

Company Registration Number: 07704968 (England & Wales)

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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BORDESLEY MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs W Rigby Mrs M Clack Mr P Roberts
Trustees	Mr B Allbut Mrs D Andrews, (Chair of Trustees) Mr B Newton Mr B Prever Mrs A Rickard, (Vice Chair of Trustees) Mr M Smith Mr A Ward, (MAT Chief Executive Officer and Headteacher Trinity High School)
Company registered number	07704968
Company name	Bordesley Multi-Academy Trust
Principal and registered office	Trinity High School and Sixth Form Centre Easemore Road Redditch Worcestershire B98 8HB
Company secretary	Ms H Steer
Chief executive officer	Adrian Ward
Senior management team	Mr A Ward, Headteacher Trinity High School & MAT Chief Executive Officer Mrs P Duncan, Business Manager Trinity High School & MAT Chief Finance Officer Mrs T Koser, Headteacher Holyoakes Field First School Mr M Brazier, Headteacher Birchensale Middle School (from 1/9/20)
Independent auditors	Randall & Payne LLP Chartered Accountants & Statutory Auditors Chargrove House Shurdington Road Shurdington Cheltenham Gloucestershire GL51 4GA
Bankers	Lloyds Bank PLC PO Box 1000 BX1 2HG

BORDESLEY MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Bordesley Multi Academy Trust was formed on 1 April 2019 with Trinity High School and Birchensale Middle School (BMS). Holyoakes Field First School (HFS) joined the Trust on 1 May 2019. All schools are in the same pyramid and serve the same catchment area. The Trust as a whole has a student capacity of 2,000 and 1,849 on roll in October 2021.

Structure, governance and management

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Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of Bordesley Multi-Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Bordesley 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 1.

Members' liability

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

. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. For the period ending 31 August 2021 this cover was provided under the DfE Risk Protection Arrangement.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have a minimum of three Trustees. In addition, the CEO of the MAT is a Trustee ex officio. The number of Trustees who are employees of the Multi Academy Trust (including the CEO) must not exceed one third of the total number of Trustees.

When appointing new Trustees, consideration is given to the skills audit, short and long term needs of the MAT, succession planning and the aim to represent the community which the MAT serves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

Upon appointment new Trustees undertake Induction Training (currently provided by Governor Services, Worcestershire Count Council). This policy is reviewed annually.

Organisational structure

The structure consists of Members, Trustees, Local Governing Bodies and a Senior Leadership Team within each school. The aim of the organisation structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher of Trinity High School & Sixth Form Centre is the BMAT CEO and Accounting Officer. The Scheme of Financial Delegation and Governance & Management Structure & Terms of Reference documents set out the financial authorisation levels.

The Trustees are responsible for setting general policy, adopting annual development plans and budgets for each school (the latter via the Finance & Site Committee), monitoring the academies and making strategic decisions about the direction of the MAT, capital expenditure and senior staff appointments. The constitution allows for this to be done by either committees of the Trustees or the full board as appropriate.

The Senior Leadership Teams within each school consist of the Headteacher, the Deputy Headteacher/s, the Assistant Headteacher/s and the School Business Manager. These leaders control the schools at an executive level implementing the policies laid down by the Trustees and reporting back to them.

The Senior Managers include Heads of Faculty/Departments who are responsible for both the day to day running and the strategic leadership of their faculty/department.

Throughout this document the term student refers to children of all ages who attend the Trust schools. Student pastoral care is undertaken by a team of Heads of Year or Key Stage Leaders overseen by a Senior Leader in each school.

Arrangements for setting pay and remuneration of key management personnel

Salaries for the Senior Leadership Teams are set at the appropriate point on the Leadership Pay Spine and, in the case of the Business Managers, the National Joint Council for Local Government Employees scale. Salaries are reviewed annually as part of the performance management cycle; an external advisor has been appointed to work with Trustees in reviewing the Headteacher's performance and salary. As the MAT becomes established, reviews will be carried out to ensure parity across the MAT schools.

Trade union facility time

During the year ended 31 August 2021, four employees were school based union officials and spent less than 1% of their time on paid Trade Union activity. In this respect there was no cost to the Trust. For this accounting period Trinity High School had a service level agreement in place with the Local Authority for trade union facility at a cost of £1,774 which is less than 0.04% of the total pay bill.

Related parties and other connected charities and organisations

Bordesley Multi Academy Trust and its member schools do not have any connected organisations.

