

Registered number: 08718062

The Bolton Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020



The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

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The Bolton Multi Academy Trust
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Reference and Administrative Details

Members

P Hodgkinson (appointed 4 October 2019)
P Norton (appointed 4 October 2019)
D Smith (appointed 4 October 2019, resigned 30 June 2020)
J Austin (resigned 4 October 2019)
ConcertEd Academies Trust, Corporate Member (resigned 4 October 2019)
N W Johnson (resigned 4 October 2019)

Trustees

M W Crossley, Chair of Trustees^{1,2,3}
Cllr J Walsh¹
A J Purcell²
I Carter (appointed 4 October 2019)³
S Colderley (appointed 4 October 2019)¹
D J Docherty (appointed 4 October 2019)²
P E Hodgkinson (appointed 4 October 2019)³
R Leonard (appointed 4 October 2019)²
S M Oyen (appointed 4 October 2019)²
M Sidebottom, Principal and Accounting Officer^{1,2,3}

- ¹ Resources committee member
- ² Standards committee member
- ³ Risk and Audit committee member

Company registered number

08718062

Company name

The Bolton Multi Academy Trust

Principal and registered office

Smithills School, Smithills Dean Road, Bolton, Lancashire, BL1 6JS

Accounting Officer

Mr M Sidebottom

Senior management team

Mr M Sidebottom, Principal & Chief Executive Officer
Miss C Dewse, Vice Principal
Mrs A Lees, School Business Manager

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

The Bolton Multi Academy Trust
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Bankers

Lloyds Bank Plc, PO Box 1000, Andover, BX1 1LT

Solicitors

Brown Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company 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.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Bolton. It has a pupil capacity of 1250 and had a roll of 904 in the 2020 spring school census, with in-year growth planned.

Structure, governance and management

Constitution

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

The charitable company's Memorandum and Articles of Association and scheme of delegation are the primary governing documents of the academy trust.

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

The charitable company is known as The Bolton Multi Academy Trust.

Details of the Trustees who served during the year 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 purchased at the Academy Trust's expense to cover liability of Trustees by virtue of any rule of law which would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

This insurance does not extend to any claim arising from any act or omission which the Trustees know to be a breach of duty or which was committed by the Trustees in reckless regard to whether it was a breach of trust or breach of duty or not.

Structure, governance and management (continued)

Method of recruitment and appointment or election of Trustees

The recruitment and appointment of the Trustees of The Bolton Multi Academy Trust are set out in the articles of association. Appropriate individuals are identified based on their skills and experience in the education sector or other areas that would add value to the Academy Trust.

Trusteeship shall terminate automatically, if:

- a) A trustee dies or becomes incapable by reason of mental disorder, illness or injury of managing his own affairs
- b) A trustee becomes insolvent

Policies adopted for the induction and training of Trustees

Persons who are appointed as Trustees will be party to an induction process determined by their experience, background and knowledge of The Bolton Multi Academy Trust and its school. The board of Trustees, are subject to relevant training to ensure that they are compliant with the policies, procedures and expectations of The Bolton Multi Academy Trust, and are aware of their roles and responsibilities.

The Trustees have full access to 'The Key for Governance' on line service, which provides in depth information tailored to their needs.

Organisational structure

The Board of Trustees is responsible for the strategic direction of the Academy Trust. It makes major policy decisions, sets key policies, adopting the school development plan, approving and monitoring the budget, as well as monitoring the academies educational performance.

The Board of Trustees normally meets three times a year. As the Risk and Audit, Resources Committee and Standard Committee are also an agenda item at the Academy Trust board meetings and reports are provided at both the Finance meeting and the full Trust board, it fulfils the ESFA requirement of six meetings a year,(as stated in the Academies Financial Handbook).

The board establishes an overall framework for governance and determines membership, terms of reference and procedures of committees.

The Board of Trustees of the Academy trust receives reports from Smithills School for monitoring and ratification. It monitors the activities of Smithills through scrutiny of committee meetings, termly reports from the Principal, including progress towards targets and school visits as appropriate.

In 2019-20 the three main sub committees are Risk and Audit, Standards Committee and the Resources Committee. Key performance indicators have been agreed by all committees which met at least termly.

The Risk and Audit Committee of the Academy Trust Board is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. It considers and assists the Board in fulfilling its responsibilities for corporate governance and overseeing the company's financial reporting. It reviews on risk management systems and reporting; as well as taking the lead, directing internal scrutiny and external audit functions.

The Standards Committee reviews academy performance, focusing on educational assessment of teaching and learning.

Structure, governance and management (continued)

The Resources Committee receives management accounts and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and premises management, including health and safety. It approves the budget for submission to the trustees, ensuring compliance with reporting and regulatory requirements.

The trustees have ultimate authority for setting pay and remuneration for all staff including key personnel. No trustee receives any pay or remuneration for discharging their duties as an officer to the company. The school has an internal performance management policy with teaching staff targets based on standards of teaching and learning, standards of assessment and pupil progress. In addition, individual targets based on individual observations may also be set.

The Accounting Officer and CFO are responsible for authorisation of spending within agreed budgets as detailed in the scheme of delegation. The Principal is responsible for the appointment of staff, through appointment panels which may include a Trustee.

