

BORDESLEY MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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
FOR THE YEAR ENDED 31 AUGUST 2020

Members

Mrs S Amor
Mrs M Clack
Mr P Roberts

Trustees

Mr B Allbut
Mrs D Andrews, (Chair of Trustees)
Mr B Newton (from 24 April 2020)
Mr B Prever
Mrs A Rickard
Mr M Semens (resigned 20 January 2020)
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 E Stewart

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
Mr T Jones, Headteacher, Birchensale Middle School (retired 31/8/20)
Mrs T Koser, Headteacher Holyoakes Field First School
Mr M Brazier, Headteacher Birchensale Middle School (from 1/9/20)

Independent auditors

Randall & Payne LLP, 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 2020

The Trustees present their annual report together with the audited financial statements for Bordesley Multi Academy Trust (BMAT) for the year 1 September 2019 to 31 August 2020. 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 1,913 on roll.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Bordesley Multi Academy Trust are also the directors of the Academy Trust for the purposes of company law. The Charitable Company operates as Bordesley Multi Academy Trust.

Details of the Trustees who served throughout 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 2020 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 exofficio. 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.

Policies and procedures adopted for the induction and training of Trustees

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020, four employees were school-based union officials and spent 0% 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

In addition to the sports and arts events mentioned elsewhere in this report, international links have been developed through working with the ALCOA company in delivering a science, technology and maths programme, which involves schools throughout the MAT, the county and beyond.

Wider community links in the schools are extensive, with many groups and organisations hiring our facilities, including 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.

Objectives and Activities

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 2020

Achievement and Performance

Each year the School Development Plans for each school set out details of intended actions, timescales and impact required to deliver each of its objectives. These can be summarised as follows:

HOLYOAKES FIELD FIRST SCHOOL

No KS2 SATs were carried out in 2020

The information below compares the attainment of students with national averages. The very pleasing results are a tribute to the children and the staff.

Early Years Foundation Stage

% Good Level of Development: School: 73.9%, National: 72%

Year 1 Phonic Screening

% Students attaining expected standard: School: 89%, National: 82%

Key Stage One

END OF KS1 SAT's RESULTS	Holyoakes Performance 2019	National Average 2018
Reading – Expected and above Standard	77%	75%
Writing – Expected Standard	70%	70%
Maths – Expected and above Standard	81%	76%
Science – Expected Standard	85%	83%
Reading, Writing and Maths combined – Expected and above Standard	70%	65%

Birchensale Middle School

KS2 SATS Results

No KS2 SATs were carried out in 2020

	Birchensale Middle School 2019 (%)	National 2019 (5)
Reading	78	73
Writing	78	78
Spelling & Grammar	76	78
Maths	76	79
Combined	69	65

Year 8: Progress

No GL tests were taken in 2020

Entry to exit progress (external GL data)

- 80% of students make at least expected progress in English entry to exit; 46% make more than expected progress,
- 95% of students make at least expected progress in Maths from entry to exit; 87% make more than expected progress.
- 85% of students make at least expected progress in Science from entry to exit; 67% make more than expected progress.

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TRUSTEES' REPORT (continued)
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Trinity High School

Due to the impact of Covid-19 and the disruption to both schooling and exams in 2020, there are no performance tables to report for either Key Stage 4 or 5.

Key Stage 4 2019

Progress 8	2019	2018	2017
Progress 8 Score	-0.1	-0.02	-0.02
Progress 8 element breakdown			
English	-0.03	-0.05	-0.12
Maths	-0.03	0.05	0.08
EBacc	-0.31	0.05	-0.28
Other	-0.17	-0.08	0.24

	2019		2018		2017	
	4+ %	5+ %	4+ %	5+ %	4+ %	5+ %
English	76	51	72	51	68	44
Maths	63	33	66	38	64	43
English & Maths	56	25	56	31	54	32
5+ including English & Maths	53		50		48	

KS5Value Added

	2018-19	2017-18
A Level	-0.26	-0.27
Academic	-0.28	-0.28
Applied	0.36	0.31

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TRUSTEES' REPORT (continued)
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Strategic report

Key performance indicators (KPIs)

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, schools were largely closed from March 23rd 2020 until the end of August, 2020 except for a very small number of key worker and vulnerable children. As a result, attendance data is not being reported on this year.