BORDESLEY MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Employee involvement and employment of the disabled

Bordesley Multi Academy Trust is an equal opportunities employer; the Trustees believe its employees are its greatest resource.

Engagement with staff at a school level is regular and varied, including briefings, meetings and email updates. Alongside these formal and established practices the Trust ethos is very much an open door one where ideas, feedback and general contributions are welcomed.

Developments across the MAT in 20-21 have included the purchase of an Employee Assistance Programme to support staff well-being with further developments, including regular updates from the CEO planned for 21-22.

Objectives and activities

Public benefit

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. Students are admitted to each school at the appropriate age, without reference to ability or aptitude using the criteria as per the Admissions Policies. Admission to the BMAT schools is not dependent on any "voluntary" contribution.

The key public benefit delivered by the academies is the provision of high quality education in a comprehensive setting available to all students.

The schools aim to offer a complete education, delivering opportunities for personal as well as academic success. The schools seek to provide for the social, moral, spiritual and cultural development of students through a wide range of educational and extracurricular activities.

Links with business and commercial organisations are being fostered; Birchensale Middle School is working with Amazon and Trinity High School has received a grant from Millennium Point in Birmingham to develop STEM subjects. Wider community links in the schools are extensive, with many groups and organisations hiring our facilities, including before/after school clubs, the Special Olympics, the YMCA and numerous youth and adult sporting clubs. The Trustees consider this to be an important aspect of the MAT's work and will continue to promote community use of the facilities.

Objects and aims

- To ensure that every child enjoys the same high quality education in terms of resources, tuition and care
- To raise the standard of educational achievement of all students with a particular focus on the disadvantaged
- To improve the effectiveness of the MAT by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with pyramid schools and the local community
- To conduct the MAT's business in accordance with the highest standards of integrity, probity and openness

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Due to the impact of Covid-19 and the disruption to both schooling and assessments/exams in 2021 there are no performance tables or national data to report.

Holyoakes Field First School

Early Years Foundation Stage
% Good Level of Development: School: 73.9

Year 1 Phonic Screening
2020-21 % Students attaining expected standard: School: 81

Birchensale Middle School

Year 8: Progress

- English 77% of students make at least expected progress ; 18% make more than expected progress,
- Maths 76% of students make at least expected progress ; 6% make more than expected progress.
- Entry to exit progress (moderated externally) notes a 4% improvement from the start of Year 5 to the end of Year 8 in English and 25% improvement in Maths.

Key performance indicators

On a regular basis both the Senior Leadership Teams and Trustees consider KPIs including: Ofsted inspection outcomes, internal and external examination results, student attendance/exclusion data and student numbers. Financial KPIs are included in the Financial Report section of this document.

Attendance Data

Due to the pandemic, attendance data is not being reported this year.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the MAT 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

Most of the MAT's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

In accordance with the Charities SORP 2019, grants and donations received for specific capital purposes are shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Capital income of £22k (2020: £622k) was received in the year. This was made up of Devolved Formula Capital of £40k and the reduction in allocation of CIF funding totalling (£18k) on submission of the project completion report, for heating replacement work at Trinity High School which came in under budget. The school contribution to capital expenditure for the year was £131k (2020: £Nil).

There was an operational surplus of £207k, excluding adjustments relating to the local government pension scheme and capital income of £22k, (2020: £622k). There was investment in capital assets of £203k in the year (2020: £577k) which has been funded by grant funding. At 31 August 2021, the net book value of the fixed assets was £18,628k (2020: £18,926k). The assets were used exclusively for meeting the aims and objectives of the academies. As at 31 August 2021 the reserves (restricted and unrestricted general funds) were £3,112k (2020: £2,905k).

The financial impact of the Covid 19 pandemic in the reporting period continues to be significant, with the trust losing around £40k in self generated income. The wider financial impact also continues to be felt with the costs of staff absences, online learning provision, supporting the most vulnerable students, additional hygiene and cleaning and the continued loss of income.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Financial monitoring

The Trustees' financial aim is to ensure recurrent commitments do not exceed recurrent grant income. Prudent financial management and strong financial control have enabled the MAT to generate surplus funds over recent years. Despite funding pressures, measures to reduce costs in a controlled and sustainable way were implemented by Trinity High School and a similar approach is being taken across the MAT, utilising reserves whilst plans are developed to restore in year financial balance. All three schools have set balanced/surplus budgets for the year 2021-22, however central/MAT expenditure will continue to be reviewed to ensure that the MAT as a whole operates a balanced budget.