Arrangements for setting pay and remuneration of key management personnel

The Performance Management of all senior staff is based on agreed objectives. The Principal's Performance Management is conducted by the Pay and Appraisal Committee made up of representatives of the Academy Trust and an external advisor. The Principal then has delegated powers to oversee the Performance Management of other members of the Senior Leadership Team and all staff and makes his recommendations to the pay panel for approval.

The Principal's salary is determined by the Principal's Performance Management Panel in line with the outcomes of the Performance Management cycle. The pay is benchmarked against similar sized organisations and kept under review.

Key management pay is reviewed annually and in 2019-20 a sliding scale cost of living increase was applied, in line with the provisions of the School Teachers' Pay and Condition Document and jointly advised by the teaching unions. The Academy Trust pay scales are based on the National Pay Scales for Teachers and Local Pay scales for Support staff and predominantly follows the Local Authority policies for staff pay and conditions.

Structure, governance and management (continued)

. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	500
Total pay bill	5,233,529
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Objectives and activities

Objects and aims

The Bolton Multi Academy Trust champions 'Success for All' and aims to achieve excellence and improve life chances for young people. Diversity, Community, Excellence, Integrity, Leadership and Learning are its core values which are actively promoted within school and the wider community.

In the Year 2019-20 the school continued to make strong academic progress securing its status as a 'good' school. Demand for pupil places at the school continue to grow with the school taking 52 pupils over its PAN of 180 for the current academic year. Conversations are on-going with Trustees and external partners to grow the school with the aim of increasing the PAN.

In 2019-20, BMAT remained a single school academy, allowing school to continue with its own system of target setting and pupil progress, which is well embedded and showing positive results. Had students been able to take GCSE and BTec examinations this year, school expected to see a marked improvement in grades and pass rates.

Through the year, school has continued to worked collaboratively with a number of local school leaders, especially through the North Cluster of Bolton heads and it continues to work closely with interested schools sharing good practice and developing a mutually beneficial Bolton partnership. The Principal is now on the leadership group of Bolton Head Teachers and plays a strategic role in the shaping of education for Bolton secondary school pupils.

The Bolton Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

Objectives, strategies and activities

The principal activity of the charitable company is the operation of Smithills School, which provides education of pupils of different abilities aged between 11 and 16.

The overarching objectives are:

- To improve the life chances of young people
- To ensure that each young person achieves the best possible qualifications which equip them for future education and work
- To continue to strive for improvement

Public benefit

When exercising their powers and duties, the Trustees of The Bolton Multi Academy Trust have had due regard to the guidance on public benefit published by the Charity Commission.

We encourage staff and pupils to consider the contribution that they can make to their community and actively encourage opportunities to develop their capacity to do so.

In addition to the education of our pupils, the Academy Trust operates a Sport Centre for the benefit of the local community and other local schools.

Strategic Report

Achievements and performance

Smithills School continues to make strong progress. The target this year was to achieve zero or better with the Progress 8 score. This would have been achieved and was achieved regardless of Covid. Smithills has enhanced its growing reputation with these results.

To ensure the Academy Trust board fulfils its statutory duty, responsibility is devolved and the organisation held to account by the chair. The BMAT has separate sub committees –risk and audit, standards, resources, and a standalone pay and appraisal committee, each of which have a clear set of responsibilities as laid out in the Terms of Reference.

To enable monitoring and challenge, Trustees have established targets which are reviewed at each committee meeting and reported to the full board. In addition, Business Cycles for all committees were developed to ensure all statutory duties are carried out and school leaders are rightly and properly held to account for the performance of the school.

Covid-19 forced school to respond quickly to provide support and re-assurance to staff and pupils as it faced the socially distancing impact of the virus, school closure and sudden reliance on technology solutions to support communication and on-line learning. Trustees were fully involved as a safe working practice was developed. SLT and trustee meetings moved on-line and school leaders were able to support staff working from home, developing structured lessons which enabled the school to offer both on-line learning and workbook packs to post home.

School remained open for vulnerable pupils all through the first Covid closure.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

The school took advantage of the governments Free School Meal initiative to ensure that families could provide eligible pupils with a dinner. Despite early problems with the system and significant administration time, the scheme was appreciated by parents. Redemption codes were sent digitally where possible and vouchers posted to parents without email.

With a large percentage of disadvantaged pupils, for whom on-line access was not available, school was fortunate in receiving laptops from the DfE to support some of those children.

School has invested in newer staff laptops to access the full range of teaching opportunities TEAMS provides, along with a range of online software packages. It has developed a robust scheme of 'blended learning' that has enabled all students to continue with their lessons, even though they may be interrupted with odd weeks out of school.

Over the summer, as years returned to school in 'bubbles' school had to convert classroom and hall spaces to accommodate five catering service areas, as well as invest in additional tills and catering equipment. Hand sanitiser stations were installed in every classroom and communal areas/corridors. Classrooms have all been made forward facing and staff and pupils are wearing face coverings in social areas.

Staff have been very supportive of the measures school has put in place and trustees and senior leaders keen to ensure that staff morale, health and wellbeing is forefront in any plans moving forward. Staff are consulted and involved at every stage and together have contributed significantly helping pupil wellbeing in return, supporting their continued learning in a time of great uncertainty.

