust
<b>Principal and Registered Office</b>	Brockington College Blaby Road Enderby Leicester LE19 4AQ
<b>Company Registered Number</b>	08138965 (England & Wales)
<b>Independent Auditor</b>	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
<b>Bankers</b>	Lloyds Bank 7 High Street Leicester LE1 9FS Insignis Cash Management St John's Innovation Centre Cowley Road Milton CB4 0WS
<b>Solicitors</b>	Stone King LLP 1 Park Row Leeds LS1 5HN

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year / period 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Academy Trust operates 8 primary and 2 secondary academies in Leicestershire. Its academies had a roll of 4,337 in the school census in October 2024 (includes St Peters C of E Primary, Market Bosworth roll).

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Embrace Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Embrace Multi Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is included in the Risk Protection Arrangement with the DfE and details are provided in note 12.

**Method of Recruitment and Appointment or Election of Trustees**

Recruitment of Trustees is outlined in the Memorandum and Articles of Association. Members shall appoint up to 11 Trustees. Each academy within the Trust has its own local governing committee (LGC) that may include staff and parent Governors'.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Trustee induction training alongside a menu of extensive specialised training is available through the GovernorHub and the NGA to support all new Trustees. The Trust buys into the Local Authority Governor Support & Development Service, who across the Board of Trustees offers further Trustee training. A skills matrix is kept identifying areas of strength and weakness within the Board of Trustees.

**Organisational Structure**

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

The Board of Trustees meets at least 6 times each year and at each meeting they receive reports from the following committees:

1. Finance Audit and Risk Committee – which meets at least 3 times per year; and
2. Standards Committee – which meets at least 3 times per year.

The day-to-day management of the Trust is delegated to the Trust Leader who delegates the leadership of each academy to the Headteacher. This group of staff meets fortnightly to discuss both strategic and day-to-day responsibilities.

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

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Board of Trustees reviews the Trust Leader's pay on an annual basis, and the Board approves any pay review. A change in the scheme of delegation from September 2022 has meant that the Trust Leader is now responsible for the reviews of the headteachers with trustees considering the recommendations and LGCs will still be involved in those appraisals and recommendations. Each LGC (with the advice of the Trust Leader) reviews and approves the pay for their Senior Leadership Team (less the Headteacher). Determinations consider a range of factors including the nature of the post; the level of qualifications, skills and experience required; market conditions; the wider school context; external activity; achievement against performance targets.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Trade Union Facility Time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

**Relevant Union Officials**

Number of employees who were relevant union officials	7
Full time equivalent employee number	6.89

A small amount of school time and funds were spent during the year on trade union facility time. Time; 307hrs and cost: £14,188.

**Related Parties and other Connected Charities and Organisations**

Embrace Multi Academy Trust continues to work with the Diocese of Leicester to uphold the Christian ethos of the Church of England academies for faith-based schools within the Trust.

**Engagement with Employees (including disabled persons)**

Embrace Multi Academy Trust believes in equality of opportunity for all stakeholders. This also relates to the appointment of new members of staff. All applications are judged in relation to a specific job description and person specification with shortlisting and appointment dependent upon matching these requirements. Where required, the Trust will make reasonable adjustments to the role to support a disabled employee or new appointment. This same policy applies to training, career development and promotion.

**OBJECTIVES AND ACTIVITIES****Objects and Aims**

The principal activities of the Trust, as set out in its articles of association and funding agreement with the Secretary of State are to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum and which:

- (i) shall include Church of England Academies ("Church Academies" and each a "Church Academy") designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and
- (ii) may include other academies whether with or without a designated religious character;

but in relation to each of the academies to recognise and support their individual ethos, whether or not designate Church of England.

Where an academy is designated as or recognised as a Church Academy, in relation to the ethos and religious education provided at the Academy the Directors shall have regard to any advice and follow any directives issued by the Diocesan Corporate Member.

**Objectives, Strategies and Activities**

The following information reviews the priorities held by Embrace Multi Academy Trust for the financial year 2024-25.

**Embrace Multi Academy Trust's Mission:**

The Trust exists to provide the best possible standards of education for all pupils within our schools. We achieve this by ensuring that children learn through the provision of a high-quality curriculum and by developing our pupils as individuals, so they are fully equipped for life.

**Embrace Multi Academy Trust's Vision:**

Our vision is to develop our pupils as individuals through our core purpose, which is 'Learning for Life' in line with our Christian aims of supporting 'life in all its fullness' (John 10:10). We achieve this by working together as an inclusive Trust across our Church of England and community schools, to reflect the communities that they represent and serve. We believe it is important to value and protect these elements of individuality and to celebrate the diversity of our schools, as we do with our pupils and members of staff.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Objectives, Strategies and Activities**

The Trust has continued to develop systems and processes that are appropriate for managing and developing a sustainable MAT. These have included:

- Strengthening improvement networks
- Developing and implementing a financial pooling and centralised approach to financial management.
- Investing in IT and estates to ensure learning environments are modern and well equipped.
- Developing strong collaborative relationships through the Embrace MAT conference.
- Strengthening of safeguarding processes which has included all schools across the trust completing an external review and use of the trust wide safeguarding concerns system.

The key priority area for Embrace Multi Academy Trust for 2024-25 was development of school improvement across the Trust. We have been able to continue to develop and refine our school improvement strategy this year enabling our schools to receive reviews, focused visits and support and training as required. A system for gathering evidence and quality assurance continues through the development of the school improvement cycle.

We have been able to increase our capacity for school improvement using external secondary improvement consultants, and with headteachers providing school to school support as required. Embrace MAT has collaborative networks within our schools and have ensured all senior leaders have undertaken quality training and development.

**STRATEGIC REPORT****Achievements and Performance**

Significant achievements have included:

- Development of primary improvement leader roles for curriculum and data and assessment for primary schools within the trust.
- Development of school improvement visits from a secondary school consultant.
- Development and implementation of networks for curriculum and subject leaders including SENCo network.
- School reviews for identified aspects of the curriculum including phonics and early reading/writing.
- Professional development across subject leader networks and whole trust moderation session for all primary schools.
- Development of subject leader networks for English and Maths leaders across all schools; and
- Development of a well-being strategy as part of the development of a strong and sustainable workforce.

Development of trust policies and support across schools ensured consistency of approach and structures.

These have included:

- Well-being strategy and website for employees across the trust to access.
- Policy development.
- Reviews for effective staffing structures.
- Whole trust well-being morning with keynote speaker; and
- Coaching for head teachers and leaders as part of their development and to support wellbeing.