Financial oversight of the Trust is delegated to the Finance & Site Committee, which reports to the Board of Trustees via the Chair and Chief Executive Reports and minutes of the meeting. The Chair of the Finance & Site Committee and the Chair of Trustees (who also attends Finance & Site Committee meetings) receive monthly management reports, including income and expenditure, forecast outturn and balance sheet statistics. The Finance and Site Committee meets five times a year (six from 2021-22). At each meeting they receive and review financial management reports which include actual and forecast performance against budget, consideration of the balance sheet, and an analysis of cashflow and cash invested. On a termly basis the committee receives a report from the Internal Auditor. This committee also approves the individual Academy annual budgets for recommendation to the Board of Trustees, considers and agrees virements between budget headings and monitors the five year strategic financial plans.

The MAT has identified several key performance indicators which it uses to monitor and inform budgets:

	2021	2020	2019	2018	2017	2016
Staff costs % of revenue grants	83	86	88	86	84	75
Staff costs % of total costs	79	80	78	77	76	74
Current ratio (current assets/current liabilities)	6.61	8.27	5.76	6.89	9.96	8.66

NB figures for 2019 onwards include Birchensale Middle School from 1/4/19 and Holyoakes Field First School from 1/5/19.

Staff costs have reduced as a percentage of grants received, mainly due to additional grant funding received to cover Covid-related non-staff expenditure. The fall in the current ratio is mainly attributable to the increased trade creditor balances at the year end. Overall, the current ratio remains strong.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

Any reserves are held in accordance with the requirements laid down in the Master Funding Agreement and by the ESFA. The Board of Trustees review the level of, and policy for, reserves annually.

The Trustees' reserves policy is that one month's salary and one and a half month's supplies and services costs (approximately £1.3m) should be held in the bank current accounts. Any remaining reserves can be placed on deposit on a rolling twelve month basis. The Trustees recognise that the reserves can be used to support the school deficit budgets whilst these are managed into a balanced position.

The MAT's general reserves at 31 August 2021 are £2,412,000 (2020: £2,432,048); the amount of restricted funds not available for general purposes is £13,226,000 (2020: £14,308,074). The Restricted Fixed Assets funds of £18,589,000 (2020: £18,929,264) can only be realised by disposing of tangible fixed assets.

The pension reserve is materially in deficit. This reserve reflects the MAT's share of the deficit of its employees in the Local Government Pension Scheme (LGPS). The MAT will continue to contribute towards the deficit reduction plan as agreed with the actuaries, as well as making its employer contributions based on the current service of employees.

At 31 August 2021 the total funds comprised:

	£'000's
Unrestricted	2,403
Restricted:	
Fixed Asset Funds	18,589
Pension reserve	(6,096)
Other	709
	<u>15,605</u>

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Trustees have assessed the major risks to which the MAT is exposed which have been identified as:

- Changes to national funding methodology resulting in reduction in ESFA funding
- Fall in student numbers
- Failure to maintain/improve academic standards
- Loss of/failure to replace key personnel
- Failure to recruit teaching staff in shortage subjects (English, maths & science)
- Covid19 pandemic risk; significant staff/student absence resulting in part/full closure of schools and fall in academic standards

The plans and strategies for managing these risks are:

- Maintaining and regularly reviewing the Risk Register
- The School Self Evaluation and Development Plans detail the schemes in place to address the academic risks
- Continuing Professional Development and the performance review cycle identifies opportunities for staff retention and progression
- Regularly reviewing the staffing structure in individual schools and across the MAT to ensure it is fit for purpose
- Risk assessment in place and regularly reviewed for mitigating the impact of Covid19

Fundraising

The Academies do not undertake any fundraising other than small scale events, which take place within the Academies to raise funds for charity appeals. Students are encouraged, but not required, to participate. No professional fundraisers are used. The Trustees monitor all fundraising.

Streamlined energy and carbon reporting

As the trust has not consumed more than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

To review structures, policies and procedures across all MAT schools to ensure consistency and compliance
To ensure continued academic success and pastoral development for all students in the MAT
To review and integrate the school development plans across the MAT
To keep under review the accommodation and develop a MAT Premises Maintenance Plan
To develop the delivery of "central services" including academic development, compliance and finance
To review the committee structure to ensure Trustee oversight and challenge

Funds held as custodian on behalf of others

The school does not hold any funds on behalf of other bodies/organisations.