Key performance indicators - Outcomes for 2019

Basics	RESULTS	RESULTS	CAG	RESULTS	PB with confidence intervals			
	2017/18	2018/19	2019/20	2019/20	RESULTS	RESULTS	CAG	RESULTS
9.7 in English & Maths	3	5	4	8	2017/18	2018/19	2019/20	2019/20
9.7 in English (Core)	11	11	20	21	P8	0.30	P8	0.27
9.7 in Maths (Core)	7	9	5	9	P8	0.07	P8	0.25
9.5 in English & Maths	27	31	35	35	Upper	0.11	Upper	0.06
9.5 in English (Core)	44	52	49	49	Upper	0.29	Upper	0.47
9.5 in Maths (Core)	31	34	38	38	Lower	0.50	Lower	0.47
9.4 in English & Maths	46	51	58	58	Lower	0.15	Lower	0.03
9.4 (A* C) in English (Core)	64	68	68	68				
9.4 (A* C) in Maths (Core)	50	57	61	61				

We conducted an extremely robust QA of results for all subjects to ensure that our children were awarded the results that they deserved. Our aim was to ensure that they were able to access the appropriate college course.

Our data prior to Covid indicated that our progress score would be somewhere near zero. Our CAG gave us a P8 of +0.07 (based on previous years data), well within the boundary of where we expected to be (at our data input in March we were -0.2 – for the same period the previous year all pupils made a third of a grade progress in all subjects between then and their terminal exam).

Somewhat surprisingly the 'best of' process raised 36 of our 9-4, 9-5, 9-7 areas in subjects. This would indicate that we were extremely fair and honest with our CAG.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

(continued)

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

The Academy's key resources of funding are the General Annual Grant (GAG) and Pupil Premium from the Education and Skills Funding Agency (ESFA). Funding from the ESFA is shown as restricted funds in the Statement of Financial Activities.

During the year to 31 August 2020, the Academy Trust received GAG of £4,960,683, Pupil Premium of £407,361 in addition to other sources of income. The Academy Trust also received capital grants of £768,630 during the year. During the year to 31 August 2020, total resources expended are £6,712,531 excluding depreciation. Depreciation of £351,505 has been charged during the year against the fixed asset fund.

Reserves policy

The company is not currently income generating and it therefore unlikely to build up significant reserves. Any surplus funding generated through efficiencies will be reinvested into projects to support the school.

At the year end the trust held total reserves of £6,643,215 comprising unrestricted funds of £315,303, restricted funds (excluding pension reserve) of £355,519, pension deficit of £3,904,000 and restricted fixed asset funds of £9,876,393.

Investment policy

In the event of the company building up excess cash balances, these will be invested in line with the Academy Trusts charitable objectives. Trustees will take into account social, environmental and ethical considerations when making any investments. At all times Trustees will be aware that this is public money and intended to improve the life chances and educational outcomes of young people. Should investment be made, the trustees will adopt a low risk strategy to any cash holding.

No investments are currently held.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

(continued)

Principal risks and uncertainties

The trustees have assessed the major risks to school, in particular those relating to teaching, child protection, health and safety, finances and facilities management. These risks are reviewed on an on going basis by the Senior Leadership Team.

The internal financial systems are based on the Academies Financial Handbook. The Companies Act requires disclosure of principal risks and uncertainties facing a company. The Bolton Multi Academy Trust is exposed to a number of risks including credit, cash flow and liquidity risks. Given the academy trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade credits with limited trade and other debtors. The academy trust's system of internal control ensures that risk is minimal in these areas. These systems and controls are discussed regularly by Trustees.

Fundraising

School does not work with professional fundraisers, but self generates a small income from community letting of its sports centre and swimming pool. Any profits made are re invested to maintain and improve the facilities school offers.

Plans for future periods

In the short term, the Bolton Multi Academy Trust will look to further strengthen Smithills School's academic progress to secure good and move towards outstanding.

The Trust will continue to improve Leadership and Management of the Academy by:

- Continuing to strengthen the Academy Trust by recruiting additional expertise in HR and PR
- Embedding the new vision and values launched in September 2019 and ensure they are demonstrated across the academy
- Fully implementing the new QA system and the change to appraisal target 3.
- Developing middle leaders within the academy and increasing the number of SLEs accredited.
- Continuing to develop and review the curriculum to ensure it meets the needs of the pupils and the new Ofsted framework
- Ensuring that systems of accountability continue to have a positive impact on the quality of teaching and as a consequence, on pupil progress.
- Enabling all staff to meet the teacher standards (be at least good or better as demonstrated by the lesson observation data) through training coaching and other appropriate support and challenge strategies.

Funds held as custodian on behalf of others

The Academy Trust do not hold any funds on behalf of any other organisation.

The Bolton Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

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 been taken as a Trustee in order to be aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report was approved by order of the board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

Mr M Crossley
Chair of Trustees

The Bolton Multi Academy Trust
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Bolton 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 Trust 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 The Bolton Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 3 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 M Sidebottom Principal and Accounting Officer (from 1 September 2019)	3	3
Cllr J Walsh Chair of Trustees (between 17 July and 4 October 2019)	3	3
Mr M Crossley Chair of Trustees (from 4 October 2019)	3	3
Mr A Purcell	1	3
Mr I Carter	3	3
Mr P Hodkinson	2	3
Mrs S Oyen	3	3
Mr S Colderley	2	3
Mr D Docherty	3	3

The board maintains effective oversight in fewer than 6 meeting annually through the use of a subcommittee structure, including the risk and audit, standard, and resources sub committees, each of which meet at least 3 times annually.