Trinity High School			
	2018-19	2017-18	2016-17
Target	95.5%		
Actual	94%	94.8	93.9
Birchensale Middle School			
	2018-19	2017-18	2016-17
Target	95%	95%	
Actual	95.6%	95%	
Holyoakes Field First School			
Target	96%	96%	
Actual	95.3%	95.3%	

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 2020 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.

Capital income of £622,257 (2019: £157,000) was received in the year. The majority of this was CIF funding for heating replacement work at Trinity High School, with the remainder being Devolved Formula Capital. The school contribution to capital works for the year was £Nil (2019: £38,000).

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TRUSTEES' REPORT (continued)
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There was an operational surplus of £467,901, excluding adjustments relating to the local government pension scheme and capital income of £622,257, (2019: £157,000). There was investment in capital assets of £577,063 in the year (2019: £315,000) which has been funded by grant funding. At 31 August 2020, the net book value of the fixed assets was £18,925,714 (2019: £18,833,000). The assets were used exclusively for meeting the aims and objectives of the academies. As at 31 August 2020 the reserves (restricted and unrestricted general funds) were £2,904,858 (2019: £2,436,957)..

The financial impact of the Covid-19 pandemic in the reporting period is significant, with the trust losing around £50k in self-generated income. The wider financial impact, however, will be felt in 2020-21 with the costs of staff absences, online learning provision, supporting the most vulnerable students, additional hygiene and cleaning and the continued loss of income.

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, but current funding levels and the impact of increased costs which are beyond the control of the MAT (pay awards, increased employer pension and NI contributions) have resulted in in year deficits which are being met from these reserves in the short term. Schools in Worcestershire are historically funded at below the national average rate. The evidence suggests that if funding levels were at the national average and the pay and pension increases were fully funded, the schools in the MAT would be able to operate balanced budgets. 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. In two of the MAT schools Trustees have agreed working budgets with an in-year deficit totalling £260,000 for the 2020-21 year. The third school has set a surplus budget, with the Trust as a whole setting an in -year planned surplus of £80,000.

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. 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 Responsible Officer. 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:

	2020	2019	2018	2017	2016	2015
Staff costs % of revenue grants	86	88	86	84	75	74
Staff costs % of total costs	80	78	77	76	74	73
Current ratio (current assets/current liabilities)	8.27	5.76	6.89	9.96	8.66	5.26

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

Staff costs indicators have again increased relative to funds received. The current ratio reflects the additional liabilities due to the ongoing capital works at the year end.

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TRUSTEES' REPORT (continued)
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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 £1m) 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 will be used to support the school deficit budgets whilst these are managed into a balanced position.

The MAT's general reserves at 31 August 2020 are £2,432,048 (2019: £2,204,000); the amount of restricted funds not available for general purposes is 14,308,074 (2019: £13,717,000). The Restricted Fixed Assets funds of £18,929,264 (2019 £18,779,000) 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 2020 the total funds comprised:

		£'000's
Unrestricted		2,432
Restricted:	Fixed asset funds	18,929
	Pension reserve	(-5,094)
	Other	473
		<u>16,740</u>

Risk management

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
- Impact of changes to admission arrangements of neighbouring schools
- Loss of/failure to replace key personnel
- Failure to recruit teaching staff in shortage subjects (English, maths & science)
- Covid-19 pandemic risk; significant staff/student absence resulting in part/full closure of schools

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 Covid-19

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TRUSTEES' REPORT (continued)
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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

Funds held as custodian trustee on behalf of others

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

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The **academy** carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The **academy** has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the **academy's** Equal Opportunities Policy, the **academy** has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the **academy's** offices.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

In so far as the Trustees are aware:

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

This report, incorporating the strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2020 and signed on its behalf by:



Mrs D Andrews
Chair of Trustees

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.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, and the Finance & Site Committee, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned in the funding agreements 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 Trustees' responsibilities statement. The Board of Trustees has formally met 5 times during the year. Attendance during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Allbut	4	5
Mrs D Andrews(Chair)	4	5
Mr B Newton	2	2
Mr B Prever	5	5
Mrs A Rickard	4	5
Mr M Semens	1	2
Mr M Smith	5	5
Mr A Ward, (MAT Chief Executive Officer and Headteacher Trinity High School)	5	5

In January 2020 the ESFA carried out a Financial Management and Governance Review of the Trust. The Board of Trustees, CEO and CFO have acted on the findings of this report.