BORDESLEY MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2021 and signed on its behalf by:



Mrs D Andrews

BORDESLEY MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Trinity High School and Sixth Form Centre, Birchensale Middle School and Holyoakes Field First School and the Secretary of State for Education. The Chief Executive Officer and Finance & Site Committee are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr B Allbut	4	5
Mrs D Andrews, (Chair of Trustees)	5	5
Mr B Newton	4	5
Mr B Prever	5	5
Mrs A Rickard, (Vice Chair of Trustees)	5	5
Mr M Smith	4	5
Mr A Ward, (MAT Chief Executive Officer and Headteacher Trinity High School)	5	5

The Board of Trustees maintains effective oversight of funds by: receiving reports from the Finance and Site Committee at each of its meetings, the Chair of Trustees and the Chair of the Finance Committee receiving regular (monthly) management reports and the Chair of the Finance and Site Committee having regular discussions with the CFO.

The Finance and Site Committee is a committee of the main Board of Trustees. It is chaired by a qualified accountant and its purpose is to oversee and monitor the financial operations of the MAT and ensure that the school sites are fit for purpose. In addition to the members of the committee, the meetings are attended by the Chair of Trustees, the CFO and invited observers (governors) from the schools.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Smith	4	5
Mr B Prever	5	5
Mr A Ward	5	5

BORDESLEY MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the Multi 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 Multi 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 Multi Academy Trust has delivered improved value for money during the year by:

Ensuring that teaching and learning is a consistently high standard
Students achieve well academically
Budget outturn was in line with forecasts
Reserves have been used to improve the site and general provision for students

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 Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bordesley Multi-Academy Trust for the year 1 September 2020 to 31 August 2021 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 Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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 Multi Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes 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 have appointed Luckmans LDP, to carry out the internal audit function within a framework determined by the Finance & Site Committee with reference to the Academies Financial Handbook.

BORDESLEY MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal assurance checks include:

Testing of payroll systems
Testing of purchasing systems
Testing of control accounts/bank reconciliations
Testing of income systems

Two internal assurance reports have been received during the year. The Trustees intend that the cycle of one report per term will be reestablished in the coming year. Reports are made to the Board of Trustees (via the Finance & Site Committee).

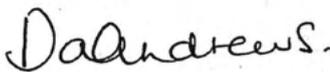
Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on their behalf by:



Mrs D Andrews
Chair of Trustees



Mr A Ward
Accounting Officer

BORDESLEY MULTI-ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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



Mr A Ward
Accounting Officer
Date: 7 December 2021

BORDESLEY MULTI-ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



Mrs D Andrews

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

Opinion

We have audited the financial statements of Bordesley Multi-Academy Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the Multi Academy Trust. These include but are not limited to compliance with the Companies Act 2006, the Charities SORP, the Academies Accounts Direction, UK GAAP and tax legislation;
- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

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

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Use of our report

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



Ryan Moore CA (Senior Statutory Auditor)

for and on behalf of
Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House

Shurdington Road

Shurdington

Cheltenham

Gloucestershire

GL51 4GA

15 December 2021

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BORDESLEY
MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bordesley Multi-Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bordesley Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2019 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

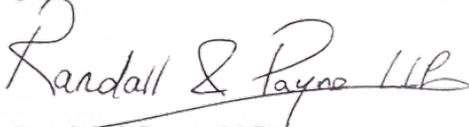
- We review consistency with value for money principles in the period;
- We assess compliance with relevant laws and regulation;
- We assess the safeguarding of public funds and assets.

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

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



Randall & Payne LLP
Chartered Accountants & Statutory Auditors

Date: 15 December 2021

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Income from:						
Donations and capital grants	3	-	54	22	75	621
Investments	5	5	-	-	5	12
Charitable activities		145	10,678	-	10,823	10,000
Other income	6	92	-	-	92	86
		<u>242</u>	<u>10,732</u>	<u>22</u>	<u>10,996</u>	<u>10,719</u>
Total income						
Expenditure on:						
Raising funds		12	-	-	12	14
Charitable activities	8	122	10,862	500	11,484	10,448
		<u>134</u>	<u>10,862</u>	<u>500</u>	<u>11,496</u>	<u>10,462</u>
Total expenditure						
Net income/(expenditure)						
Transfers between funds	19	(138)	-	138	-	-
		<u>(30)</u>	<u>(130)</u>	<u>(340)</u>	<u>(500)</u>	<u>257</u>
Net movement in funds before other recognised gains/(losses)						
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(636)	-	(636)	561
		<u>(30)</u>	<u>(766)</u>	<u>(340)</u>	<u>(1,136)</u>	<u>818</u>
Net movement in funds						

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Reconciliation of funds:					
Total funds brought forward	2,432	(4,621)	18,929	16,740	15,922
Net movement in funds	(30)	(766)	(340)	(1,136)	818
Total funds carried forward	2,402	(5,387)	18,589	15,604	16,740

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 57 form part of these financial statements.

