

Company Registration Number: 10729883 (England & Wales)

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Chair of the Board: Mrs S E Smith Appointed by the Bishop of Birmingham: Mr A Halstead (resigned 31 December 2019) Rev'd Canon M Pryce Mrs J Tomlinson (appointed 1 January 2020) Appointed by the Birmingham Diocesan Board of Education: Mrs P Saunders (resigned 12 January 2020) Very Rev'd M Thompson Mrs C Ward-Lewis (appointed 1 October 2020)
Directors	Mrs S E Smith, Chair of Directors Mrs C S Arrowsmith Ms M J Crooks (resigned 9 April 2020) Mr G B Harley-Mason Ms O Jenkins Mr K Khan Ms H Leung Mr C D Mansell, CEO and Accounting Officer Mr N Oram Mr N C Pilditch Rev'd B Scott Mr S M Skakel Dr J A Smart
Company registered number	10729883
Company name	Birmingham Diocesan Multi-Academy Trust
Principal and registered office	1 Colmore Row Birmingham West Midlands B3 2BJ
Accounting Officer	C Mansell
Senior management team	C Mansell, Chief Executive Officer and Accounting Officer C Manning, Chief Finance and Operations Officer S Cosgrove, Chief School Effectiveness Officer
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers	Lloyds Bank Units 2 & 3 Caxton Gate 36/38 New Street Birmingham West Midlands B2 4LP
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
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**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 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.

Birmingham Diocesan Multi-Academy Trust (BDMAT) operated 16 primary academies in Birmingham, Warwickshire and Solihull in the academic year 2019/2020. The 16 schools have a combined pupil capacity of 3,966 and had a roll of 3,535 during 2019/2020.

For operational purposes we refer to ourselves as BDMAT and that is used throughout this document.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

BDMAT (which was incorporated and opened as a multi academy trust on 19 April 2017) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and Articles of Association are the primary governing documents of BDMAT. The Directors of Birmingham Diocesan Multi-Academy Trust are also the directors of the charitable company for the purposes of company law; in BDMAT the trustees are referred to as 'directors'. The charitable company operates as Birmingham Diocesan Multi-Academy Trust.

The following schools were part of the BDMAT during the period covered by this report:

- Hawkesley Church of England Primary Academy
- The Nethersole Church of England Academy
- St Clement's Church of England Academy
- St George's Church of England Primary School, Edgbaston
- St George's Church of England Academy, Newtown
- St Michael's Church of England Primary Academy, Handsworth
- St Margaret's Church of England Primary School
- Coleshill Church of England Primary School
- Holy Trinity Church of England Primary Academy, Handsworth
- St Michael's Church of England Primary School, Bartley Green
- Nonsuch Primary School (non-church school)
- Quinton Church of England Primary School
- Austrey Church of England Primary School (Joined 1 September 2019)
- Newton Regis Church of England Primary School (Joined 1 September 2019)
- Warton Nethersole Church of England Primary School (Joined 1 September 2019)
- Woodside Church of England Primary School (Joined 1 September 2019)

In addition the following school joined BDMAT in the 2020/21 academic year:

- Lady Katherine Leveson Church of England Primary School (Joined 1 September 2020)

b. MEMBERS' LIABILITY

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

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**TRUSTEES REPORT (CONTINUED)
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c. DIRECTORS' INDEMNITIES

From incorporation, the Trust opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on BDMAT business, and provides cover up to £10,000,000. It is not possible to quantify the Directors' and officers' indemnity element from the overall cost of the RPA scheme.

The directors considered the cover offered by the RPA scheme to be sufficiently comprehensive to cover appropriate risk for BDMAT as well as good value for money.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

As set out in the Memorandum and Articles of Association for BDMAT, the members of BDMAT are the two persons appointed by the Bishop of Birmingham and the two persons appointed by Birmingham Diocesan Board of Education and the Chair of the Board of Directors of BDMAT.

These Members then appoint further directors in accord with the articles of association. The Board of directors of BDMAT is the overarching and statutory governing body for each school within BDMAT.

A Local Academy Board (LAB) for each individual school has been established to undertake the day to day governance of the school in line with the agreed Scheme of Delegation.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The Directors are all members of the National Governors Association (NGA) with access to the NGA learning platform. Each year the CEO arranges a Directors' Development day which provides training and updates of their role and additional training throughout the year as needed or requested by Directors.