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Governance Statement (continued)

Governance (continued)

The Risk and Audit committee is a subcommittee of the main board of trustees. Its purpose is to ensure the Board of Trustees gain the assurance they need on governance and risk management. As well as considering all elements of risk, the committee is responsible for leading the school audit process – including appointment of auditors, direction of internal scrutiny and the integrity of the financial statements and accounts produced.

The Risk and Audit Committee met 4 times during the year. Two of the meetings were held via Zoom and attendance is as follows:

Trustee	Meetings attended	Out of a possible
Mr M Sidebottom	4	4
Mr M Crossley	3	4
Mr I Carter	3	4
Mr P Hodgkinson	4	4

The Standards committee is a subcommittee of the main board of trustees. Its purpose is to rapid improve educational progress for all students and all groups of students at Smithills School.

Ms S Oyen, is a HMI inspector and is Chair of the Standards committee. The committee is also supported by two head teachers who sit on the committee as well as the Chair of the Trust.

The Standards committee has met 3 times during the year and attendance is as follows:

Trustee	Meetings attended	Out of a possible
Mr M Sidebottom	3	3
Ms S Oyen	3	3
Mr M Crossley	2	3
Mr R Leonard	2	3
Ms D Docherty	3	3
Mr S Colderley	2	3
Mr A Purcell	2	3

The Resources committee is a subcommittee of the main Board of Trustees. Cllr John Walsh is an accountant and Chairs the Resources Committee. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of fulfilling its responsibility to ensure sound management of the Academy Trusts finances and resources, including proper planning, monitoring and probity.

The Resources committee has met 2 times during the year and attendance is as follows:

Trustee	Meetings attended	Out of a possible
Cllr J Walsh	2	2
Mr M Crossley	1	2
Mr M Sidebottom	2	2
Mr I Carter	1	2

Mr I Carter attended the above meetings as a guest during the year and was appointed as a Trustee on 4 October 2019.

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 funds. The Accounting Officer understands that value for money refers to the educational and wide societal outcomes achieved in return for the tax payer resources received.

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

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

- Improved educational results – Examination results and the progress of all groups of pupils remain on an upward trajectory with efficient use of school resources. School offers a broad curriculum across all school years and progress is achieved by close monitoring of teaching group sizes and staffing costs.
- Reviewing controls and managing risks – Monthly accounts are produced by the Business Director which results in action being taken to address any significant variances that may have arisen and that are likely to have a negative impact on budget out turn. Spend was carefully monitored and expenditure challenged as necessary.
- All purchase decisions took into account the best value principles of economy, efficiency and effectiveness. All orders were finalised by finance staff who re directed orders to the most appropriate supplier. Service Level Agreements and contracts are reviewed annually and benchmarked.

During the academic year 2019-20 trustees agreed to release of £70K capital reserves to be spent on necessary IT upgrades to support the move to Office 365 and improve online learning for pupils. The money has been targeted across a number of initiatives including

- Increased Server capacity to enable more students to log in from home
- Purchased additional cashless tills to enable catering to be offered to each year group 'bubble'
- Purchased two small sets of laptops, plus additional i-pads
- Purchased six interactive TV's
- Purchased a class set of replacement workstations and new monitors
- Upgraded the Design/Photography workstations

With an unsuccessful CIF grant in 2018-19 to replace the upper school boilers and heating pipes, school unfortunately experienced major leaks in the upper school during spring 2020, requiring a spend of over £20K (School's Devolved Capital allocation) to replace failing pressurised units, leaking header tanks and over 30 metres of pipe to ensure the school could open post Covid closure.

The release of the 2019-20 CIF Bid results were delayed due to Covid, but this year school has been successful and awarded £495K to replace all of upper school heating with zoned boilers and new surface mounted pipework. School was also successful in its CIF bid for replacement windows.

Completion of both projects should dramatically improve insulation/heat loss with uPVC double glazed units replacing end of life wood and aluminium single glazed frames. Coupled with energy efficient zoned boilers, once completed, both schemes will complement each other and give the school the ability and flexibility to control each zone individually via a linked central electronic panel .

Additionally, the Academy Trust has supported the school directly with funding to invest in additional, numeracy and literacy resources aimed at providing pupils with a fast track to improve their progress. Tested on entry, a group of Year 7 were found to be below expected levels requiring urgent intervention. The trust has made funding available to employ a Teaching Assistant to support Learning Services with targeted programmes of catch up.

Review of Value for Money (continued)

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 The Bolton 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 has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

Revised Ethical Standards for Auditors states that a firm providing external audit cannot provide internal audit services to school effective September 2020. Therefore the board of trustees has decided to buy-in an internal audit service from Haines Watts for the year 20-21. The internal auditor's role will be led by the risk and audit committee and include giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems.

In particular, the checks carried out during the year will cover

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of ad-hoc areas by request of the Risk and Audit Committee

For the year ending August 2020, the Board of Trustees considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

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Governance Statement (continued)

The risk and control framework (continued)

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included testing of payroll, purchase and income systems.

On a termly basis, the auditors reports to the board of Trustees through the Chief Finance Officer on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The auditors have delivered their schedule of work as planned. No material control issues have been identified.