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07704968

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	18,628	18,926
		<u>18,628</u>	<u>18,926</u>
Current assets			
Debtors	15	261	605
Investments	16	650	650
Cash at bank and in hand		2,749	2,098
		<u>3,660</u>	<u>3,353</u>
Creditors: amounts falling due within one year	17	(556)	(406)
Net current assets		<u>3,104</u>	<u>2,947</u>
Total assets less current liabilities		<u>21,732</u>	<u>21,873</u>
Creditors: amounts falling due after more than one year	18	(31)	(39)
Net assets excluding pension liability		<u>21,701</u>	<u>21,834</u>
Defined benefit pension scheme liability	25	(6,096)	(5,094)
Total net assets		<u><u>15,605</u></u>	<u><u>16,740</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	18,589	18,929
Restricted income funds	19	709	473
Restricted funds excluding pension asset	19	19,298	19,402
Pension reserve	19	(6,096)	(5,094)
Total restricted funds	19	<u>13,202</u>	<u>14,308</u>
Unrestricted income funds	19	<u>2,403</u>	<u>2,432</u>
Total funds		<u><u>15,605</u></u>	<u><u>16,740</u></u>

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07704968

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 22 to 57 were approved by the Trustees, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

D Andrews.

Mrs D Andrews

The notes on pages 27 to 57 form part of these financial statements.

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	827	171
Cash flows from investing activities	22	(176)	(593)
Change in cash and cash equivalents in the year		651	(422)
Cash and cash equivalents at the beginning of the year		2,098	2,520
Cash and cash equivalents at the end of the year	23, 24	<u>2,749</u>	<u>2,098</u>

The notes on pages 27 to 57 form part of these financial statements

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate 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.

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1.4 Expenditure

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

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

Depreciation is provided on the following bases:

Freehold property	- 50 years
Long term leasehold improvements	- 20 years
Furniture and fixtures	- 10 years
Computer equipment	- 5 years
Motor vehicles	- 10 years
Assets under construction	- Not depreciated

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

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Operating leases

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Pensions

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

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

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

1.13 Fund accounting

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

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

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

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

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The value of fixed assets represents a material balance in the financial statements. The Directors exercise judgement in their selection of relevant depreciation policies, in order to recognise the cost of assets over their estimated useful lives, which have been determined through assessment of replacement cycles of similar assets.

3. Income from donations and capital grants

	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations	54	-	54
Capital Grants	-	22	22
Grants	-	-	-
Total 2021	54	22	76

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants (continued)

	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Donations	43	-	43
Capital Grants	-	622	622
Grants	(44)	-	(44)
<i>Total 2020</i>	<u>(1)</u>	<u>622</u>	<u>621</u>

4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants			
General annual grant	-	8,928	8,928
Other DfE/ESFA grants			
Universal infant free school meals	-	52	52
Pupil premium	-	542	542
Earmarked grants	-	865	865
Other grants	-	291	291
Catering income	64	-	64
Schools trips or similar	81	-	81
	<u>145</u>	<u>10,678</u>	<u>10,823</u>
	-	-	-
	<u>145</u>	<u>10,678</u>	<u>10,823</u>

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations (continued)

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
DfE/ESFA grants			
General annual grant	-	8,373	8,373
Other DfE/ESFA grants			
Pupil premium	-	536	536
Universal infant free school meals	-	53	53
Earmarked grants	-	547	547
Other grants	-	244	244
Catering income	79	-	79
Schools trips or similar	168	-	168
	<u>247</u>	<u>9,753</u>	<u>10,000</u>
	-	-	-
	<u>247</u>	<u>9,753</u>	<u>10,000</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

Included within "Earmarked grants" is the following Covid-related funding: £83k in respect of exceptional cost claims, £130k in respect of Covid catch-up funding, £64k in respect of mass testing and £35k in respect of additional free school meals costs.

There are no unfulfilled grant conditions in respect of Government grants above.