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of one of the schools and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only a small number of new Directors during a year, induction is tailored specifically to the individuals.

f. ORGANISATIONAL STRUCTURE

The Board of Directors normally meets at least once each term. The Board has established an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports, including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are three committees as follows;

Finance and Resources Committee (incorporating the Governance, Risk and Audit Committee) - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing the Trust's performance in relation to financial management; budget setting; capital expenditure; and other non-educational matters.

The meetings also incorporate the work of the Governance, Risk and Audit Committee which is responsible for monitoring the Trust's compliance with reporting and regulatory requirements; receiving reports from the internal audit; and monitoring the Trust's management of risk.

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School Effectiveness Committee - this meets once a term to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning; target setting and assessment; examinations; and pastoral issues.

Pay Committee – this is a sub-committee of the Finance and Resources Committee and meets annually to review and recommend pay for the key management personnel.

The following decisions are reserved for the Board of Directors:

- to consider any proposals for changes to the status or constitution of the Trust and its committee structure;
- to appoint or remove the Chair;
- to appoint the Chief Executive Officer and Clerk to the Directors; and
- to approve the Trust's Development Plan and budget.

The Directors are responsible for setting general policy; adopting an annual plan and budget; approving the statutory accounts; monitoring the Trust by the use of budgets and other data; and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Directors have devolved responsibility for day to day management of the Trust to the Chief Executive Officer and Senior Leadership Team (SLT). The SLT comprises the Chief Executive Officer, Chief School Effectiveness Officer and the Chief Finance and Operations Officer. The SLT implement the policies laid down by the Directors and report back to them on performance.

The Headteachers and LABs are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a member of the LAB. The CEO is responsible for the appointment of headteachers and in priority schools for other members of the school's senior leadership team.

BDMAT comprises seventeen primary schools. Each school has its own Local Academy Board with responsibilities set out in the Scheme of Delegation and the LAB Handbook, with the exception of Austrey and Newton Regis primary schools as these two small, rural schools have a joint governing body.

The Chief Executive Officer is the Accounting Officer.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Board of Directors and the senior leadership team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Directors give their time freely and no Trustee received remuneration in the year.

Details of Director's expenses and related party transactions are disclosed in the notes to the accounts.

Working in the academy sector, BDMAT believes that it is important to be transparent about pay levels of its key management personnel and how those salaries are set. Our salaries are benchmarked against similar roles in the academy sector. BDMAT reference the recognised pay scale for the sector, however, some flexibility may be applied to take into consideration the specific requirements for each post and ensure we recruit and retain the best people for the role with both the skills required and the passion for the services. This is undertaken by the pay committee, which is a sub committee of the Finance and Resources Committee.

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h. TRADE UNION FACILITY TIME

The total cost of the time spent on the trade union facility was £0 (£2,620 in 2018/19) which amounts to 0% (0.2% in 2018/19) of the total pay bill in the year of £16,943,989 (£12,284,000 in 2018/19). There were no employees who were relevant union officials during the period. During the year the CEO and CFO met with union officials as part of the establishment of a JCC (Joint Consultative Committee).

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Services for Education is a related party as Sarah Smith, Director of the BDMAT is also a Trustee of Services for Education. Services for Education is a registered charity and Sarah Smith as a Trustee is not paid by them. The transactions with Services for Education are undertaken at arm's length and are disclosed in these financial statements.

The Trust works closely with many schools within the Birmingham City Council, Warwickshire, and Solihull Local Authorities and with Birmingham Diocese to further the principal activities within the Trust.

BDMAT head office is based within the Diocese of Birmingham's offices in central Birmingham. BDMAT pays the Birmingham Diocese Board of Finance for the use of six office desks during the year and accompanying meeting rooms.

FFT Education Ltd is a related party as Heidi Leung, Director of the BDMAT is also an employee of FFT Education Ltd. The transactions with FFT Education Ltd are undertaken at arm's length and are disclosed in these accounts.

Advanced Software Ltd is a related party as Nick Pilditch, Director of the BDMAT is also an employee of Advanced Software Ltd. The transactions with Advanced Software Ltd are undertaken at arm's length and are disclosed in these accounts.

There are no related parties which either control or significantly influence the decisions and operations of BDMAT.

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

BDMAT's Mission:

To provide high quality education within a Christian framework that allows all pupils to reach their full potential through experiencing a broad and balanced curriculum whilst ensuring staff have a good life/work balance and are fulfilled in their roles.