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 meetings 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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Smith (Chair)	6	6
Mr B Prever	5	6
Mr A Ward	6	6

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GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available and appropriate. The Accounting Officer for the 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bordesley Multi-Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees have 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 MAT's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The 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. The framework in place includes:

- comprehensive financial planning 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 of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Randall & Payne, the external auditor, to perform additional checks within a framework determined by the Finance and Site Committee with reference to the Academies Financial Handbook.

The internal assurance checks include:

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

Due to the Covid-19 pandemic only one internal assurance report has been received during the year; the Trustees intend that the cycle of one report per term will be re-established in the coming year. Reports are made to the Board of Trustees (via the Finance & Site Committee) on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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:

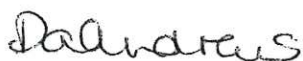
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the ESFA Financial Management and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

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GOVERNANCE STATEMENT (continued)

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 the board of trustees on 8 December 2020, and signed on their behalf, by:



Mrs D Andrews
Chair of Trustees



Mr A Ward, Headteacher
Accounting Officer

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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 Board of Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreements in place between the Academies and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr A Ward
Accounting Officer

Date: 8 December 2020

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who act as Trustees of Bordesley Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued 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 2019 to 2020;
- 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 the 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 8 December 2020 and signed on its behalf by:



Mrs D Andrews,
Chair of Trustees

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

**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 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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 2020 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 2019 to 2020 issued by the Education & 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy'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

Date: 17 December 2020

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

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

In accordance with the terms of our engagement letter dated 10 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bordesley Multi-Academy Trust and the 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

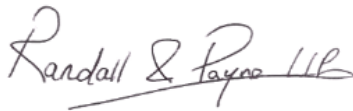
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

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

**INDEPENDENT REPORTING ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have 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

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date: 17 December 2020

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	2	-	(2)	623	621	9,429
Charitable activities	3	247	9,753	-	10,000	6,789
Investments	4	12	-	-	12	7
Other income		86	-	-	86	105
Total income		345	9,751	623	10,719	16,330
Expenditure on:						
Raising funds		14	-	-	14	17
Charitable activities	5	106	9,857	486	10,449	7,467
Total expenditure	8	120	9,857	486	10,463	7,484
Net income / (expenditure) before transfers		225	(106)	137	256	8,846
Transfers between Funds	19	-	(7)	7	-	-
Net income / (expenditure) before other recognised gains and losses		225	(113)	144	256	8,846
Actuarial gains/(losses) on defined benefit pension schemes	23	-	561	-	561	(1,954)
Net movement in funds		225	448	144	817	6,892
Reconciliation of funds:						
Total funds brought forward		2,205	(5,069)	18,786	15,922	9,030
Total funds carried forward		2,430	(4,621)	18,930	16,739	15,922

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£000	2020 £000	£000	2019 £000
Fixed assets					
Tangible assets	15		18,926		18,834
Current assets					
Debtors	16	605		429	
Cash at bank and in hand		2,748		2,521	
		<u>3,353</u>		<u>2,950</u>	
Creditors: amounts falling due within one year	17	(407)		(511)	
Net current assets			2,946		2,439
Total assets less current liabilities			21,872		21,273
Creditors: amounts falling due after more than one year	18		(39)		(50)
Net assets excluding pension scheme liabilities			21,833		21,223
Defined benefit pension scheme liability	23		(5,094)		(5,301)
Net assets including pension scheme liabilities			16,739		15,922
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	473		232	
Restricted fixed asset funds	19	18,930		18,786	
Restricted income funds excluding pension liability		19,403		19,018	
Pension reserve		(5,094)		(5,301)	
Total restricted income funds			14,309		13,717
Unrestricted income funds	19		2,430		2,205
Total funds			16,739		15,922

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue, on 8 December 2020 and are signed on their behalf, by:

DaAndrews

Chair of Trustees

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	170	198
Cash flows from investing activities:			
Dividends, interest and rents from investments		12	7
Purchase of tangible fixed assets		(577)	(315)
Capital grants from DfE Group		622	157
Net cash provided by/(used in) investing activities		57	(151)
Change in cash and cash equivalents in the year		227	47
Cash and cash equivalents brought forward		2,521	2,474
Cash and cash equivalents carried forward	22	2,748	2,521

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bordesley Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Long term leasehold improvements	-	20 years
Furniture and fixtures	-	10 years
Motor vehicles	-	10 years
Computer equipment	-	5 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 incorporating Income and Expenditure Account.

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 Bank.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

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 and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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 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.