5. Investment income

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Investment income - local cash	5	5

BORDESLEY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Investment income (continued)

	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Investment income - local cash	12	12
	<u>12</u>	<u>12</u>

6. Trading income

	Unrestricted funds 2021 £000	Total funds 2021 £000
Trading income	92	92
	<u>92</u>	<u>92</u>

	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Trading income	86	86
	<u>86</u>	<u>86</u>

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on fundraising trading activities:				
Direct costs	-	6	6	12
Educational Operations				
Direct costs	7,344	-	510	7,854
Allocated support costs	1,762	472	1,396	3,630
	<u>9,106</u>	<u>478</u>	<u>1,912</u>	<u>11,496</u>
	<u>9,106</u>	<u>478</u>	<u>1,912</u>	<u>11,496</u>

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7. Expenditure (continued)

	<i>Staff Costs</i> 2020 £000	<i>Premises</i> 2020 £000	<i>Other</i> 2020 £000	<i>Total</i> 2020 £000
Expenditure on fundraising trading activities:				
Direct costs	-	7	7	14
Educational Operations				
Direct costs	6,950	-	436	7,386
Allocated support costs	1,418	107	1,537	3,062
	<u>8,368</u>	<u>114</u>	<u>1,980</u>	<u>10,462</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Educational Operations	122	11,363	11,485
Rounding	-	-	(1)
	<u>122</u>	<u>11,363</u>	<u>11,485</u>

	<i>Unrestricted funds</i> 2020 £000	<i>Restricted funds</i> 2020 £000	<i>Total funds</i> 2020 £000
Educational Operations	778	9,670	10,448
	<u>778</u>	<u>9,670</u>	<u>10,448</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	<i>2020</i>
	£000	<i>£000</i>
Operating lease rentals	11	<i>11</i>
Depreciation of tangible fixed assets	499	<i>486</i>
Fees paid to auditors for:		
- audit	12	<i>12</i>
- other services	7	<i>6</i>
	=====	<i>=====</i>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	6,567	6,159
Social security costs	585	532
Pension costs	1,914	1,612
	<u>9,066</u>	<u>8,303</u>
Agency staff costs	40	64
	<u>9,106</u>	<u>8,367</u>

b. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	95	106
Administration and support	130	137
Management	20	13
	<u>245</u>	<u>256</u>

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>5</u>	<u>7</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £438,523 (2020 - £468,549).

11. Central services

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

- Financial services
- Legal services
- Procurement
- HR support
- IT support
- Educational support

The Academy charges for these services on the following basis:

The central service charge is calculated based on 4% of GAG income.

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Trinity High School and Sixth Form Centre	203	<i>192</i>
Birchensale Middle School	111	<i>99</i>
Holyokes Field First School	43	<i>41</i>
Total	357	<i>332</i>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

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

		2021	2020
		£000	£000
Headteacher: Mr A Ward	Remuneration	100 - 105	95 - 100
	Pension contributions paid	20 - 25	20 - 25

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. 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 element of trustees' and other officers' insurance costs from the total cost of membership to the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Long-term leasehold property £000	Long-term leasehold improvements £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2020	16,855	3,785	280	752	14	21,686
Additions	-	99	18	86	-	203
Rounding adj	-	(1)	(1)	-	-	(2)
At 31 August 2021	<u>16,855</u>	<u>3,883</u>	<u>297</u>	<u>838</u>	<u>14</u>	<u>21,887</u>
Depreciation						
At 1 September 2020	1,056	807	224	660	13	2,760
Charge for the year	242	194	11	51	1	499
Rounding adj	-	(1)	-	1	-	-
At 31 August 2021	<u>1,298</u>	<u>1,000</u>	<u>235</u>	<u>712</u>	<u>14</u>	<u>3,259</u>
Net book value						
At 31 August 2021	<u><u>15,557</u></u>	<u><u>2,883</u></u>	<u><u>62</u></u>	<u><u>126</u></u>	<u><u>-</u></u>	<u><u>18,628</u></u>
At 31 August 2020	<u><u>15,799</u></u>	<u><u>2,978</u></u>	<u><u>56</u></u>	<u><u>92</u></u>	<u><u>1</u></u>	<u><u>18,926</u></u>

Included in long-term leasehold property is land valued at £4,735,641, occupied under 3 separate 125 year leases from Worcestershire County Council, detailed as follows:

£1,150,641 since 29 July 2011
£1,140,000 since 30 April 2019
£2,445,000 since 29 March 2019

This land is not depreciated.