BDMAT's Vision and Values:

BDMAT has adapted the vision and values of the Church of England, as articulated in the document 'Deeply Christian, Serving the Common Good' which sets out the vision for education that the Church of England believes should be seen in all schools, and not just those of a Christian foundation, as a result the values apply equally to our church schools and our non-church school.

'Deeply Christian, Serving the Common Good' is inspired, as we are within BDMAT by scripture, in particular John 10:10 where Jesus declares "I have come that they may have life, and have it to the full". The words of Jesus act as a guide for our vision, which is encompassed in our three guiding principles:

**TRUSTEES REPORT (CONTINUED)
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- Life in its fullness for all
- Success for all
- Positive well being for all

These principles will be delivered via our values as we believe that education should be about:

- Hope – through our Christian faith, we have hope that there can always be a positive outcome
- Honesty – we are honest with all inside and outside our organisation, whilst being sensitive to how we deliver these messages
- Integrity – we have strong principles rooted in our Christian mission that lead our actions and decisions
- Helpfulness – we work in co-operation and partnership with all staff and stakeholders
- Respect – we respect all those that we come across
- Dignity and compassion – we treat all those within and outside our organisation with dignity, irrespective of the circumstances, and we show everyone compassion for the difficulties that they are experiencing
- Wisdom – The decisions we take are wise; they are based on informed discussions and evidence and we aim to ensure we achieve the best outcomes for all without compromising our values

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

BDMAT has 10 strategic aims and these are:

- 1) Education is led by BDMAT's vision and values, and for our Church of England schools these are embedded within a Christian ethos
- 2) To work in partnership with parents and carers to promote pupils' social, moral, spiritual, cultural and physical development within happy and caring environments
- 3) Every school provides a broad and balanced curriculum that equips all pupils to thrive, achieve their goals, succeed in later life, contribute to a diverse society and respect the environment
- 4) Pupils are provided with effective pastoral support and safeguarding arrangements meet all national and local requirements
- 5) Our schools are at the heart of the communities that they serve, collaborating with the church, other schools, stakeholders and organisations in the area to best support their community
- 6) We promote pupils' intellectual development as evidenced through external and internal indicators that demonstrate the vast majority of pupils make good or better progress in our schools and as a result, attainment is high in all of our schools or improving rapidly
- 7) All of our schools are graded at 'good' or better by Ofsted or are improving rapidly towards achieving at least 'good' at the next inspection
- 8) The practice of staff is enhanced by high quality professional development and performance management systems
- 9) The Trust has highly effective pastoral arrangements in place for staff who, as a result, feel supported and have good life / work balance and the Trust is recognised as a good employer for staff
- 10) The Trust is sustainable, with secure finances allowing high quality services to underpin our work, ensuring staff in schools are able to concentrate on providing effective provision for their pupils

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STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the year 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,081,377
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	533
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	272
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	3
Total gross emissions in metric tonnes CO2e	808
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.23

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

During the period BDMAT has begun the replacement of inefficient boilers at two sites with new, more energy efficient units. Condition surveys have been completed for all sites looking at ways to reduce the energy usage. Within the newly approved KPIs there is a focus around reducing the carbon footprint of the schools, in line with the Church of England's target of all buildings to be carbon neutral by 2030. This work has continued into 2020/21 with an application of £2m for decarbonisation funding. We have increased video conferencing technology for meetings, to reduce the need for travel between sites.

c. PLANS FOR FUTURE PERIODS

The Trust's strategic activities for year 2020/21 are:

1) Limit the impact of covid-19 on children's learning

Over the last year education across the trust has been impacted by periods of lockdown and partial opening of schools. In the majority of cases this has had a detrimental impact on pupils' learning. A key objective for 2020/21 will be to identify gaps in children's learning, catch-up on missed learning, and minimise disruption to learning from ongoing lockdown measures.

As a MAT, a key focus will be on coordinating the schools' responses to safely operating to release Headteachers and other school leaders to focus on improving education for all pupils within our schools.