**Key Performance Indicators**

School	Date of Last Ofsted Inspection	Ofsted Overall Effectiveness Rating
Arnesby CE Primary School	19/09/2023	Requires Improvement
Brockington College	23/04/2024	Requires Improvement
Croft CE Primary School	26/09/2023	Requires Improvement
Huncote Primary School	15/03/2022	Good
Manorfield CE Primary	08/09/2023	Good
Rawlins	26/11/2024	Not Judged* - remains RI for Quality of Education. Good in all other areas.
Sherrier CE Primary	11/07/2023	Good
St.Peters CE Primary (Market Bosworth)	07/11/2023	Good
St.Peters CE Primary (Whetstone)	03/10/2023	Good
Swinford CE Primary	04/03/2025	Good

\* From September 2024, Ofsted no longer makes an overall effectiveness judgement in inspections of state-funded schools.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Key Performance Indicators (cont'd)**

Our significant achievements across the trust include:

- Significant improvements were seen in attainment across our primary schools.
- In the KS2 SATs pupils achieving expected levels in Reading, Writing, Mathematics and GPS are the highest for the last 3 years and in RWM combined are 6% above national.
- Year 4 MTC – the highest results for the Trust in the last 3 years
- Phonics – Year 1 results are 5% higher than national averages and Year 2 phonics pass are above national and the highest for the last 3 years.
- EYFS - The percentage of pupils achieving a Good Level of Development (GLD) is 5% above national and the highest for the last 3 years.
- KS4 Progress 8 score achieved was broadly in line with national.
- Attainment is broadly in line with National. Girls achieve A8 above national benchmarks, as do non-SEN pupils.
- Brockington College made strong gains in the Attainment 8, Strong Pass and Standard pass of disadvantaged pupils.
- Rawlins improved its Ofsted judgements, with Leadership and Management, Behaviour and Attitudes and Personal Development all improving to a 'good' rating following its November 2024 inspection. The sixth form continues to be good.

**Public Benefit**

In setting our objective and planning out activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

**Going Concern**

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

**FINANCIAL REVIEW****Reserves Policy**

At 31 August 2025 the total funds comprised:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Unrestricted	1,607	1,689
Restricted		
Fixed Asset Funds	10,270	9,686
Pension Reserve	-	-
Other	(83)	549
	<b><u>11,794</u></b>	<b><u>11,924</u></b>

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

A further key risk to academies is the uncertainty of inflationary increases in expenditure. This includes the costs of supplies/services and staffing expenditure.

Trustees have agreed that an appropriate reserves balance would equate to a minimum of 5% of the DfE General Annual Grant (GAG).

The surplus on the pension reserve relates to the non-teaching staff pension scheme where, unlike the Teachers' Pension Scheme, separate assets are held to fund future liabilities as discussed in note 29.

Restricted funds are spent in accordance with the terms of the funding agreement. Unrestricted funds are for use on the general purposes of the academy, at the discretion of the Trustees. The aim of the Trustees has been to use this reserve to develop estates within schools.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Investment Policy**

The Investment Policy ensures that the academy monitors cash flow on a regular basis and that surplus funds are deposited to maximise interest, with a consideration to only invest in risk free and fixed short-term deposit accounts, whilst limiting liability. Investments held at 31 August 2025 are as follows:

<b>Account</b>	<b>2025</b>		<b>2024</b>	
	<b>Invested</b>	<b>Interest Earned</b>	<b>Invested</b>	<b>Interest Earned</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Lloyds 32 Notice Account	Closed	-	Closed	12
Insignis Cash Management Deposits	2,285	129	3,310	119
Lloyds Current Account	154	-	204	-

**Principal Risks and Uncertainties**

Embrace Multi Academy Trust undertakes risk assessment through the Board of Trustees. Any major risks highlighted are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

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

The current top risks are around the following items:

- Staff do not have sufficient capacity to fully implement school improvements
- Reduction in pupil numbers; and
- Unfavourable changes in financial position and longer-term financial sustainability

Each academy in the Trust has an insurance policy to mitigate the risk of the Local Government Pension Scheme deficit, which the Trust currently holds within its accounts and all of the academies within the Trust insure against staff long term absence.

**FUNDRAISING**

Embrace Multi Academy Trust actively supports both national and local charities. Staff and students are involved in raising funds by organising events such as non-uniform days. All contributions are given on a purely voluntary basis with no minimum amount being set or expected. As a Multi Academy Trust we do not use professional fundraisers or any commercial participators to fundraise on our behalf. During the year we received no fundraising complaints with the public receiving no unreasonably intrusive fundraising approaches or undue pressure to donate.

**PLANS FOR FUTURE PERIODS**

Key strategic objectives for Embrace Multi Academy Trust:

Embrace has three key priority objectives that all stakeholders wish to pursue from September 2025 onwards.

These are essential for the Trust to prosper as a Multi Academy Trust:

- Ensuring equity of education across all of Embrace MAT schools.
- Improving the educational performance of Embrace MAT secondary schools.
- Developing a model of financial stability

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**AUDITOR**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2025 and signed on the Board's behalf by:

.....

**J Haggart, Trustee**



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025****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 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Russell Andrews	8	10
Lucy Carlisle	6	10
Denise Chadwick	7	10
Grahame Killey (Appoint 29/10/24, Resign 27/3/25)	4	5
John Haggart	10	10
Parveen Kapoor (Appointed 29/10/24)	6	9
Mike Lilley (Resigned 31/8/25)	7	10
Sharon Mullins (Resigned as Trustee 29/10/24)	1	1
Steve Piggot (Resigned 7/7/25)	1	9
Mark Poultney	2	2
Kirstie Randle	9	10
Ben Straw (Resigned 16/6/25)	1	7

Three new Trustees joined the Board of Trustees in October 2024.

One Trustee left the Board of Trustees in October 2024, one left in June 2025, another left in July 2025, and another left in August 2025.

The Board of Trustees carried out a self-assessment during the summer term 2024 to review its effectiveness and impact and to identify areas for improvement and development.

Attendance during the year at the meetings of the Finance, Audit and Risk Committee was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Russell Andrews	4	5
Denise Chadwick	3	5
John Haggart	4	5
Parveen Kapoor (Appointed 29/10/24)	4	4
Mike Lilley (Resigned 31/8/25)	4	5
Sharon Mullins (Resigned as Trustee 29/10/24)	1	1
Mark Poultney	1	1
Ben Straw	-	4

The Finance, Audit and Risk Committee is a committee of the main Board of Trustees. Its purpose is as follows:

**1. Finance**

- to review the Trust's proposed annual consolidated budget to ensure that it has been prepared in accordance with Embrace policies and guidance and that it presents a balanced position for the coming year, taking into account the confirmed level of funding and agreed priorities of Embrace.
- to recommend the consolidated budget for approval by the Trust Board, drawing to their attention any matters of concern or significance.
- to review the financial implications placed upon the budget and the consistency of application across the Trust of the Trust's pay policy and performance management policy.
- to review and approve the consolidated 3-year financial projections for the Trust then recommend to the Trust Board, drawing to their attention any matters of concern or significance.
- to approve a reserves policy for recommendation to the Trust Board.
- to receive and consider consolidated budget monitoring accounts at each meeting and to review the appropriateness of any proposed adaptive action.
- the chair of the committee will receive and consider consolidated budget monitoring accounts monthly and will review the appropriateness of any proposed adaptive action.
- to monitor and review the Embrace strategic plan, advising on the financial implications of any proposed developments. To regularly review the finance section of the Embrace strategic plan; and
- to receive a summary of any debts that are recommended to be written-off and thereby ensure compliance with prevailing Embrace and DfE regulations.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****2. Audit**

- a. to appoint an internal audit service for the Trust and agree the scope of its work;
- b. to receive copies of individual academy internal audit reports, as requested. To provide assurance on each individual academy's adherence to Trust wide financial policies, procedures and regulations, and to ensure that adequate financial controls are in place and operating satisfactorily. The committee should only review specific actions where high priority recommendations have been made;
- c. to review and approve the Trust's consolidated annual accounts prior to submission;
- d. to consider the recommendations made by the external auditor in their management letter following the audit of the Trust's annual statutory accounts and to advise the Board on any action needed;
- e. to recommend to the members the appointment or reappointment of the external auditors of the Trust;
- f. to review annually the register of business interests for all Trustee and executive Embrace employees and to take appropriate action should issues be apparent; and
- g. to annually review and approve the Trust's financial Scheme of Delegation and appropriate financial procedures.