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NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	-	7
Other debtors	99	48
Prepayments and accrued income	115	294
Tax recoverable	47	256
	<u>261</u>	<u>605</u>

16. Current asset investments

	2021 £000	As restated 2020 £000
Term deposits maturing after 3 months	650	650

Term deposits include cash amounts deposited, not receivable on demand, for which the maturity date at point of exercise exceeded 3 months.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	7	7
Trade creditors	187	28
Other taxation and social security	151	148
Other creditors	163	161
Accruals and deferred income	48	62
	<u>556</u>	<u>406</u>

Other loans due within and after one year are from Salix Finance as part of the capital improvement works. The loan is interest free and repayable over a period of eight years.

	2021	<i>2020</i>
	£000	<i>£000</i>
Deferred income at 1 September 2020	33	33
Resources deferred during the year	30	33
Amounts released from previous periods	(33)	(33)
	<u>30</u>	<u>33</u>

Deferred income relates to grant income received in advance.

18. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	<u>31</u>	<u>39</u>

Other loans due within and after one year are from Salix Finance as part of the capital improvement works. The loan is interest free and repayable in instalments over a period of eight years. Of the balance falling due after more than one year £3,543 (2020: £10,630) falls due after more than five years.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds - all funds	2,432	242	(133)	(138)	-	2,403
Restricted general funds						
General annual grant (GAG)	310	10,732	(10,496)	-	-	546
Awards and prizes fund	15	-	-	-	-	15
Transfer reserve re BMS	105	-	-	-	-	105
Transfer reserve re HFF	43	-	-	-	-	43
Pension reserve	(5,094)	-	(366)	-	(636)	(6,096)
	(4,621)	10,732	(10,862)	-	(636)	(5,387)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	18,926	-	(500)	202	-	18,628
Capital funding	49	22	-	(71)	-	-
Salix Loan	(46)	-	-	7	-	(39)
	18,929	22	(500)	138	-	18,589
Total Restricted funds	14,308	10,754	(11,362)	138	(636)	13,202
Total funds	16,740	10,996	(11,495)	-	(636)	15,605

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

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

General Annual Grant

The general annual grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carryforward at 31 August 2020.

Pupil Premium

This is additional funding to raise the attainment of disadvantaged pupils of all abilities.

Charity Events

Funds collected by students through events for specific charities.

Awards and Prizes Fund

Funds held to be distributed as prizes and awards to students for achievements in certain areas.

Earmarked grants

Funds awarded by the DfE to fund rates and insurance obligations.

Pension reserve

Represents the pension liability under FRS 102 in respect of the Local Government Pension Scheme. The fund is in deficit but is not payable immediately. There are plans to meet the deficit such that there is not a constraint on reserves going forward.

DfE/ESFA capital grants

Funding for capital purposes.

Fixed Asset fund

Representing the net book value of assets held by the school and the value of capital grants as yet unspent net of creditors for fixed asset loans.

Transfers between funds

Transfers from the DfE/ESFA capital grant represent transfer to the fixed asset fund of expenditure on capital items in fulfillment of the grant restrictions. The transfer from GAG represents the shortfall in capital funding grants or where the academy has committed school funds as part of the capital programme.

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the academy at the discretion of the trustees.

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

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
Unrestricted funds						
General funds	2,207	345	(120)	-	-	2,432
Restricted general funds						
General annual grant (GAG)	69	6,372	(6,124)	(7)	-	310
Pupil premium	-	536	(536)	-	-	-
Awards and prizes fund	15	-	-	-	-	15
Earmarked grants	-	600	(600)	-	-	-
Other restricted income	-	243	(243)	-	-	-
Transfer reserve re BMS	105	-	-	-	-	105
Transfer reserve re HFF	43	-	-	-	-	43
Pension reserve	(5,301)	-	(354)	-	561	(5,094)
	<u>(5,069)</u>	<u>7,751</u>	<u>(7,857)</u>	<u>(7)</u>	<u>561</u>	<u>(4,621)</u>
Restricted fixed asset funds						
Class II Restricted Funds - all funds	18,835	-	(486)	577	-	18,926
Capital funding	3	623	-	(577)	-	49
Salix Loan	(53)	-	-	7	-	(46)
	<u>18,785</u>	<u>623</u>	<u>(486)</u>	<u>7</u>	<u>-</u>	<u>18,929</u>
Total Restricted funds	<u>13,716</u>	<u>8,374</u>	<u>(8,343)</u>	<u>-</u>	<u>561</u>	<u>14,308</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total funds	15,923	8,719	(8,463)	-	561	16,740
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Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Trinity High School and Sixth Form	2,206	2,117
Birchensale Middle School	387	222
Holyoakes Field First School	189	158
Bordesley MAT Central Function	330	406
	3,112	2,903
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	18,589	18,929
Pension reserve	(6,096)	(5,094)
Total	15,605	16,738