Review of effectiveness

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

- on discharge of the financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the Trust Chief Finance Officer
- personal visits by the CEO

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

Approved by order of the members of the on 10 December 2020 and signed on their behalf by:

Mr M Crossley
Chair of Trustees

Mr M Sidebottom
Accounting Officer

The Bolton Multi Academy Trust
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Statement on Regularity, Propriety and Compliance

As accounting officer of The Bolton Multi Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

A member of the Trust resigned on 30 June 2020 leaving the Trust with two members which is contrary to the requirements of the Academies Financial Handbook and the Trust is currently in default of its Articles of Association. The Trust is actively seeking to recruit a third member but this process has been made more difficult as a result of the restrictions put in place during the Covid pandemic.

Mr M Sidebottom
Accounting Officer
Date: 10 December 2020

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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 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 ESFA/DfE have been applied for the purposes intended.

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

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

Mr M Crossley
Chair of Trustees
Date: 10 December 2020

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Bolton Multi Academy Trust

Opinion

We have audited the financial statements of The Bolton Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 to 2020 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 Trust'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 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Trust'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.

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Bolton Multi Academy Trust (continued)

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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.

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Bolton 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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust 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.

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

Jonathan Dudley (Senior Statutory Auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

10 December 2020

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Bolton Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education and 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 The Bolton 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 The Bolton 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 The Bolton 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 The Bolton Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Bolton Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Bolton Multi Academy Trust's funding agreement with the Secretary of State for Education dated 23 December 2013 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Bolton Multi Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A member of the Trust resigned on 30 June 2020 leaving the Trust with two members which is contrary to the requirements of the Academies Financial Handbook and the Trust is currently in default of its Articles of Association.

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 10 December 2020

The Bolton 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 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	768,630	768,630	69,198
Charitable activities:						
Funding for the academy trust's educational operations	4	211,395	5,915,910	-	6,127,305	6,110,234
Other trading activities	5	130,740	195,969	-	326,709	358,697
Investments	6	376	-	-	376	485
Total income		342,511	6,111,879	768,630	7,223,020	6,538,614
Expenditure on:						
Raising funds	8	64,744	223,549	-	288,293	313,203
Charitable activities	9	203,164	6,221,074	351,505	6,775,743	6,819,809
Total expenditure		267,908	6,444,623	351,505	7,064,036	7,133,012
Net income/ (expenditure)		74,603	(332,744)	417,125	158,984	(594,398)
Transfers between funds	19	-	(61,597)	61,597	-	-
Net movement in funds before other recognised gains/(losses)		74,603	(394,341)	478,722	158,984	(594,398)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	131,000	-	131,000	(1,228,000)
Net movement in funds		74,603	(263,341)	478,722	289,984	(1,822,398)

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:						
Total funds brought forward		240,700	(3,285,141)	9,397,671	6,353,230	8,175,628
Net movement in funds		74,603	(263,341)	478,722	289,984	(1,822,398)
Total funds carried forward	19	<u><u>315,303</u></u>	<u><u>(3,548,482)</u></u>	<u><u>9,876,393</u></u>	<u><u>6,643,214</u></u>	<u><u>6,353,230</u></u>

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

The notes on pages 29 to 55 form part of these financial statements.

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)
Registered number: 08718062

Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	9,244,582	9,397,671
		<u>9,244,582</u>	<u>9,397,671</u>
Current assets			
Stocks	16	20,792	20,972
Debtors	17	919,549	219,755
Cash at bank and in hand		623,427	1,027,587
		<u>1,563,768</u>	<u>1,268,314</u>
Creditors: amounts falling due within one year	18	(261,135)	(634,755)
Net current assets		1,302,633	633,559
Total assets less current liabilities		10,547,215	10,031,230
Defined benefit pension scheme liability	26	(3,904,000)	(3,678,000)
Total net assets		6,643,215	<u>6,353,230</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	9,876,393	9,397,671
Restricted income funds	19	355,519	392,859
Restricted funds excluding pension asset	19	10,231,912	9,790,530
Pension reserve	19	(3,904,000)	(3,678,000)
Total restricted funds	19	6,327,912	6,112,530
Unrestricted income funds	19	315,303	240,700
Total funds		6,643,215	<u>6,353,230</u>

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)
Registered number: 08718062

Balance Sheet (continued)
As at 31 August 2020

The financial statements on pages 24 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mr M Crossley
Chair of Trustees
Date: 10 December 2020

The notes on pages 29 to 55 form part of these financial statements.

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(224,920)	82,534
Cash flows from investing activities	22	(179,240)	477
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(404,160)	83,011
Cash and cash equivalents at the beginning of the year		1,027,587	944,576
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	23, 24	623,427	1,027,587
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 29 to 55 form part of these financial statements

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 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bolton Multi Academy Trust meets the definition of a public benefit entity under 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 Trust has provided the goods or services.

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**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1. Accounting policies (continued)

1.5 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.6 Tangible fixed assets

Assets costing £2,000 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:

Leasehold land	- 125 years straight line
Leasehold property	- 50 years straight line
Leasehold property improvements	- 10 years straight line
Furniture and equipment	- 5 years straight line
Plant and machinery	- 5 years straight line
Motor vehicles	- 5 years straight line
Computer equipment	- 5 years straight line
Assets under construction	- not depreciated

The long term leasehold land and buildings within the accounts relate to the academy trust's premises which were donated to the academy on conversion on a 125 year lease from the Borough Council of Bolton. The leasehold land and buildings were valued using ESFA valuation. These are being depreciated in accordance with the depreciation policies set out above. No annual charge is made for the use of the land and buildings under the terms of the lease.