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	-	43	43	10,320
Capital Grants	-	623	623	157
Grants	-	(45)	(45)	(1,048)
	-	621	621	9,429
<i>Total 2019</i>	-	9,429	9,429	

3. Funding for Academy's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General annual grant	-	8,373	8,373	6,034
Pupil premium	-	536	536	321
Earmarked grants	-	600	600	85
Other grants	-	244	244	129
Catering income	79	-	79	111
Schools trips or similar	168	-	168	109
	247	9,753	10,000	6,789
<i>Total 2019</i>	220	6,569	6,789	

4. Investment income

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income - local cash	12	-	12	7
<i>Total 2019</i>	7	-	7	

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Analysis of expenditure on charitable activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Educational Operations	106	10,343	10,449	7,467
<i>Total 2019</i>	652	6,815	7,467	

6. Direct costs

	Educational Operations £000	Total 2020 £000	Total 2019 £000
Educational supplies	167	167	145
Exam fees	126	126	114
Training and development	38	38	22
Trips and similar	105	105	56
Wages and salaries	5,290	5,290	3,720
National insurance	465	465	339
Pension cost	1,195	1,195	605
	7,386	7,386	5,001
<i>Total 2019</i>	5,001	5,001	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Support costs

	Educational Operations £000	Total 2020 £000	Total 2019 £000
Net pension interest cost	93	93	65
Cleaning	105	105	112
Catering	212	212	111
Heat and light	125	125	101
Insurance	33	33	41
Maintenance of premises and equipment	264	264	194
Office costs	59	59	69
Other support costs	14	14	14
Professional fees	117	117	117
Rates and water	68	68	53
Subscriptions	55	55	36
Transport	-	-	12
Auditor's remuneration	15	15	26
Wages and salaries	934	934	689
National insurance	67	67	50
Pension cost	416	416	419
Depreciation	486	486	357
	<u>3,063</u>	<u>3,063</u>	<u>2,466</u>
<i>Total 2019</i>	<u>2,466</u>	<u>2,466</u>	

8. Expenditure

	Staff costs 2020 £000	Premises 2020 £000	Other costs 2020 £000	Total 2020 £000	Total 2019 £000
Expenditure on fundraising trading					
Direct costs	-	7	7	14	17
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	6,950	-	436	7,386	5,001
Support costs	1,418	107	1,538	3,063	2,466
	<u>8,368</u>	<u>114</u>	<u>1,981</u>	<u>10,463</u>	<u>7,484</u>
<i>Total 2019</i>	<u>5,822</u>	<u>484</u>	<u>1,178</u>	<u>7,484</u>	

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FOR THE YEAR ENDED 31 AUGUST 2020**

9. Net income/(expenditure)

This is stated after charging:

	2020	<i>2019</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	486	<i>356</i>
Operating lease rentals	11	<i>-</i>
	=====	<i>=====</i>

10. Auditors' remuneration

	2020	<i>2019</i>
	£000	<i>£000</i>
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	12	<i>19</i>
Corporate finance services not included above	-	<i>3</i>
All other non-audit services not included above	4	<i>4</i>
	=====	<i>=====</i>

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11. Staff costs

a. Staff costs

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	6,160	4,366
Social security costs	532	388
Operating costs of defined benefit pension schemes	1,612	1,024
	<u>8,304</u>	<u>5,778</u>
Agency staff costs	64	44
	<u>8,368</u>	<u>5,822</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	106	97
Administration and support	137	129
Management	13	15
	<u>256</u>	<u>241</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

Key management personnel, other than trustees who are not remunerated, are considered to be the Chief Executive Officer, Heads of Schools and MAT Chief Finance Officer.

There is a senior leadership team in each school responsible for local school delivery.

The total cost of employee benefits (including employer pension contributions and employer national insurance contributions) to the MAT in respect of key management personnel for their services to the MAT was £468,549 (2019: £246,307).

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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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£000	<i>£000</i>
Headteacher: Mr A Ward	Remuneration	95-100	<i>90-95</i>
	Pension contributions paid	20-25	<i>15-20</i>
Staff governor: Mrs H L Green	Remuneration		<i>50-55</i>
	Pension contributions paid		<i>5-10</i>
Staff governor: Mr T A Bristowe	Remuneration		<i>35-40</i>
	Pension contributions paid		<i>5-10</i>
Staff governors: Mr F Boakye-Gyabaah	Remuneration		<i>35-40</i>
	Pension contributions paid		<i>5-10</i>

During the year ended 31 August 2020, no Trustees received any reimbursement of expenses (2019 - £NIL).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance (via the RPA scheme) 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 officers' insurance costs from the total RPA cost.