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- 2) Continue the implementation of the Trust's Strategic Development Plan and review impact of progress to date**
The Trust will continue to implement its Strategic Development Plan during 2020/21 and take the opportunity to evaluate the impact of the plan, in particular the new in-house services on cost reduction, service levels and time savings; and improvements to our school improvement support.
- 3) Development and improvement of the services offered to schools**
In-house estates and ICT services will be launched during 2020/21, along with in-house HR and payroll services. Catering provision will also be tendered during the year.
- 4) Investment in the school facilities**
The Trust will complete the development of estates and ICT strategies during 2020/21 which will be supported by full costed investment plans covering the next 10 years.
- 5) Opening of Christ Church, Church of England, Secondary Academy in September 2021**
Pupil and staff recruitment will take place during 2020/21 to ensure the successful opening of the new Secondary Academy.
- 6) Inclusion and diversity**
The Trust is looking to lead the way on inclusion and diversity amongst its employees during 2020/21 with the establishment of BAME and LGBTQ+ working groups that will have a meaningful impact on how we support recruitment, development and retention of staff.

STRATEGIC REPORT

a. PUBLIC BENEFIT

The Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

BDMAT aims to advance, for public benefit, education in the Diocese of Birmingham. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing schools, offering a broad curriculum in both Church of England schools and other schools whether with or without a designated religious character, but in relation to each of the schools to recognise and support their individual character and respect the different background of each and its links to the local communities that it serves through a range of extra curricular activities.

BDMAT are working to support all of the schools within the Trust to develop a culture of mutual support and development across these schools. Within the broader diocesan context, each of these schools remain part of the broader family of church schools and part of that network. The commitment to developing a high quality curriculum, delivered by well trained and effective teachers and support staff, and the sharing of expertise continues.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. ACHIEVEMENTS AND PERFORMANCE

Strategic achievements 2019/20:

1) Consolidate the Trust following rapid expansion over the last 12 months

Group purchasing activities have begun during 2019/20 realising financial savings that can be redeployed into services across the Trust and its schools. Systems have begun to be further embedded across the MAT with the centralisation of more support services to release headteachers and school leaders to focus on teaching and learning within their schools.

2) Implement the Trust's new Strategic Development Plan

The Trust's Strategic Development Plan was approved by Directors during 2019/20 and a copy can be found on the Trust's website. Delivery of the 2019/20 actions were completed with recruitment of key posts successfully carried out during April and May 2020.

3) Continue the improvement in education and pupil achievement across the Trust

The new Teaching and Learning consultants were deployed across all schools within the Trust having a clear impact on Teaching and Learning including supporting during lockdown. Hub collaboration, whilst still at its early stages, is developing along with work for subject leads. Leadership across the schools has stabilised during the year and internal performance indicators show improvements during the year.

4) Development and improvement the services offered to schools

An independent review of catering was carried out during the year which is leading to a full tendering exercise in 2020/21. A Trust wide deal now exist for photocopiers and stationery and in-house services are being rolled out in 2020/21.

5) Investment in the school facilities

The Trust was able to carry out a good number of capital works during the summer of 2020 despite the disruption of covid-19 across both estates and ICT including new servers for 7 schools which were set up by the Trust's new in-house team saving 50% on previous providers.

6) Development of Christ Church, Church of England, Secondary Academy for opening in September 2021

Building activities commenced in October 2019 and despite the lockdown period are proceeding to enable a September 2021 opening. The Headteacher and Deputy Headteacher have been successfully recruited and take up their posts in September 2020 and January 2021 respectively.

SCHOOL PERFORMANCE AND COVID-19:

As with all multi-academy trusts, the pandemic has impacted upon the Trust significantly. All schools were closed from March to July 2020 with the exception of specific groups of pupils who were allowed to attend. Despite the restrictions, all children had access to learning either through online processes or work packs sent home. Our school leaders were also highly effective at ensuring those pupils most in need of free school meals were able to access these either through daily food packs, weekly food parcels or vouchers.

A number of staff, pupils and parents were affected by the COVID-19 virus in the spring and summer terms but as a result of there not being mass testing in place at that time it is difficult to quantify the numbers affected. Members of the BDMAT community did lose loved ones during the outbreak and our thoughts and prayers continue to be with these staff and their families.

Despite the restrictions of the pandemic, Trust leaders were resolute on their determination to continue to work on developing and improving the Trust. At school level our leaders worked extensively with staff in refining their curriculum plans to ensure that they were in line with the latest expectations. In the Central Team elements of CPD continued and we embarked on our most significant recruitment processes for the

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Central Team in order to provide our schools with a more extensive range of services 'in-house'. In addition, we ran our first teacher pool and were able to appoint five new teachers across the Trust through this.