**3. Risk**

The committee has oversight of the Trust's implementation of appropriate risk management and internal control systems, thus enabling the Board to make a robust assessment of the principal risks. Specifically, the committee will:

- monitor and review the risk management and internal control systems and its process of monitoring and reviewing, to ensure they are functioning effectively, and that corrective action is being taken where necessary; and
- monitor and review termly the Embrace risk register and escalate key risks to the Trust Board for the Board to agree a programme of work to address and provide assurance on those risks.

**4. Relevant Policies**

To approve policies as determined by the Trust Board through a Trust policy framework.

**5. General**

To consider other areas, as determined by the Trust Board from time to time.

**6. Review**

The committee will self-assess its performance against these terms of reference on an annual basis and will also review the terms of reference, submitting any proposed changes to the Board for approval.

**REVIEW OF VALUE FOR MONEY**

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

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

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Positioning the Trust to implement financial pooling and increased centralisation of procurement for financial year 2025/26
- Using ICFP metrics as a key tool to review, plan and optimise the use of school budgets.
- As Embrace MAT has grown, we have used centralised procurement to ensure that the purchasing power held can be used to obtain the very best value, including increasing the length of contracts, where appropriate.
- Staffing delivery models have been reviewed in line with changing pupil numbers to ensure we maintain contact ratios.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL (cont'd)**

The system of internal control has been in place at Embrace Multi Academy Trust for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Duncan & Topliss as internal auditor.

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

Internal Audit coverage, review of:

- budget and financial monitoring
- governance.
- payroll
- strategic and operational.
- capital expenditure.

On an annual basis, the internal auditor reports to the Board of Trustees, through the Finance & Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustee's financial responsibilities. During Spring Term 2025 an enhanced internal financial audit was conducted of all the schools within the Trust.

**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the staff within the Academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- the work of the external auditor.

The Accounting Officer has been advised of the result of their review of the system of internal control.

The Finance and Audit Committee have been presented with a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****CONCLUSION**

Based on the advice of the Finance and Audit Committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control

Approved by order of the members of the Board of Trustees on 15 December 2025 and signed on its behalf by:



J Haggart  
Trustee



P Jones  
Accounting Officer

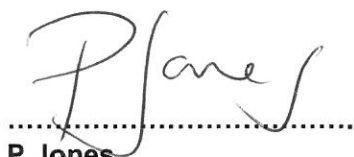


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2025**

As Accounting Officer of Embrace Multi Academy Trust, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the Trust's funding agreement with the DfE, and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the Academy Trust Board of Trustees and the DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or 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 the DfE.

A handwritten signature in black ink, appearing to read 'P Jones', is written over a horizontal dotted line.

**P Jones**

**Accounting Officer**

**15 December 2025**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2025**

The Trustees (who act as trustees of Embrace Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Department for Education, 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 in the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy 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 the DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 15 December 2025 and signed on its behalf by:

.....  
  
**J Haggart**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMBRACE MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025****Opinion**

We have audited the financial statements of Embrace Multi Academy Trust for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Embrace Multi Academy Trust's affairs as at 31 August 2025 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been 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 2024 to 2025.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Academy Trust's use of the going concern basis of accounting in the preparation of the financial statement 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 Embrace Multi Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the financial statements. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMBRACE MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report (incorporating the strategic report, and the Trustees report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the academy trust or returns adequate for our audit have not been received from academies 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 Trustees' responsibilities statement set out on page 14, the Trustees 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 Embrace Multi Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMBRACE MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)**

Based on our understanding of the Embrace Multi Academy Trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Embrace Multi Academy Trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2024 to 2025. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the Embrace Multi Academy Trust's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Department for Education, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

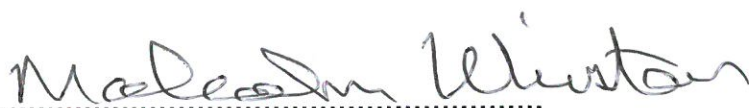
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMBRACE MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Use of our report**

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

**Malcolm Winston****Senior Statutory Auditor****UHY Hacker Young (Birmingham) LLP, Statutory Auditor****9-11 Vittoria Street****Birmingham****B1 3ND****15 December 2025**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EMBRACE MULTI ACADEMY TRUST AND THE SECRETARY OF STATE FOR EDUCATION FOR THE YEAR ENDED 31 AUGUST 2025**

In accordance with the terms of our engagement letter dated 30 June 2025 and further to the requirements of the Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Embrace Multi Academy Trust during the period 1 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of the Embrace Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2019, and the Academy Trust Handbook 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 have not been applied for the 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 Accountants issued by the DfE, which requires a limited assurance engagement as set out in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EMBRACE MULTI ACADEMY TRUST AND THE SECRETARY OF STATE FOR EDUCATION FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****Approach (cont'd)**

- Review of the general control environment for the Academy Trust on financial statements and on regularity;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy Trust's delegated authorities;
- Formal representations obtained from the Board of Trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant****UHY Hacker Young (Birmingham) LLP****9-11 Vittoria Street****Birmingham****B1 3ND****15 December 2025**



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025**  
**(Including Income and Expenditure Account)**

		Unrestricted	Restricted	Restricted		As
	Note	Funds	General	Fixed	Total	Restated
		£'000	Funds	Asset	2025	Total
		£'000	£'000	Funds	£'000	2024
				£'000		£'000
<b>Income from:</b>						
Donations and capital grants	3	83	-	1,492	1,575	821
Transfer of academy into the academy trust	3 & 32	-	-	-	-	1,514
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	31,499	-	31,499	28,807
Other trading activities	5	759	-	-	759	644
Investment income	6	129	-	-	129	131
<b>Total</b>		<b>971</b>	<b>31,499</b>	<b>1,492</b>	<b>33,962</b>	<b>31,917</b>
<b>Expenditure on:</b>						
Raising funds	7	107	9	-	116	137
Charitable activities:						
- Academy trust's educational operations	7	-	32,454	1,066	33,520	31,684
<b>Total</b>		<b>107</b>	<b>32,463</b>	<b>1,066</b>	<b>33,636</b>	<b>31,821</b>
<b>Net income/(expenditure)</b>		<b>864</b>	<b>(964)</b>	<b>426</b>	<b>326</b>	<b>96</b>
Transfers between funds	17	(946)	788	158	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	29	-	6,425	-	6,425	1,297
Asset ceiling adjustment	29	-	(6,881)	-	(6,881)	(1,818)
<b>Net movement in funds</b>		<b>(82)</b>	<b>(632)</b>	<b>584</b>	<b>(130)</b>	<b>(425)</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>	17	<b>1,689</b>	<b>549</b>	<b>9,686</b>	<b>11,924</b>	<b>12,349</b>
<b>Total funds carried forward</b>	17	<b>1,607</b>	<b>(83)</b>	<b>10,270</b>	<b>11,794</b>	<b>11,924</b>

All of the Embrace Multi Academy Trust's activities derive from acquisitions and continuing operations during the above two financial periods.