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Trinity High School and Sixth Form	3,974	674	269	783	5,700
Birchensale Middle School	2,306	313	55	463	3,137
Holyoakes Field First School	1,006	165	32	154	1,357
Bordesley MAT Central Function	57	698	1	46	802
Academy	7,343	1,850	357	1,446	10,996

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £000</i>	<i>Other support staff costs £000</i>	<i>Educational supplies £000</i>	<i>Other costs excluding depreciation £000</i>	<i>Total 2020 £000</i>
Trinity High School and Sixth Form	3,546	802	202	614	5,164
Birchensale Middle School	2,215	279	74	441	3,009
Holyoakes Field First School	938	154	19	166	1,277
Bordesley MAT Central Function	14	424	-	90	528
Academy	6,713	1,659	295	1,311	9,978

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	18,628	18,628
Current assets	2,403	1,257	-	3,660
Creditors due within one year	-	(549)	(8)	(557)
Creditors due in more than one year	-	-	(31)	(31)
Provisions for liabilities and charges	-	(6,096)	-	(6,096)
Difference	-	1	-	(1)
Total	2,403	(5,387)	18,589	15,605

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	-	-	18,926	18,926
Current assets	2,432	871	50	3,353
Creditors due within one year	-	(359)	(46)	(405)
Creditors due in more than one year	-	(39)	-	(39)
Provisions for liabilities and charges	-	(5,094)	-	(5,094)
Total	2,432	(4,621)	18,930	16,741

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021	2020
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(500)	257
Adjustments for:		
Depreciation	500	485
Capital grants from DfE and other capital income	(22)	(622)
Interest receivable	(5)	(12)
Defined benefit pension scheme cost less contributions payable	272	261
Defined benefit pension scheme finance cost	87	93
Decrease/(increase) in debtors	344	(176)
Increase/(decrease) in creditors	151	(115)
Net cash provided by operating activities	827	171

22. Cash flows from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	5	12
Purchase of tangible fixed assets	(203)	(577)
Purchase of investments	-	(650)
Capital grants from DfE Group	22	622
Net cash used in investing activities	(176)	(593)

Purchase of investments relates to the fixed-term deposit of cash. This is a historical investment, which has been recorded in the prior period as a disclosure improvement.

23. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	2,749	2,098
Total cash and cash equivalents	2,749	2,098

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NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,098	651	2,749
Debt due within 1 year	(7)	-	(7)
Debt due after 1 year	(39)	8	(31)
Liquid investments	650	-	650
	<u>2,702</u>	<u>659</u>	<u>3,361</u>

25. Pension commitments

The Academy'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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,079,000 (2020 - £1,028,000).

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

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £615,000 (2020 - £523,000), of which employer's contributions totalled £500,000 (2020 - £420,000) and employees' contributions totalled £ 115,000 (2020 - £103,000). The agreed contribution rates for future years are 18.6 per cent for employers and 5.5-7.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	4.3	3.8
Rate of increase for pensions in payment/inflation	2.9	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.1	25
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	27.1	27

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(244)	(194)
Mortality assumption - 1 year increase	336	239
CPI rate +0.1%	250	197

Share of scheme assets

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FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

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

	2021 £000	2020 £000
Equities	3,847	2,228
Gilts	-	227
Corporate bonds	5	179
Property	203	183
Cash and other liquid assets	116	142
Other	453	423
Total market value of assets	4,624	3,382

The actual return on scheme assets was £674,000 (2020 - £37,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Current service cost	(772)	(664)
Past service cost	-	(10)
Interest income	66	41
Interest cost	(153)	(134)
Administrative expenses	(7)	-
Total amount recognised in the Statement of Financial Activities	(866)	(767)

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

	2021 £000	2020 £000
At 1 September	8,484	7,430
Current service cost	772	664
Interest cost	153	134
Employee contributions	115	103
Actuarial losses	1,243	201
Benefits paid	(39)	(58)
Past service costs	-	10
At 31 August	10,728	8,484

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25. Pension commitments (continued)

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

	2021	2020
	£000	£000
At 1 September	3,382	2,121
Interest income	66	41
Actuarial gains	607	762
Employer contributions	500	420
Employee contributions	115	103
Benefits paid	(39)	(58)
Admin expenses	(7)	(7)
At 31 August	4,624	3,382

26. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Not later than 1 year	23	11
Later than 1 year and not later than 5 years	30	19
	53	30

27. Members' liability

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

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28. Related party transactions

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