14. Other finance income

	2020	<i>2019</i>
	£000	<i>£000</i>
Interest income on pension scheme assets	41	<i>53</i>
Interest on pension scheme liabilities	(134)	<i>(118)</i>
	(93)	<i>(65)</i>

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15. Tangible fixed assets

	Leasehold property £000	Furniture and fixtures £000	Motor vehicles £000	Computer equipment £000
Cost				
At 1 September 2019	16,855	269	14	722
Additions	-	11	-	30
At 31 August 2020	16,855	280	14	752
Depreciation				
At 1 September 2019	813	214	12	617
Charge for the year	242	10	1	43
At 31 August 2020	1,055	224	13	660
Net book value				
At 31 August 2020	15,800	56	1	92
At 31 August 2019	16,042	55	2	105
			Long term leasehold improvements £000	Total £000
Cost				
At 1 September 2019			3,248	21,108
Additions			536	577
At 31 August 2020			3,784	21,685
Depreciation				
At 1 September 2019			618	2,274
Charge for the year			189	485
At 31 August 2020			807	2,759
Net book value				
At 31 August 2020			2,977	18,926
At 31 August 2019			2,630	18,834

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16. Debtors

	2020	2019
	£000	£000
Trade debtors	7	18
Other debtors	48	158
Prepayments and accrued income	294	150
Tax recoverable	256	103
	<u>605</u>	<u>429</u>

17. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other loans	7	4
Trade creditors	28	182
Other creditors	310	259
Accruals and deferred income	62	66
	<u>407</u>	<u>511</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.

Deferred income relates to grants received in advance.

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

	2020	2019
	£000	£000
Other loans	<u>39</u>	<u>50</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 £10,630 (2019: £17,717) falls due after more than five years.

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19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	2,205	345	(120)	-	-	2,430
Restricted funds						
General annual grant (GAG)	69	8,372	(8,124)	(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)
	(5,069)	9,751	(9,857)	(7)	561	(4,621)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	18,835	-	(486)	577	-	18,926
Capital funding	4	623	-	(577)	-	50
Salix loan	(53)	-	-	7	-	(46)
	18,786	623	(486)	7	-	18,930
Total restricted funds	13,717	10,374	(10,343)	-	561	14,309
Total of funds	15,922	10,719	(10,463)	-	561	16,739

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NOTES TO THE FINANCIAL STATEMENTS
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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 carry forward 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 that it could carry forward at 31 August 2020.

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19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	<i>Total 2019 £000</i>
Trinity High School and Sixth Form	2,117	1,878
Birchensale Middle School	222	422
Holyoakes Field First School	158	166
BMAT	406	(23)
Total before fixed asset fund and pension reserve	2,903	2,443
Restricted fixed asset fund	18,930	18,786
Pension reserve	(5,094)	(5,301)
Total	16,739	15,928

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19. Statement of funds (continued)

Analysis of academies by cost

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 2020 £000	Total 2019 £000
Trinity High School and Sixth Form Centre	3,546	802	202	614	5,164	5,517
Birchensale Middle School	2,215	279	74	441	3,009	1,108
Holyoakes Field First School	938	154	19	166	1,277	479
Bordesley MAT central function	14	424	-	90	528	23
	<u>6,713</u>	<u>1,659</u>	<u>295</u>	<u>1,311</u>	<u>9,978</u>	<u>7,127</u>

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19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £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 2019 £000</i>
General funds						
General funds	2,110	331	(237)	-	-	2,204
Restricted funds						
General annual grant (GAG)	5	6,034	(5,932)	(38)	-	69
Pupil premium	-	262	(262)	-	-	-
Awards and prizes fund	16	-	(1)	-	-	15
Earmarked grants	-	273	(273)	-	-	-
Charity events	-	42	(42)	-	-	-
Transfer reserve re BMS	-	105	-	-	-	105
Transfer reserve re HFF	-	43	-	-	-	43
Pension reserve	(1,771)	(1,196)	(380)	-	(1,954)	(5,301)
	<u>(1,750)</u>	<u>5,563</u>	<u>(6,890)</u>	<u>(38)</u>	<u>(1,954)</u>	<u>(5,069)</u>
Restricted fixed asset funds						
Net book value of fixed assets	8,597	10,278	(357)	315	-	18,833
Capital funding	130	157	-	(280)	-	7
Salix loan	(57)	-	-	3	-	(54)
	<u>8,670</u>	<u>10,435</u>	<u>(357)</u>	<u>38</u>	<u>-</u>	<u>18,786</u>
Total restricted funds	<u>6,920</u>	<u>15,998</u>	<u>(7,247)</u>	<u>-</u>	<u>(1,954)</u>	<u>13,717</u>
Total of funds	<u>9,030</u>	<u>16,329</u>	<u>(7,484)</u>	<u>-</u>	<u>(1,954)</u>	<u>15,921</u>