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. Accounting policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 note 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.

1.12 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. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 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.

Leasehold land and buildings

The long term leasehold land and buildings within the accounts relate to the academy trust's premises which were donated to the academy on conversion on a 125 year lease from the Borough Council of Bolton. The leasehold land and buildings were valued using ESFA valuation. These are being depreciated in accordance with the depreciation policies set out above. No annual charge is made for the use of the land and buildings under the terms of the lease

Notes to the Financial Statements
For the Year Ended 31 August 2020

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital Grants	768,630	768,630	69,198
Total 2019	69,198	69,198	

4. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,960,683	4,960,683	5,141,951
Pupil Premium	-	407,361	407,361	408,126
Other DfE/ESFA grants	-	393,170	393,170	80,050
	-	5,761,214	5,761,214	5,630,127
Other government grants				
Local Authority grants	-	84,744	84,744	124,899
	-	84,744	84,744	124,899
Other funding				
Trip income	-	47,566	47,566	85,340
Catering income	211,395	-	211,395	269,869
	211,395	47,566	258,961	355,209
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	22,386	22,386	-
	211,395	5,915,910	6,127,305	6,110,235
Total 2019	269,869	5,840,366	6,110,235	

Exceptional government funding relates to claims made under the Coronavirus Job Retention Scheme in relation to staff employed at the sports centre.

The Bolton Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sports centre	-	195,969	195,969	250,480
Other income	29,156	-	29,156	61,667
Recharges	101,584	-	101,584	46,551
	<u>130,740</u>	<u>195,969</u>	<u>326,709</u>	<u>358,698</u>
Total 2019	<u>108,218</u>	<u>250,480</u>	<u>358,698</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	376	376	485
	<u>376</u>	<u>376</u>	<u>485</u>
Total 2019	<u>485</u>	<u>485</u>	

The Bolton Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising voluntary income:					
Direct costs	123,559	-	164,734	288,293	313,203
Educational operations:					
Direct costs	4,636,642	442,833	138,175	5,217,650	5,113,797
Support costs	473,328	597,615	487,150	1,558,093	1,706,012
	<u>5,233,529</u>	<u>1,040,448</u>	<u>790,059</u>	<u>7,064,036</u>	<u>7,133,012</u>
Total 2019	<u><u>5,100,804</u></u>	<u><u>1,095,461</u></u>	<u><u>936,747</u></u>	<u><u>7,133,012</u></u>	

8. Costs of raising funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sports centre running costs	-	99,990	99,990	123,320
Cleaning costs	46,551	-	46,551	46,550
Uniform	18,193	-	18,193	16,326
Sports centre - wages and salaries	-	97,493	97,493	101,125
Sports centre - NI	-	7,512	7,512	7,534
Sports centre - pension costs	-	18,554	18,554	18,348
	<u>64,744</u>	<u>223,549</u>	<u>288,293</u>	<u>313,203</u>
Total 2019	<u><u>62,876</u></u>	<u><u>250,327</u></u>	<u><u>313,203</u></u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	5,217,650	1,558,093	6,775,743	6,819,809
Total 2019	5,113,797	1,706,012	6,819,809	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	4,530,642	4,280,866
Depreciation	343,691	347,068
Educational supplies	112,494	133,752
Examination fees	83,118	91,397
Technology costs	83,735	87,701
Consultancy	16,440	44,558
Other costs	36,773	89,413
Recruitment and other staff expenses	10,757	39,042
	5,217,650	5,113,797

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension income	69,000	62,000
Staff costs	579,327	692,931
Depreciation	7,814	8,436
Catering	167,448	235,800
Staff development and other staff costs	1,130	3,633
Other costs	112,555	101,833
Maintenance of premises and special facilities	168,961	146,298
Cleaning and caretaking	141,228	135,547
Rates	29,496	27,919
Security	3,424	2,016
Energy	154,393	171,880
Legal and professional	2,714	23
Transport	23,858	10,986
Other premises costs	96,745	106,710
	<u>1,558,093</u>	<u>1,706,012</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	351,505	347,068
Fees paid to auditors for:		
- audit	12,000	12,000
- other services	7,565	9,050
	<u>371,070</u>	<u>368,118</u>

Notes to the Financial Statements
For the Year Ended 31 August 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,703,278	3,702,251
Social security costs	361,353	360,362
Pension costs	1,075,913	899,037
	<u>5,140,544</u>	<u>4,961,650</u>
Agency staff costs	80,607	74,961
Staff restructuring costs	12,378	64,193
	<u>5,233,529</u>	<u>5,100,804</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	3,623	23,526
Severance payments	8,755	40,667
	<u>12,378</u>	<u>64,193</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,755 (2019 - £40,667). Individually, the payments were £4,400 and £4,355. (2019: £25,000, £7,964 and £7,703).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	68	50
Support Staff	49	68
Management	8	9
	<u>125</u>	<u>127</u>

Notes to the Financial Statements
For the Year Ended 31 August 2020

11. Staff (continued)

d. 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	1	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £317,251 (2019 - £285,259).

12. Central services

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

- Educational support services
- Financial services

The Academy Trust charges for these services on the following basis:

A 1% charge is levied on GAG income (excluding rates income) (2019 - 1%).