The School Improvement Team has supported schools throughout the last twelve months and tangible improvements can be seen, with our 'priority' schools showing real stability and now improving. As a result of the pandemic there were no national assessments and therefore it is not possible to quantify the impact of the improvements made in our schools across the Trust.

b. GOING CONCERN

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

c. FRAUD, MISS USE OF FUNDS AND SAFEKEEPING OF ASSETS

BDMAT has a chartered accountant as Chief Finance & Operations Officer who is responsible for the management of finance. The Directors agreed a programme of work with the internal auditors to review internal controls and process as required by the Academies Financial Handbook. This internal audit work includes ensuring that BDMAT's financial policies are adhered to. Reports are prepared for the Finance & Resources committee, which fulfils the role of the Finance Committee and Audit Committee as described in the Academies Financial Handbook.

The Directors are mindful of the negative publicity of instances of irregularities in a small number of other unconnected academies which has been reported in the press. Directors are therefore robust in setting internal controls, are diligent in setting BDMAT's budget and monitoring performance closely.

The Directors also ensure that BDMAT maintains insurance cover, including use of the RPA scheme.

d. FUNDRAISING ACTIVITIES/INCOME GENERATION

The schools within BDMAT seek to increase revenue where possible. This includes the letting of school halls and building facilities to third parties. These arrangements are subject to checks on the third party including for safeguarding, insurance and risk assessment of activities.

When supplying trips, materials or other activities to pupils, all schools consider whether charges can be made in line with the income policy. This includes whether to request voluntary contributions from parents to help fund activities. Such requests are clearly identified as voluntary contributions.

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FINANCIAL REVIEW

a. FINANCIAL REPORT FOR THE YEAR

Most of BDMAT's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ending 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities on page 27.

BDMAT also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in BDMAT's accounting policies.

During the year 31 August 2020, BDMAT received total income of £25,335,229 and incurred total expenditure of £22,788,498. The excess of income over expenditure for the year was £2,546,731. These balances include the impact of the transfer of assets into BDMAT which totalled £3,685,000. The operating deficit of BDMAT during the year ended 31 August 2020, excluding amounts inherited on conversion, was £763,000. However, included in this deficit are LGPS deficit reduction payments of £737,000, allowing the Trust to take advantage of a 6% saving across the three years from 2020/21 to 2022/23. Excluding this advance payment, the in-year deficit would be £26,000.

At 31 August 2020 the net book value of fixed assets was £41,236,363 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion. Land and buildings were transferred in at the value included in the closing accounts of the previous trusts. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

BDMAT has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 29 to the financial statements.

In 2020, the Directors have been advised by the actuaries of both Local Government Pension Schemes that the provision to fund the non-academic employees' pensions is £15,384,000 representing a shortfall in payments that would be required to fund these final salary pension schemes should they be realised. The Trust continues to examine ways to manage this shortfall in payments.

The effect of this deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct demands on the cash reserves of the Trust.

b. RESERVES POLICY

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free reserves should be one month's payroll which is approximately £1,200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

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Where reserves are in excess of the above requirement, the policy of the Directors is to allocate reserves for investment in tangible fixed assets to assist in the achievement of the Trust's Strategic Aims. The Trust will, during 2020/21 finalise detailed plans to spend these monies on future capital projects as part of a ten-year program for each school. Additionally, in 2019/20 the Trust made payment in advance of the £920,000 LGPS deficit reduction payments required over the next 3 years in order to realise a saving of £59,000 (6.4%).

Total reserves of the Trust amount to £44,247,851 (2019: £40,541,048) (less pension liability of £15,384,000 (2019: £10,953,000)), although £41,712,098 (2019: £37,515,558) of this is invested in fixed assets or represents non-revenue restricted funds. The remaining £2,535,753 (2019: £3,025,490) (representing £2,246,012 (2019: £2,995,544) unrestricted funds and £289,741 (2019: £29,946) unspent reserve funds) is the balance that the Directors monitor in accordance with the Board's reserves policy. This represents nearly 3 months (2019: nearly 3 months) of normal recurring salary expenditure.

BDMAT can confirm that the reserve policy has been met this year.

c. MATERIAL INVESTMENTS POLICY

Due to the nature and timing of receipt of funding, BDMAT may at times hold cash balances surplus to its short term requirements. The Directors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates within our existing banking arrangements.

Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Chief Executive Officer and Chief Finance and Operations Officer within strict guidelines approved by the Board of Directors.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas.