## BALANCE SHEET AS AT THE YEAR ENDED 31 AUGUST 2025

As restated

	Note	2025 £'000	2024 £'000
<b>Fixed assets</b>			
Tangible assets	13	10,497	9,989
		<u>10,497</u>	<u>9,989</u>
<b>Current assets</b>			
Debtors	14	1,376	1,258
Cash at bank and in hand		2,442	3,516
		<u>3,818</u>	<u>4,774</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	15	(2,263)	(2,554)
<b>Net current assets</b>		<u>1,555</u>	<u>2,220</u>
<b>Total assets less current liabilities</b>		<b>12,052</b>	<b>12,209</b>
Creditors: Amounts falling due after more than one year	16	(258)	(285)
<b>Net assets excluding pension liability</b>		<u>11,794</u>	<u>11,924</u>
Defined benefit pension scheme liability	29	-	-
<b>Total Net Assets</b>		<u><u>11,794</u></u>	<u><u>11,924</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	17	10,270	9,686
- Restricted income fund	17	(83)	549
- Pension reserve	17	-	-
<b>Total Restricted Funds</b>		<u>10,187</u>	<u>10,235</u>
<b>Unrestricted income fund</b>	17	<u>1,607</u>	<u>1,689</u>
<b>Total Unrestricted Funds</b>		<u>1,607</u>	<u>1,689</u>
<b>Total Funds</b>		<u><u>11,794</u></u>	<u><u>11,924</u></u>

The financial statements on pages 21 to 49 were approved by the trustees and authorised for issue on 15 December 2025 and signed on their behalf by:

.....   
**J Haggart**  
**Chair**

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £'000	2024 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(1,107)	581
Cash flows from investing activities	22	47	(1,735)
Cash flows from financing activities	23	(14)	16
Change in cash and cash equivalents in the reporting period		<u>(1,074)</u>	<u>(1,138)</u>
 Cash and cash equivalents at 1 September	24	 3,516	 4,654
Cash and cash equivalents at 31 August	24	<u><u>2,442</u></u>	<u><u>3,516</u></u>



## 1 Statement of Accounting Policies

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

### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by the DfE, the Charities Act 2011 and the Companies Act 2006.

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

Embrace Multi Academy Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

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

### Going Concern

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

This consideration has taken into account as far as possible, the economic and political climate, and its impact on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

### Income

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

#### • Grants

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

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

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

#### • Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

**1 Statement of Accounting Policies (cont'd)**

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

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

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the building.

- **Investment Income**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

**Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

**1 Statement of Accounting Policies (cont'd)****Tangible Fixed Assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Depreciation is provided on a straight line or reducing balance basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Long-term leasehold land	Not depreciated
Long-term leasehold property	2% straight-line per annum
Long-term leasehold property improvements	10% straight-line per annum
Furniture and fittings	20% straight-line per annum
Computer equipment and software	33.3% straight-line per annum
Motor vehicles	10% straight-line per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**Leased assets**

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

Investments - not applicable unless trust has a subsidiary.

**Financial Instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. 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.

**Stocks**

Stocks are valued at the lower of cost and net realisable value after making allowance for obsolete and slower moving stock.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable Trust for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025****1 Statement of Accounting Policies (cont'd)****Pensions Benefits**

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

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

The LGPS is a multi funded employer scheme and the assets are held separately from those of the academy trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of the 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.

**Fund Accounting**

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

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

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

**License to occupy**

The Trustees of Embrace Multi Academy Trust, in agreement with the Board of Education of the Diocese of Leicester, occupy certain buildings and some open land on a rent free licence. Full details of the arrangement are detailed in note 13.

The Trustees have considered the guidance in the Academies Accounts Direction in relation to properties occupied under licence. Having considered the arrangements under which the Academy Trust is occupying certain land and buildings, for the reasons given in note 13, the Trustees have concluded that the arrangement should not be included as an asset on the Balance Sheet and the Trustees have not included any value of land or buildings in the financial statements.

**Critical accounting estimates and areas of judgement**

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

**1 Statement of Accounting Policies (cont'd)*****Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Any LGPS surpluses will only be recognised as an asset in the financial statements to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Embrace Multi Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2025 (see note 17).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
DfE/ESFA capital grants	-	1,358	1,358	449
Transfer of existing academies				
Assets and liabilities transferred	-	-	-	1,295
LGPS pension transferred	-	-	-	219
Other capital grants	-	134	134	317
Donations	83	-	83	55
	<b>83</b>	<b>1,492</b>	<b>1,575</b>	<b>2,335</b>

The income from donations and capital grants was £1,575,000 (2024: £2,335,000) of which £83,000 (2024: £Nil) was unrestricted, £Nil (2024: £274,000) restricted and £1,492,000 (2024: £1,984,000) restricted fixed assets.

**4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	23,248	23,248	21,908
Post 16-19 core grant	-	1,992	1,992	1,824
Rates relief grant	-	150	150	126
<b>Other DfE/ESFA grants</b>				
Universal infant free school meals grant	-	266	266	240
PE and sports grant	-	141	141	147
Pupil premium grant	-	848	848	796
Teachers pay grant	-	390	390	380
Teachers pension grant	-	592	592	277
Mainstream additional schools grant	-	-	-	745
Other DfE/ESFA grants	-	64	64	18
Core School Budget Grant	-	891	891	-
National Insurance Contributions Grant	-	167	167	-
DFC Revenue	-	102	102	-
SCA Revenue	-	74	74	35
National tutoring programme	-	-	-	20
	-	28,925	28,925	26,516
<b>Other Government grants</b>				
Special educational needs	-	1,681	1,681	1,258
Local authority grants	-	136	136	109
	-	1,817	1,817	1,367
<b>COVID-19 DfE/ESFA additional funding</b>				
Recovery Premium	-	-	-	180
<b>Other income from the academy trust's educational operations:</b>				
Other	-	37	37	102
Pupil catering income	-	720	720	642
	-	757	757	744
	<b>-</b>	<b>31,499</b>	<b>31,499</b>	<b>28,807</b>

The income from funding for the Academy Trust's Educational Operations was £31,499,000 (2024: £28,807,000) of which £Nil (2024: £Nil) was unrestricted and £31,499,000 (2024: £28,807,000) restricted.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

5 OTHER TRADING ACTIVITIES	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Hire of facilities	390	-	390	394
Other income	357	-	357	212
Catering Income	12	-	12	38
	<u>759</u>	<u>-</u>	<u>759</u>	<u>644</u>

The income from the rest of the academy trusts' other trading activities was unrestricted for both 2025 and 2024.

6 INVESTMENT INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Bank interest received	129	-	129	131
	<u>129</u>	<u>-</u>	<u>129</u>	<u>131</u>

The income from the academy trusts' investment activities was unrestricted for both 2025 and 2024.

7 EXPENDITURE	As restated			Total 2025 £'000	Total 2024 £'000
	Staff Costs £'000	Non Pay Expenditure Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Allocated support costs	107	-	9	116	137
	<u>107</u>	<u>-</u>	<u>9</u>	<u>116</u>	<u>137</u>
Academy's educational operations					
- Direct costs	21,474	-	2,049	23,523	21,685
- Allocated support costs	5,406	2,782	1,809	9,997	9,999
	<u>26,880</u>	<u>2,782</u>	<u>3,858</u>	<u>33,520</u>	<u>31,684</u>
	<u>26,987</u>	<u>2,782</u>	<u>3,867</u>	<u>33,636</u>	<u>31,821</u>

The expenditure was £33,636,000 (2024: £31,821,000) of which £107,000 (2024: £137,000) was unrestricted, £32,463,000 (2024: £30,205,000) restricted and £1,066,000 (2024: £1,479,000) restricted fixed assets.