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Smithills School	<u>50,071</u>	<u>51,486</u>

13. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Mr M Sidebottom, Principal	Remuneration	95,000 -	80,000 -
		100,000	85,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2020, expenses totalling £49 were reimbursed or paid directly to 2 Trustees (2019 - £270 to 2 Trustees).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was included as part of a larger insurance package and no breakdown for this cover is provided.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

15. Tangible fixed assets

	Long-term leasehold property £	Leasehold property improvements £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation								
At 1 September 2019	9,209,566	1,404,080	-	131,260	5,748	363,017	23,000	11,136,671
Additions	-	16,678	120,140	-	-	61,598	-	198,416
At 31 August 2020	<u>9,209,566</u>	<u>1,420,758</u>	<u>120,140</u>	<u>131,260</u>	<u>5,748</u>	<u>424,615</u>	<u>23,000</u>	<u>11,335,087</u>
Depreciation								
At 1 September 2019	942,162	376,608	-	113,751	5,150	278,329	23,000	1,739,000
Charge for the year	166,264	140,590	-	6,733	598	37,320	-	351,505
At 31 August 2020	<u>1,108,426</u>	<u>517,198</u>	<u>-</u>	<u>120,484</u>	<u>5,748</u>	<u>315,649</u>	<u>23,000</u>	<u>2,090,505</u>
Net book value								
At 31 August 2020	<u>8,101,140</u>	<u>903,560</u>	<u>120,140</u>	<u>10,776</u>	<u>-</u>	<u>108,966</u>	<u>-</u>	<u>9,244,582</u>
At 31 August 2019	<u>8,267,404</u>	<u>1,027,472</u>	<u>-</u>	<u>17,509</u>	<u>598</u>	<u>84,688</u>	<u>-</u>	<u>9,397,671</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

16. Stocks

	2020	2019
	£	£
Finished goods and goods for resale	20,792	20,972

17. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	375	4,664
Other debtors	139	-
Prepayments and accrued income	870,723	159,591
Tax recoverable	48,312	55,500
	919,549	219,755

18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	122,860	176,869
Other creditors	2,547	381,433
Accruals and deferred income	135,728	76,453
	261,135	634,755

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Notes to the Financial Statements
For the Year Ended 31 August 2020

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	240,700	342,511	(267,908)	-	-	315,303
Restricted general funds						
General annual grant (GAG)	298,693	4,960,683	(4,943,422)	(61,597)	-	254,357
Other DfE/ESFA	-	800,531	(800,531)	-	-	-
Other government grants	-	84,744	(84,744)	-	-	-
Trip income	45,889	47,566	(35,376)	-	-	58,079
Other restricted income	48,277	218,355	(223,549)	-	-	43,083
Pension reserve	(3,678,000)	-	(357,000)	-	131,000	(3,904,000)
	<u>(3,285,141)</u>	<u>6,111,879</u>	<u>(6,444,622)</u>	<u>(61,597)</u>	<u>131,000</u>	<u>(3,548,481)</u>
Restricted fixed asset funds						
Devolved formula capital	189,397	18,799	(19,915)	-	-	188,281
Capital expenditure from GAG	94,164	-	(39,512)	61,597	-	116,249
Donated assets on conversion	8,267,405	-	(166,264)	-	-	8,101,141
Condition improvement fund	677,080	749,831	(94,704)	-	-	1,332,207
Other capital grants	169,625	-	(31,110)	-	-	138,515
	<u>9,397,671</u>	<u>768,630</u>	<u>(351,505)</u>	<u>61,597</u>	<u>-</u>	<u>9,876,393</u>
Total Restricted funds	<u>6,112,530</u>	<u>6,880,509</u>	<u>(6,796,127)</u>	<u>-</u>	<u>131,000</u>	<u>6,327,912</u>
Total funds	<u><u>6,353,230</u></u>	<u><u>7,223,020</u></u>	<u><u>(7,064,035)</u></u>	<u><u>-</u></u>	<u><u>131,000</u></u>	<u><u>6,643,215</u></u>

19. Statement of funds (continued)

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

Unrestricted funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted general funds

The restricted general funds represents grants received for the Academy Trust's operational activities and development, restricted trip income and other restricted income.

Pension reserve

The pension reserve represents the Academy Trust's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

The restricted fixed asset fund relates to grant funding received from the ESFA to carry out works of a capital nature, capital expenditure from GAG, and also the donation of the assets from the local authority on conversion.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Smithills School	633,607	581,294
Central Services	37,215	52,265
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	670,822	633,559
Restricted fixed asset fund	9,876,393	9,397,671
Pension reserve	(3,904,000)	(3,678,000)
	<hr/>	<hr/>
Total	6,643,215	6,353,230
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
Smithills School	4,242,642	579,327	112,494	1,394,619	6,329,082	6,380,433
Central Services	-	-	-	26,449	26,449	56,076
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	4,242,642	579,327	112,494	1,421,068	6,355,531	6,436,509
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements
For the Year Ended 31 August 2020