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	18,926	18,926
Current assets	2,430	871	50	3,351
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)
	<u>2,430</u>	<u>(4,621)</u>	<u>18,930</u>	<u>16,739</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	1	-	18,834	18,835
Current assets	2,204	739	7	2,950
Creditors due within one year	-	(507)	(5)	(512)
Creditors due in more than one year	-	-	(50)	(50)
Provisions for liabilities and charges	-	(5,301)	-	(5,301)
	<u>2,205</u>	<u>(5,069)</u>	<u>18,786</u>	<u>15,922</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £000	2019 £000
Net income for the year (as per Statement of Financial Activities)	256	8,846
Adjustment for:		
Depreciation charges	485	357
Dividends, interest and rents from investments	(12)	(7)
Increase in debtors	(176)	(257)
(Decrease)/increase in creditors	(115)	123
Capital grants from DfE and other capital income	(622)	(157)
Defined benefit pension scheme obligation inherited	-	1,196
Defined benefit pension scheme - current service, past service, administrative costs	261	310
Defined benefit pension scheme finance cost	93	65
Transfer of property and pension liability from local authority	-	(10,278)
Net cash provided by operating activities	<u>170</u>	<u>198</u>

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22. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	2,748	2,521
Total	2,748	2,521

23. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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%.

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23. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the period amounted to £1,028,000 (2019: £533,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £523,000 (2019 - £230,000), of which employer's contributions totalled £420,000 (2019 - £163,000) and employees' contributions totalled £103,000 (2019 - £67,000). The agreed contribution rates for future years are 14.8% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	2020	2019
Discount rate for scheme liabilities	1.80 %	1.80 %
Rate of increase in salaries	3.80 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.30 %	2.00 %

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

	2020	2019
Retiring today		
Males	22.6	22.7
Females	25.0	25.7
Retiring in 20 years		
Males	24.2	24.9
Females	27.0	28.0

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23. Pension commitments (continued)

	At 31 August	<i>At 31 August</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Sensitivity analysis		
Discount rate +0.1%	(194)	<i>(183)</i>
Mortality assumption - 1 year increase	239	<i>135</i>
CPI rate +0.1%	197	<i>184</i>

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

	Fair value at	<i>Fair value at</i>
	31 August	<i>31 August</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Equities	2,228	<i>1,504</i>
Government bonds	227	<i>159</i>
Property	183	<i>127</i>
Cash and other liquid assets	142	<i>62</i>
Other bonds	179	<i>106</i>
Other	423	<i>163</i>
Total market value of assets	3,382	<i>2,121</i>

The actual return on scheme assets was £37,000 (2019 - £87,000).

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(664)	<i>(330)</i>
Past service cost	(10)	<i>(148)</i>
Interest income	41	<i>53</i>
Interest cost	(134)	<i>(118)</i>
Total	(767)	<i>(543)</i>

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23. Pension commitments (continued)

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

	2020 £000	2019 £000
Opening defined benefit obligation	7,430	88
Current service cost	664	330
Interest cost	134	118
Employee contributions	103	-
Actuarial losses	201	1,987
Benefits paid	(58)	-
Past service costs	10	-
	<u>8,484</u>	<u>2,523</u>
Closing defined benefit obligation	<u>8,484</u>	<u>2,523</u>

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

	2020 £000	2019 £000
Opening fair value of scheme assets	2,121	199
Interest income	41	-
Actuarial gains	762	33
Employer contributions	420	163
Employee contributions	103	-
Benefits paid	(58)	-
Admin expenses	(7)	-
	<u>3,382</u>	<u>395</u>
Closing fair value of scheme assets	<u>3,382</u>	<u>395</u>

24. 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.

25. Related party transactions

Owing to the nature of the Academy's operations 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 trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.