Net (income)/expenditure for the year includes:	As restated	
	2025 £'000	2024 £'000
Operating leases rentals	77	94
Depreciation	926	700
Impairments	140	-
Loss on disposal of fixed assets	-	779
Fees payable to auditor for:		
- audit	33	33
- other services	<u>7</u>	<u>5</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

**8 CHARITABLE ACTIVITIES**

	As restated	
	Total	Total
	2025	2024
	£'000	£'000
Direct costs - educational operations	23,523	21,685
Support costs - educational operations	9,997	9,999
	<u>33,520</u>	<u>31,684</u>

	As restated	
	Total	Total
	2025	2024
	£'000	£'000
<b>Analysis of Support Costs</b>		
Support staff costs	5,406	4,888
Depreciation	926	700
Loss on disposal of fixed assets	-	779
Technology costs	304	385
Premises costs	1,716	1,790
Legal costs - conversion	-	6
Legal costs - other	16	30
Other support costs	1,149	1,141
Governance costs	340	280
	<u>9,997</u>	<u>9,999</u>

**9 STAFF COSTS****a Staff costs and employee benefits**

	Total	Total
	2025	2024
	£'000	£'000
Staff costs during the year were:		
Wages and salaries	19,025	18,049
Social security costs	2,032	1,696
Pension costs	4,575	4,147
	<u>25,632</u>	<u>23,892</u>

Agency staff costs	1,284	972
Staff restructuring costs	71	73
	<u>26,987</u>	<u>24,937</u>

Staff restructuring costs comprise:

Redundancy payments	1	55
Severance payments	70	5
Other restructuring costs	-	13
	<u>71</u>	<u>73</u>

**b Staff severance contractual and non contractual payments**

The academy trust paid severance payments in the year of £70,352 (2024: £72,998) disclosed in the following bands:

	2025	2024
0 - £25,000	1	8
£25,001 - £50,000	2	1

**c Special staff severance non contractual payments**

Included in staff restructuring costs there are 3 non statutory/non contractual special severance payments of £70,352 (2024: £13,255).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

**9 STAFF COSTS (cont'd)****d Staff numbers**

The average number of persons (including School Leadership Team) employed by the Academy during the year ended 31 August 2025 expressed as whole persons was as follows:

	2025	2024
<i>Charitable Activities</i>	No	No
Teachers	260	289
Administration and support - including Teaching Assistants	367	375
Management	32	40
	<u>659</u>	<u>704</u>

**e Higher paid staff**

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

	No	No
£60,001 - £70,000	20	17
£70,001 - £80,000	7	5
£80,001 - £90,000	3	1
£90,001 - £100,000	3	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	2
£120,001 - £130,000	2	-
£130,001 - £140,000	1	-

**f Key management personnel**

The key management of the academy trust comprise the Trustees and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £877,713 (2024: £780,137).



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****10 CENTRAL SERVICES**

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

- provision of CEO & CFO services;
- schools improvement;
- financial support, audit and external accountancy services;
- estates and compliance;
- ICT support;
- human resource; and
- governance.

The academy trust charges for these services on the following basis:

The method used for the contribution of the individual academies to central services was a charge of 5% of DfE GAG income, and associated GAG supplementary grants.

	2025 £'000	2024 £'000
The actual amounts charged during the year were as follows:		
Arnesby CE Primary School	19	23
Brockington College	387	365
Croft CE Primary School	35	36
Huncote Primary School	46	45
Manorfield CE Primary	101	94
Rawlins Academy	534	503
Sherrier CE Primary	104	96
St. Peters CE Primary - Whetstone	59	57
Swinford CE Primary	31	29
St. Peters CE Primary - Market Bosworth	58	19
	<u>1,374</u>	<u>1,267</u>

**11 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES**

The Accounting Officer has been paid remuneration or has received other benefits from employment with Embrace Multi Academy Trust. The Accounting Officer only receives remuneration in respect of services provided undertaking the roles of Accounting Officer under their contract of employment. The value of CEO remuneration and other remuneration was as follows:

	<u>2025</u>	<u>2024</u>
S Mullins (Accounting Officer)		
Remuneration	£130,000 - £135,000	£115,000 - £120,000
Employers pension	£30,000 - £35,000	£25,000 - £30,000

During the year ended 31 August 2025, there were expenses totaling £407 reimbursed to the CEO undertaking their role as accounting officer (2024: None).

Other related party transactions including Trustees are set out in note 30.

**12 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and Officers indemnity from the overall cost of the RPA scheme membership.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 13 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings	Leasehold Improve- ments	Furniture & Equipment	Computer Equipment	Motor Vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000
At 1 September 2024	14,655	7,316	448	697	75	23,191
Prior year adjustment - note 34	(10,842)	-	-	-	-	(10,842)
As restated	3,813	7,316	448	697	75	12,349
Additions	-	1,530	-	44	-	1,574
Impairment charged in year	(142)	-	-	-	-	(142)
At 31 August 2025	3,671	8,846	448	741	75	13,781
<b>Depreciation</b>						
At 1 September 2024	797	1,324	276	516	7	2,920
Prior year adjustment - note 34	(560)	-	-	-	-	(560)
As restated	237	1,324	276	516	7	2,360
Charged in year	17	735	61	105	8	926
Impairment charged in year	(2)	-	-	-	-	(2)
At 31 August 2025	252	2,059	337	621	15	3,284
<b>Net book value</b>						
At 31 August 2025	3,419	6,787	111	120	60	10,497
At 31 August 2024 as restated	3,576	5,992	172	181	68	9,989

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

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

## 14 DEBTORS

	2025 £'000	2024 £'000
Trade debtors	14	22
VAT recoverable	256	233
Prepayments and accrued income	1,105	1,000
Other debtors	1	3
	<u>1,376</u>	<u>1,258</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2025 £'000	2024 £'000
Trade creditors	-	2
Other creditors	18	79
Salix loans	1	4
CIF loans	28	12
Taxation & social security	1,050	927
Accruals	438	574
Deferred income	728	956
	<u>2,263</u>	<u>2,554</u>

**Deferred Income**

Deferred income at 1 September 2024	956	463
Resources deferred in the year	728	956
Amounts recognised as income during the year	(956)	(463)
Deferred income at 31 August 2025	<u>728</u>	<u>956</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trip income £366,252 (2024: £297,393), National Tutoring Program £Nil (2024: £23,760), Universal Infant Free School Meals £156,503 (2024: £149,324), School Conditional Allowance £90,025 (2024: £453,527) School Clubs £37,436 (2024: £24,346) and Other Income £12,719 (2024: £7,482), SEN Funding £65,802 (2024: £Nil).

Included within loans falling due within one year are 5 loans amounting to £27,916 (2024: £16,243) from the DfE under the Capital Improvement Fund and from Salix Finance as follows:

Salix Finance loan for LED lighting upgrade of £Nil (2024: £3,162), which is repayable in instalments, no interest is charged.

Salix Finance loan for heating system replacement of £1,069 (2024: £1,069), which is repayable in instalments, no interest is charged.

ESFA CIF loan for roofing repairs of £8,522 (2024: £8,777), which is repayable in instalments, no interest is charged.

ESFA CIF loan for roofing repairs of £15,797 (2024: £Nil), which is repayable in instalments, no interest is charged.

ESFA CIF loan for fire precautions of £2,528 (2024 : £3,235), which is repayable in instalments, interest is charged at 1.92%.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

<b>16 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
Salix loans	4	8
CIF Loans	<u>254</u>	<u>277</u>
	<u><b>258</b></u>	<u><b>285</b></u>

Included within loans falling due in greater than one year are 5 loans amounting to £257,234 (2024: £286,403) from the DfE under the Capital Improvement Fund and from Salix Finance as follows:

Salix Finance loan for LED lighting upgrade of £Nil (2024: £4,743), which is repayable in instalments, no interest is charged.