The Directors examine the financial health, reviewing performance against budgets and overall expenditure by means of updated reports at all Board meetings and via its Finance and Resources Committee. At the year end the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Directors recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 29 to the financial statements, represents a significant potential liability. However, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of school closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Trust has agreed a Risk Management Policy and a Risk Register. These have been discussed by Directors and include the financial risks to the Trust. The register is regularly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which BDMAT is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The principal risks and uncertainties facing the Trust are as follows:

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 91.8% of the Trust's incoming resources, excluding the transfer in of schools, were Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels. Similarly, funding is dictated by pupil numbers and the risk to the Trust and its schools operating below its Pupil Admission Number (PAN) or where there is a reduction in school age population in the area are significant. To help manage these risks five-year budget forecasting takes place, incorporating expected pupil numbers; this is an annual process of review which begins in January each year.

Safeguarding - the Directors continue to be conscious of the risks that exist around safeguarding and the need to ensure that the highest standards are maintained in this area. In addition to the existing controls including the appointment of Designated Safeguarding Leads (DSLs) in all schools the Trust has appointed a Head of School Support to oversee safeguarding across the Trust, including undertaking annual internal audits of each school. Recommendations from these reports will be reported to Directors along with learning points from any Ofsted inspections. Safeguarding is a standing agenda item at full board Director meetings.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. To further manage this risk the Trust is developing a formal People Strategy as part of its five-year strategic plan.

Estates - The Trust has a range of buildings in varying conditions following its expansion over the past 2 years. Ensuring that these are well maintained, compliant and safe is paramount and the Trust has appointed external support to ensure that the required compliance activities take place and that an ongoing maintenance and investment program is developed.

Governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's resources, internal controls, compliance with regulations and legislation, and educational performance. Recruitment of high quality school leaders, Governors and Directors is a key part of managing this risk.

FUNDS HELD AS CUSTODIAN

During the period ended 31 August 2020 BDMAT did not hold any funds on behalf of, or act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committees and staff meetings and have been kept informed on specific matters directly by management.

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

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the BDMAT's Equal opportunities policy, BDMAT has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the members of the Board of Trustees on 17/11/2020 and signed on their behalf, by:



Mrs S E Smith
Chair of Directors

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that Birmingham Diocesan 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 Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Directors has delegated the day to day responsibility to the Chief Executive Officer, 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 Birmingham Diocesan Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the period.

Attendance during the period at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mrs S E Smith, Chair of Directors	4	4
Mrs C S Arrowsmith	3	4
Ms M J Crooks	2	2
Mr G B Harley-Mason	4	4
Ms O Jenkins	1	4
Mr K Khan	3	4
Ms H Leung	3	4
Mr C D Mansell, CEO and Accounting Officer	4	4
Mr N Oram	2	4
Mr N C Pilditch	4	4
Rev'd B Scott	3	4
Mr S M Skakel	3	4
Dr J A Smart	3	4

Finance and Resources Committee

The Finance Committee is a committee of the main Board of Directors. Its purpose is to oversee the annual process of statutory independent audit, the completion of the annual report and financial statements and the exercise of internal financial control.

The members of the committee include the Chair of the Trust, Directors and the Chief Executive Officer, as Accounting Officer. The Chief Finance and Operations Officer attends the meetings.

The Finance and Resources Committee has formally met 4 times during the year.

Attendance during the period at meetings was as follows:

Director	Meetings attended	Out of a possible
Mr S M Skakel, Chair of Finance and Resources Committee	4	4
Mrs S E Smith, Chair of Directors	4	4
Mr N C Pilditch	3	4
Ms M J Crooks	3	3
Mr C D Mansell, CEO and Accounting Officer	2	4
Mr K Khan	1	3

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

School Effectiveness Committee

The School Effectiveness Committee is a committee of the Board of Directors. Its purpose is to monitor the curriculum, standards and quality of educational provision, including the provision to enable all involved with the school to experience 'life in all its fullness'.

The members of the committee include the Chair of the Trust, Directors, and the Chief Executive Officer, as Accounting Officer. The Chief School Effectiveness Officer attends these meetings.

The School Effectiveness Committee has formally met 3 times during the year.