19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	179,309	378,572	(317,181)	-	-	240,700
Restricted general funds						
General annual grant (GAG)	328,361	5,141,950	(5,171,610)	(8)	-	298,693
Other DfE/ESFA	-	488,176	(488,176)	-	-	-
Other government grants	-	124,899	(124,899)	-	-	-
Trip income	42,984	85,340	(82,435)	-	-	45,889
Other restricted income	48,887	250,480	(251,090)	-	-	48,277
Other grants	1,118	-	(1,118)	-	-	-
Pension reserve	(2,109,000)	-	(341,000)	-	(1,228,000)	(3,678,000)
	<u>(1,687,650)</u>	<u>6,090,845</u>	<u>(6,460,328)</u>	<u>(8)</u>	<u>(1,228,000)</u>	<u>(3,285,141)</u>
Restricted fixed asset funds						
Devolved formula capital	137,828	69,198	(17,629)	-	-	189,397
Capital expenditure from GAG	142,755	-	(48,599)	8	-	94,164
Donated assets on conversion	8,435,202	-	(167,797)	-	-	8,267,405
Condition improvement fund	771,784	-	(94,704)	-	-	677,080
Other capital grants	196,400	-	(26,775)	-	-	169,625
	<u>9,683,969</u>	<u>69,198</u>	<u>(355,504)</u>	<u>8</u>	<u>-</u>	<u>9,397,671</u>
Total Restricted funds	<u>7,996,319</u>	<u>6,160,043</u>	<u>(6,815,832)</u>	<u>-</u>	<u>(1,228,000)</u>	<u>6,112,530</u>

Notes to the Financial Statements
For the Year Ended 31 August 2020

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	8,175,628	6,538,615	(7,133,013)	-	(1,228,000)	6,353,230

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,244,582	9,244,582
Current assets	317,850	614,107	631,811	1,563,768
Creditors due within one year	(2,547)	(258,588)	-	(261,135)
Provisions for liabilities and charges	-	(3,904,000)	-	(3,904,000)
Total	315,303	(3,548,481)	9,876,393	6,643,215

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed assets funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	9,397,671	9,397,671
Current assets	240,700	1,027,614	-	1,268,314
Creditors due within one year	-	(634,755)	-	(634,755)
Provisions for liabilities and charges	-	(3,678,000)	-	(3,678,000)
Total	240,700	(3,285,141)	9,397,671	6,353,230

Notes to the Financial Statements
For the Year Ended 31 August 2020

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	158,984	(594,398)
Adjustments for:		
Depreciation	351,505	355,504
Capital grants from DfE and other capital income	(768,630)	(69,198)
Interest receivable	(376)	(485)
Defined benefit pension scheme cost less contributions payable	288,000	279,000
Defined benefit pension scheme finance cost	69,000	62,000
Decrease in stocks	-	757
Decrease/(increase) in debtors	50,217	(2,350)
(Decrease)/increase in creditors	(373,620)	51,704
Net cash (used in)/provided by operating activities	(224,920)	82,534

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	376	485
Purchase of tangible fixed assets	(198,415)	(69,206)
Capital grants from DfE Group	18,799	69,198
Net cash (used in)/provided by investing activities	(179,240)	477

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	623,427	1,027,587
Total cash and cash equivalents	623,427	1,027,587

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,027,587	(404,160)	623,427
	<u>1,027,587</u>	<u>(404,160)</u>	<u>623,427</u>

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Construction of tangible fixed assets	762,378	-
	<u>762,378</u>	<u>-</u>

26. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough 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 2016.

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

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.

26. 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 £550,000 (2019 - £384,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £307,000 (2019 - £309,000), of which employer's contributions totalled £238,000 (2019 - £240,000) and employees' contributions totalled £ 69,000 (2019 - £69,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.5-12 per cent 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.

Notes to the Financial Statements
For the Year Ended 31 August 2020

26. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums - pre April 2008	55	55
Commutation of pensions to lump sums - post April 2008	60	80

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	20.5	20.6
Females	23.1	23.1
<i>Retiring in 20 years</i>		
Males	22.0	22.0
Females	25.0	24.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate -0.1%	213	231
Discount rate +0.1%	(213)	(231)
-0.1% increase in salary increase rate	(35)	(47)
+0.1% increase in salary increase rate	35	47
-0.1% increase in pension increase rate	(174)	(178)
+0.1% increase in pension increase rate	174	178

Notes to the Financial Statements
For the Year Ended 31 August 2020

26. Pension commitments (continued)

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

	2020 £	2019 £
Equities	3,616,000	3,703,000
Corporate bonds	851,000	817,000
Property	372,000	436,000
Cash and other liquid assets	479,000	490,000
Total market value of assets	5,318,000	5,446,000

The actual return on scheme assets was £125,000 (2019 - £61,000).

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

	2020 £	2019 £
Current service cost	(526,000)	(429,000)
Past service cost	-	(90,000)
Interest income	100,000	142,000
Interest cost	(169,000)	(204,000)
Total amount recognised in the Statement of Financial Activities	(595,000)	(581,000)

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

	2020 £	2019 £
At 1 September	9,124,000	7,074,000
Current service cost	526,000	429,000
Interest cost	169,000	204,000
Employee contributions	69,000	69,000
Actuarial (gains)/losses	(569,000)	1,330,000
Benefits paid	(97,000)	(72,000)
Past service costs	-	90,000
At 31 August	9,222,000	9,124,000

26. Pension commitments (continued)

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

	2020	2019
	£	£
At 1 September	5,446,000	4,965,000
Interest income	100,000	142,000
Actuarial (losses)/gains	(438,000)	102,000
Employer contributions	238,000	240,000
Employee contributions	69,000	69,000
Benefits paid	(97,000)	(72,000)
At 31 August	5,318,000	5,446,000

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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions during the year.