Salix Finance loan for heating system replacement of £3,741 (2024: £4,810), which is repayable in instalments, no interest is charged.

DfE CIF loan for roofing repairs of £35,618 (2024: £43,885), which is repayable in instalments, no interest is charged.

DfE CIF loan for roofing repairs of £188,053 (2024: £203,850), which is repayable in instalments, no interest is charged.

DfE CIF loan for fire precautions of £29,822 (2024 : £29,115), which is repayable in instalments, interest is charged at 1.92%.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 17 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	As restated			Gains, Balance at	
	Balance at	Incoming Resources	Resources Expended	Losses & Transfers	Balance at
	1 September 2024				31 August 2025
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>	<b>549</b>	<b>23,248</b>	<b>(24,668)</b>	<b>788</b>	<b>(83)</b>
General annual grant (GAG) (i)	549	23,248	(24,668)	788	(83)
Post 16-19 core grant (iii)	-	1,992	(1,992)	-	-
Rates relief grant (iii)	-	150	(150)	-	-
Pupil premium grant (ii)	-	848	(848)	-	-
PE and Sports grant (iii)	-	141	(141)	-	-
UIFSM grant (iii)	-	266	(266)	-	-
Teachers pay grant (iii)	-	390	(390)	-	-
Teachers pension grant (iii)	-	592	(592)	-	-
Other DfE/ESFA grants (iii)	-	65	(65)	-	-
LA special educational needs grant (iv)	-	1,681	(1,681)	-	-
LA pupil premium grant (iv)	-	14	(14)	-	-
LA Early Years grant (iv)	-	122	(122)	-	-
Other revenue grants	-	37	(37)	-	-
SCA revenue (iii)	-	74	(74)	-	-
Pupil catering & trips (v)	-	720	(720)	-	-
Core School Budget Grant	-	890	(890)	-	-
National Insurance Contributions Grant	-	167	(167)	-	-
DFC Revenue	-	102	(102)	-	-
<b>Total general funds</b>	<b>549</b>	<b>31,499</b>	<b>(32,919)</b>	<b>788</b>	<b>(83)</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	1,739	1,358	(254)	16	2,859
Fixed assets donation - (note vii)	5,647	-	(489)	-	5,158
Capital expenditure from GAG (vii)	1,717	-	(241)	142	1,618
Other Capital Grants (vii)	583	134	(82)	-	635
<b>Total fixed asset funds</b>	<b>9,686</b>	<b>1,492</b>	<b>(1,066)</b>	<b>158</b>	<b>10,270</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note ix)	-	-	456	(456)	-
	-	-	456	(456)	-
<b>Total restricted funds</b>	<b>10,235</b>	<b>32,991</b>	<b>(33,529)</b>	<b>490</b>	<b>10,187</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note x)	1,689	971	(107)	(946)	1,607
<b>Total unrestricted funds</b>	<b>1,689</b>	<b>971</b>	<b>(107)</b>	<b>(946)</b>	<b>1,607</b>
<b>Total funds</b>	<b>11,924</b>	<b>33,962</b>	<b>(33,636)</b>	<b>(456)</b>	<b>11,794</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

**17 FUNDS (Cont'd)****Notes**

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

**(i) General Annual Grant (GAG)**

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024. Transfers of £140,000 (2024: £641,000) from unrestricted funds to the restricted fixed asset fund towards fixed assets. Transfers of £18,000 (2024: £16,000) from restricted funds to restricted fixed asset funds represents allocations of restricted funds towards the repayment of the Salix loans and CIF loans. Transfers of £788,000 (2024: £309,000) transferred from unrestricted to restricted funds for overspend of GAG.

**(ii) Pupil premium**

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

**(iii) Other DfE/ESFA Grants**

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

**(iv) Other Government grants**

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

**(v) Other income**

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

**(vi) Other donations**

This consists of donations from all other sources to be used primarily for Academy Trust's educational operations.

**(vii) Restricted Fixed asset funds**

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It included further amounts invested in leasehold property, furniture and fittings and computer equipment. Also included in the fund is depreciation charged on fixed assets held.

**(viii) Salix and CIF Loans**

The Salix loans and CIF loan liability represents amounts which were received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments were made against the liabilities, transfers will be made from restricted funds against Salix loans fund and the CIF loan fund. Transfers of £18,000 (2024: £16,000) from restricted funds to restricted fixed asset funds represents allocations of restricted funds towards the repayment of the Salix loans and CIF loans.

**(ix) Pension reserve**

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is currently in surplus, the surplus is not recognised in the accounts as this is not considered recoverable.

**(x) Unrestricted funds**

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees. Transfers of £788,000 (2024: £309,000) transferred from unrestricted to restricted funds for overspend of GAG.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 17 FUNDS (Cont'd)

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

	As restated Balance at 1 September 2023 £'000	Incoming Resources £'000	As restated Resources Expended £'000	As restated Gains, Balance at Losses & 31 August Transfers £'000	2024 £'000
<b>Restricted general funds</b>	<b>1,920</b>	<b>21,928</b>	<b>(23,608)</b>	<b>309</b>	<b>549</b>
General annual grant (GAG) (i)	-	1,824	(1,824)	-	-
Post 16-19 core grant (iii)	-	126	(126)	-	-
Rates relief grant (iii)	-	796	(796)	-	-
Pupil premium grant (ii)	-	147	(147)	-	-
PE and Sports grant (iii)	-	240	(240)	-	-
UIFSM grant (iii)	-	380	(380)	-	-
Teachers pay grant (iii)	-	277	(277)	-	-
Teachers pension grant (iii)	-	208	(208)	-	-
Other DfE/ESFA COVID-19 funding (iii)	-	-	-	-	-
Supplementary Grant	-	746	(746)	-	-
Mainstream Schools Additional Grant (iii)	-	13	(13)	-	-
Other DfE/ESFA grants (iii)	-	1,258	(1,258)	-	-
LA special educational needs grant (iv)	-	33	(33)	-	-
LA pupil premium grant (iv)	-	62	(62)	-	-
LA Early Years grant (iv)	-	14	(14)	-	-
LA other grants (iv)	-	35	(35)	-	-
SCA revenue (iii)	-	740	(740)	-	-
Pupil catering & trips (v)	-	-	-	-	-
<b>Total Restricted general funds</b>	<b>1,920</b>	<b>28,827</b>	<b>(30,507)</b>	<b>309</b>	<b>549</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	1,419	449	(131)	2	1,739
Fixed assets donation - (note vii)	5,524	1,253	(1,115)	(15)	5,647
Capital expenditure from GAG (vii)	1,240	-	(193)	670	1,717
Other Capital Grants (vii)	306	317	(40)	-	583
<b>Total fixed asset funds</b>	<b>8,489</b>	<b>2,019</b>	<b>(1,479)</b>	<b>657</b>	<b>9,686</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note viii)	-	219	302	(521)	-
	-	219	302	(521)	-
<b>Total restricted funds</b>	<b>10,409</b>	<b>31,065</b>	<b>(31,684)</b>	<b>445</b>	<b>10,235</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note ix)	1,770	852	(137)	(796)	1,689
Astro Turf Pitch	170	-	-	(170)	-
<b>Total unrestricted funds</b>	<b>1,940</b>	<b>852</b>	<b>(137)</b>	<b>(966)</b>	<b>1,689</b>
<b>Total funds</b>	<b>12,349</b>	<b>31,917</b>	<b>(31,821)</b>	<b>(521)</b>	<b>11,924</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 17 TOTAL FUND ANALYSIS BY ACADEMY