Attendance during the period at meetings was as follows:

Director	Meetings attended	Out of a possible
Mrs C S Arrowsmith, Chair of School Effectiveness Committee	3	3
Mrs S E Smith, Chair of Directors	3	3
Mr G B Harley-Mason	3	3
Mr C D Mansell, CEO and Accounting Officer	2	3
Rev'd B Scott	2	3
Ms H Leung	1	3

REVIEW OF VALUE FOR MONEY

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

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

- Centrally coordinating and managing the Trust's response to covid-19 allowing headteachers to focus on individual school and family circumstances, and particularly ensuring the continuity of learning.
- Providing a wide range of training courses across the Trust and Diocese to reduce the costs of external training.
- Expansion of the internal school improvement team to support the headteachers across the Trust.
- Reviewing the quality of curriculum provision and quality of teaching.
- Central procurement of broadband for 6 schools realising an annual saving of £18,000.
- Central procurement of photocopier contract for all schools realising gross annual saving of £35,000.
- Upfront payment of LGPS deficit reduction costs saving 6.4% over 3 years.
- Working with Willmott Dixon and the DfE to reduce surface water drainage charges at the new Christ Church, Church of England, Secondary Academy that will save £29,000 per year once open

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (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 BDMAT 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 Birmingham Diocesan Multi-Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which BDMAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the BDMAT's significant risks, that has been in place for the year ended 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 Directors.

THE RISK AND CONTROL FRAMEWORK

BDMAT'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 Directors;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Academy Advisory as internal auditor.

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

- Payroll procedures and controls
- Purchasing procedures including authorisation, ordering, accounting/recording, payment and regularity
- Supplier processes, including new supplier set up, payments and IT security/access
- General financial procedures and compliance with policies and controls
- Review of Pupil Premium spends
- Review of bank and other control accounts reconciliations
- Review of School Census return processes
- Recruitment procedures and controls.

On a termly basis, the auditor reports to the Board of Directors through the finance and resources committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS


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

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

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

Approved by order of the members of the Board of Directors on 17/12/2020
their behalf by:

and signed on



Mrs S E Smith
Chair of Directors



Mr C Mansell
Accounting Officer

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr C Mansell
Accounting Officer
Date: 17/12/2020

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial . Under company law, the Directors 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 Directors 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 Directors 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 Directors 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 Directors 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 Directors on
17/12/2020 and signed on its behalf by:



Mr C Mansell
Accounting Officer

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Birmingham Diocesan Multi-Academy Trust (the '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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 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 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 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the 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 Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 21st December 2020

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 26 July 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 Birmingham Diocesan Multi-Academy Trust during the period 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 Birmingham Diocesan 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 Birmingham Diocesan 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 Birmingham Diocesan Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Birmingham Diocesan Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 19 December 2018 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 period 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Trust complied with the framework of authorities. We also reviewed the reports commissioned by the Directors to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 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.



Andrew Wood FCCA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 21st December 2020

BIRMINGHAM DIOCESAN 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:	4					
Transfer from existing academies		364,000	(1,038,000)	4,359,000	3,685,000	18,041,609
Other donations and capital grants		53,570	-	772,636	826,206	1,337,477
Charitable activities		940,442	19,566,860	-	20,507,302	15,206,099
Other trading activities		298,990	-	-	298,990	255,408
Investments	7	17,731	-	-	17,731	1,521
TOTAL INCOME		1,674,733	18,528,860	5,131,636	25,335,229	34,842,114
EXPENDITURE ON:						
Charitable activities		696,122	20,797,002	1,295,374	22,788,498	17,504,275
TOTAL EXPENDITURE		696,122	20,797,002	1,295,374	22,788,498	17,504,275
NET INCOME/(EXPENDITURE)		978,611	(2,268,142)	3,836,262	2,546,731	17,337,839
Transfers between funds	22	(1,636,762)	1,342,937	293,825	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(658,151)	(925,205)	4,130,087	2,546,731	17,337,839
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	29	-	(3,259,000)	-	(3,259,000)	(1,758,000)
NET MOVEMENT IN FUNDS		(658,151)	(4,184,205)	4,130,087	(712,269)	15,579,839

BIRMINGHAM DIOCESAN 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	2,904,163	(10,910,054)	37,582,011	29,576,120	13,996,281
Net movement in funds	(658,151)	(4,184,205)	4,130,087	(712,269)	15,579,839
TOTAL FUNDS CARRIED FORWARD	2,246,012	(15,094,259)	41,712,098	28,863,851	29,576,120

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

The notes on pages 33 to 69 form part of these financial statements.