	As restated	
	2025	2024
	£'000	£'000
Fund balances at 31 August 2025 were allocated as follows:		
Arnesby CE Primary School	(60)	(33)
Brockington College	347	610
Croft CE Primary School	8	19
Huncote Primary School	100	141
Manorfield CE Primary	274	317
Rawlins Academy	719	858
Sherrier CE Primary	148	245
St. Peters CE Primary - Whetstone	53	35
Swinford CE Primary	(27)	21
St. Peters CE Primary - Market Bosworth	(14)	11
Embrace Multi Academy Trust	(24)	14
<b>Total before fixed assets and pension reserve</b>	<b>1,524</b>	<b>2,238</b>
Restricted fixed assets fund	10,270	9,686
Pension reserve	-	-
<b>Total</b>	<b>11,794</b>	<b>11,924</b>

Embrace Multi Academy Trust has recognised the unique financial challenges faced by smaller rural schools and schools with higher % of SEN pupils on roll. Many of these schools have been unable to deliver balanced income and expense within the financial year.

From 2025/26 onwards Embrace Multi Academy Trust will GAG pool income and centralise trust wide expenses. The aim of this change will be to fully resource all schools within the Trust, optimise staffing expense equally across all schools and achieve increased value for money from 'joined up' procurement. Reserve balances will be managed centrally.

Embrace MAT will continue to use Integrated Curriculum Financial Planning (ICFP) metrics to assess the requirements of schools, whilst recognising the unique challenges of each school within the Trust.

## 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 Deprec'n) £'000	Total 2025 £'000	Total 2024 £'000
Arnesby CE Primary School	318	33	24	64	439	485
Brockington College	5,578	1,797	428	881	8,684	8,405
Croft CE Primary School	689	85	53	107	934	949
Huncote Primary School	771	204	75	158	1,208	1,007
Manorfield CE Primary	1,655	161	124	248	2,188	2,026
Rawlins Academy	8,432	1,812	852	1,187	12,283	12,015
Sherrier CE Primary	1,625	252	112	296	2,285	2,061
St. Peters CE Whetstone	785	202	64	158	1,209	1,172
Swinford CE Primary	542	56	44	100	742	675
St. Peters CE M'kt Bosworth	1,034	157	59	181	1,431	501
MAT	45	754	214	154	1,167	1,046
<b>Total</b>	<b>21,474</b>	<b>5,513</b>	<b>2,049</b>	<b>3,534</b>	<b>32,570</b>	<b>30,342</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2025 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restricted	Restricted	Assets	Total
	Funds	Funds	Funds	Funds	£'000
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	10,497	10,497
Current assets	1,607	-	2,151	60	3,818
Current liabilities	-	-	(2,234)	(29)	(2,263)
Non current liabilities	-	-	-	(258)	(258)
Pension scheme liability	-	-	-	-	-
	<b>1,607</b>	<b>-</b>	<b>(83)</b>	<b>10,270</b>	<b>11,794</b>

Fund balances at 31 August 2024 are represented by:

	Unrestricted	Pension	General	As restated	
	Funds	Restricted	Restricted	Fixed	Total
	Funds	Funds	Funds	Assets	£'000
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	9,989	9,989
Current assets	1,689	-	3,085	-	4,774
Current liabilities	-	-	(2,538)	(16)	(2,554)
Non current liabilities	-	-	2	(287)	(285)
Pension scheme liability	-	-	-	-	-
	<b>1,689</b>	<b>-</b>	<b>549</b>	<b>9,686</b>	<b>11,924</b>

## 19 CAPITAL COMMITMENTS

	2025	2024
	£'000	£'000
Contracted for, but not provided in the financial statements	<b>Nil</b>	<b>29</b>

## 20 LONG TERM COMMITMENTS INCLUDING OPERATING LEASES

**Operating leases**

At 31 August 2025 the total of Alcester Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2025	2024
	Other	Other
	£'000	£'000
Amounts due within one year	<b>9</b>	<b>77</b>
Amounts due between one and five years	<b>1</b>	<b>9</b>
	<b>10</b>	<b>86</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 21 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	As restated	
	2025	2024
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	326	96
Adjusted for:		
Depreciation (note 13)	926	700
Loss on disposal of fixed assets	-	779
Capital grants from DfE and other capital income	(1,492)	(801)
Interest receivable	(129)	(131)
Defined benefit pension scheme cost less contributions payable (note 29)	(348)	(282)
Defined benefit pension scheme finance cost (note 29)	(108)	(20)
(Increase)/decrease in debtors	(118)	709
(Decrease)/increase in creditors	(304)	985
Transfer in of LGPS pension	-	(219)
Transfer in of land and buildings (note 13)	-	(1,235)
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,107)</b>	<b>581</b>
<b>22 CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest received	129	131
Purchase of tangible fixed assets	(1,574)	(2,667)
Capital grants from DfE/ESFA	1,492	801
<b>Net cash provided by/(used in) investing activities</b>	<b>47</b>	<b>(1,735)</b>
<b>23 CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Repayments of borrowing	(14)	(16)
Cash inflows from new borrowing	-	32
<b>Net cash (used in)/provided by financing activities</b>	<b>(14)</b>	<b>16</b>
<b>24 ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>At 31 Aug</b>	<b>At 31</b>
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Cash in hand and at bank	2,442	3,516
<b>Total cash and cash equivalents</b>	<b>2,442</b>	<b>3,516</b>

## 25 ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept	Cash	At 31
	2024	Flows	Aug
	£'000	£'000	2025
	£'000	£'000	£'000
Cash at bank	3,516	(1,074)	2,442
	3,516	(1,074)	2,442
Loans within one year	(16)	(13)	(29)
Loans greater than one year	(285)	27	(258)
	3,215	(1,060)	2,155

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****27 CONTINGENT LIABILITIES**

During the period of the funding agreement between the Embrace Multi Academy Trust and the Secretary of State, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Embrace Multi Academy Trust is required either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Embrace Multi Academy Trust serving notice, the Embrace Multi Academy Trust is obliged to repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Embrace Multi Academy Trust's sites and premises and other assets held for the purpose of the Embrace Multi Academy Trust; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

**28 MEMBER LIABILITY**

Each member of the Embrace Multi Academy Trust undertakes to contribute to its assets 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.

**29 PENSION AND SIMILAR OBLIGATIONS**

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

As described in note 1 the LGPS obligation relates to the employees of the Embrace Multi Academy Trust, who were employees at the date of incorporation of the Academy Trust, and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust's at the balance sheet date.

The total pension cost to the Academy during the year ended 31 August 2025 was £4,575,000 (2024: £4,147,000) of which £3,856,000 (2024: £3,397,000) relates to the TPS and £719,000 (2024: £750,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

Contributions amounting to £566,150 were payable to the schemes at 31 August 2025 (2024: £532,202) and are included within other creditors.

**Teachers' Pension Scheme****Introduction**

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****29 PENSION AND SIMILAR OBLIGATIONS (cont'd)****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 ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's costs paid to TPS in the period amounted to £3,856,000 (2024: £3,397,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in a separate Trustee administered funds. The total contributions made for the year ended 31 August 2025 was £1,463,000 (2024: £1,308,000) of which employers contributions totalled £1,175,000 (2024: £1,052,000) and employees contributions totalled £288,000 (2024: £256,000).

The agreed contributions for future years is an average of 25% (2024: 25%) for employers and a minimum of 5.5% to 9.9% (2024: 5.5% to 9.9%) for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 29 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2025 % per annum	At 31 August 2024 % per annum
Discount rate	6.1%	5.0%
Salary increases	3.2%	3.2%
Pension increase	2.7%	2.7%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2025 Approx Change to Employers Liability £'000	At 31 August 2024 Approx Change to Employers Liability £'000
Discount rate reduced by 0.1% per annum	439	544
Pension increase rate increased by 0.1%	431	530

The mortality assumptions used were as follows:

	At 31 August 2025 years	At 31 August 2024 years
Longevity at age 65 retiring today		
- Men	21.5	21.3
- Women	24.3	24.2
Longevity at age 65 retiring in 20 years		
- Men	21.5	21.3
- Women	25.6	25.5

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 29 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Embrace Multi Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2025 £'000	Fair value at 31 August 2024 £'000
Equity instruments	14,920	12,989
Debt instruments	9,755	8,493
Property	1,722	1,499
Cash and other liquid assets	2,295	1,998
Other assets	-	-
<b>Total market value of assets</b>	<b>28,692</b>	<b>24,979</b>
Present value of scheme liabilities:		
- Funded	28,692	24,979
- Unfunded	-	-
<b>Total liabilities</b>	<b>28,692</b>	<b>24,979</b>
<b>Deficit in the scheme</b>	<b>-</b>	<b>-</b>

The actual return on the scheme assets in the year was a surplus of £2,551,000 (2024: £2,454,000).

**Amounts recognised in the Statement of Financial Activities:**

	2025 £'000	2024 £'000
Current service cost	827	770
Interest income	(1,277)	(1,086)
Interest cost	1,169	1,066
<b>Total amount recognised in the SoFA</b>	<b>719</b>	<b>750</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

## 29 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2025 £'000	2024 £'000
<b>Changes in deficit during the year:</b>		
Balance at 1 September	-	-
Transferred in on existing Academies joining the Trust	-	(219)
Movement in year:		
- Employer service cost (net of employee contributions)	827	770
- Employer contributions	(1,175)	(1,052)
- Expected return on scheme assets	(1,277)	(1,086)
- Interest cost	1,169	1,066
- Actuarial gains	(6,425)	(1,297)
- Asset ceiling adjustment	6,881	1,818
<b>Deficit in the scheme at 31 August</b>	<b>-</b>	<b>-</b>

	2025 £'000	2024 £'000
<b>Changes in the present value of defined benefit obligations were as follows:</b>		
Balance at 1 September	24,979	19,832
Transferred in on existing Academies joining the Trust	-	1,439
Current service cost	827	770
Interest cost	1,169	1,066
Contributions by scheme participants	288	256
Benefits paid	(301)	(273)
Asset ceiling adjustment	6,881	1,818
Actuarial (gains)/losses	(5,151)	71
<b>Scheme liabilities at 31 August</b>	<b>28,692</b>	<b>24,979</b>

	2025 £'000	2024 £'000
<b>Changes in the fair value of the share of scheme assets:</b>		
Balance at 1 September	24,979	19,832
Transferred in on existing Academies joining the Trust	-	1,658
Expected return on scheme assets	1,277	1,086
Actuarial gains/(losses)	1,274	1,368
Contributions by employer	1,175	1,052
Benefits paid	(301)	(273)
Contributions by scheme participants	288	256
Administration expenses	-	-
<b>Fair value of scheme assets at 31 August</b>	<b>28,692</b>	<b>24,979</b>

The estimated value of employer contributions for the year ended 31 August 2026 is £1,222,000 (2025: £1,094,000).



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)****29 PENSION AND SIMILAR OBLIGATIONS (cont'd)**

The fair value of the pension plan assets at 31 August 2025 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £8,867,000 (2024: £1,986,000). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

The academy trust is not able to determine that future contributions will be reduced and it is not possible for the academy trust to receive a refund from the scheme, as the specific conditions for this have not been met. Therefore an asset ceiling is in place such that the surplus of £8,867,000 (2024: £1,986,000) is not recognised as an asset at 31 August 2025 and the net asset/liability recognised in the financial statements is capped at £Nil.

**30 RELATED PARTY TRANSACTIONS**

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

The Trustees of Embrace Multi Academy Trust, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings and some open land on a rent-free licence, the terms of which have been agreed between the Secretary of State and the Trustees of Embrace Multi Academy Trust, and within which is contained a termination clause on the Trustees of Embrace Multi Academy Trust by the Board of Education giving two years notice. Full details of the arrangement are detailed in note 13. Embrace Multi Academy Trust pays a fee to the Board of Education of the Diocese of Leicester for training courses and a Partnership Agreement which gives the Academy Trust access to advice and support throughout the year.

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

**31 AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the DfE. In the accounting period ending 31 August 2025 the trust received £14,344 and disbursed £12,631 from the fund. An amount of £4,831 (2024: £3,118) is included in other creditors relating to the undistributed funds that is repayable to the DfE.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (cont'd)

**32 TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST****St Peter's CE Primary School, Market Bosworth**

On 1 May 2024 the assets and liabilities of St Peter's CE Primary School were transferred into Embrace Multi Academy Trust. An income amount equal to the net assets acquired is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income.

The following table sets out the fair values of the identifiable assets and liabilities transferred in.

	Value reported by transferring academy trust	Fair value adjustment	Transfer recognise
	£'000	£'000	£'000
<b>Intangible assets</b>			
Software			-
Other intangible assets			-
<b>Tangible fixed assets</b>			
Leasehold land	463	-	<b>463</b>
Leasehold buildings	761	-	<b>761</b>
Leasehold improvements			-
Plant and machinery			-
Furniture and equipment	2	-	<b>2</b>
Computer equipment	9	-	<b>9</b>
Motor vehicles			-
Assets under construction			-
<b>Current assets</b>			
Cash in bank and in hand	106	-	<b>106</b>
Debtors and prepayments	34	-	<b>34</b>
VAT recoverable	5	-	<b>5</b>
<b>Liabilities</b>			
Other tax and social security	(15)	-	<b>(15)</b>
Accruals	(38)	-	<b>(38)</b>
Deferred income	(32)	-	<b>(32)</b>
<b>Pensions</b>			
Pensions – pension scheme assets	1,658	-	<b>1,658</b>
Pensions – pension scheme liabilities	(1,439)	-	<b>(1,439)</b>
<b>Net assets</b>	<b>1,514</b>	<b>-</b>	<b>1,514</b>

The fair value of the pension plan assets at 1 May 2024 was in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £219,000. An asset ceiling adjustment has been applied to the pension asset.

**33 EVENTS AFTER THE END OF THE REPORTING PERIOD**

There are no material adjusting or non adjusting events arising after the balance sheet date.

**34 PRIOR YEAR ADJUSTMENT**

Following the identification of a church supplemental agreement covering the land & buildings at Rawlins Academy, a prior year adjustment has been made in order to de-recognise land & buildings at the school. The corresponding adjustment to fixed asset funds and land & buildings net book value as at 1 September 2023 is a decrease of £10,562,000. There has also been a reduction to the depreciation charge in the year ended 31 August 2024 of £280,000, resulting in the closing fixed asset fund and land & buildings net book value as at 31 August 2024 being decreased by £10,282,000.