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10729883

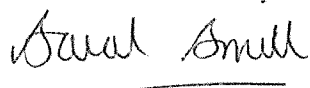
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	41,236,363	37,528,731
Investments	16	1,912,054	1,612,054
		<u>43,148,417</u>	<u>39,140,785</u>
CURRENT ASSETS			
Stocks	17	1,263	1,263
Debtors	18	867,733	2,962,874
Cash at bank and in hand		2,282,432	528,846
		<u>3,151,428</u>	<u>3,492,983</u>
Creditors: amounts falling due within one year	19	(2,023,669)	(2,078,548)
NET CURRENT ASSETS		<u>1,127,759</u>	<u>1,414,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,276,176</u>	<u>40,555,220</u>
Creditors: amounts falling due after one year	20	(28,325)	(39,100)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>44,247,851</u>	<u>40,516,120</u>
Defined benefit pension scheme liability	29	(15,384,000)	(10,940,000)
TOTAL NET ASSETS		<u><u>28,863,851</u></u>	<u><u>29,576,120</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	22	41,712,098	37,582,011
Restricted income funds	22	289,741	29,946
		<u>42,001,839</u>	<u>37,611,957</u>
Restricted funds excluding pension asset	22	42,001,839	37,611,957
Pension reserve	22	(15,384,000)	(10,940,000)
Total restricted funds	22	<u>26,617,839</u>	<u>26,671,957</u>
Unrestricted income funds	22	<u>2,246,012</u>	<u>2,904,163</u>
TOTAL FUNDS		<u><u>28,863,851</u></u>	<u><u>29,576,120</u></u>

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10729883

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 28 to 69 were approved by the Directors, and authorised for issue on
17/12/2020 and are signed on their behalf, by:



Mrs S E Smith
Chair of Directors

The notes on pages 33 to 69 form part of these financial statements.

BIRMINGHAM DIOCESAN 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 provided by/(used in) operating activities	24	1,524,822	(330,408)
CASH FLOWS FROM INVESTING ACTIVITIES	26	239,539	(208,592)
CASH FLOWS FROM FINANCING ACTIVITIES	25	(10,775)	(11,406)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD		1,753,586	(550,406)
Cash and cash equivalents at the beginning of the period		528,846	1,079,256
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27, 28	<u>2,282,432</u>	<u>528,850</u>

The notes on pages 33 to 69 form part of these financial statements

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. GENERAL INFORMATION

The Birmingham Diocesan Multi Academies Trust is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is 1 Colmore Row, Birmingham, West Midlands, B3 2BJ.

2. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Birmingham Diocesan Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 GOING CONCERN

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

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Transfer of existing academies into the trust**

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

2.4 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

2.5 INTEREST RECEIVABLE

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

2.6 TANGIBLE FIXED ASSETS

Assets costing £1,000 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:

Long term leasehold buildings	- Straight line over 50 years
Plant and equipment	- 7-20% straight line
Computer equipment	- 25% straight line

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

The majority of the freehold land and buildings are owned by The Birmingham Diocesan Trustees. Where this is the case The Birmingham Diocesan Trustees have granted BDMAT, via a supplemental agreement, the right to use the land and buildings for education purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

The following schools are exceptions to the above arrangements:

- The Nethersole Church of England Academy and Warton Nethersole's CofE Primary School where the freehold land and buildings are owned by the Sir Francis Nethersole's School Foundation. The Trustees of the Sir Francis Nethersole's School Foundation have granted BDMAT, via a supplemental agreement, the right to use the land and buildings for education purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

- Holy Trinity CE Primary School (Handsworth) and St Michael's Church of England Primary School where the freehold land and buildings are owned by The Birmingham Diocesan Board of Finance. The Birmingham Diocesan Board of Finance have granted BDMAT, via a supplemental agreement, the right to use the land and buildings for education purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

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

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS (CONTINUED)

- St George's CofE Academy, Newtown where the freehold land and buildings are owned by the St George's Church of England School Charity. The Trustees of the St George's Church of England School Charity have granted BDMAT, via a supplemental agreement, the right to use the land and buildings for education purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.
- Nonsuch Primary School where the freehold land and buildings are owned by Birmingham City Council. The Council has granted BDMAT, via a long-term lease, the right to use the land and buildings for education purposes. The buildings have therefore been treated as long leasehold property. The land has not been depreciated.

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

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

2.10 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 and cash on deposit that has a notice period of less than 30 days.

2.11 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 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.

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

2.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. 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 notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 OPERATING LEASES

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

2.14 PENSIONS

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

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

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

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

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

2.15 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to a trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Heartwood Church of England Academy Trust to the trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 34.

2.16 FUND ACCOUNTING

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

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
DONATIONS					
Transfer in of existing academies into the Trust	364,000	(1,038,000)	4,359,000	3,685,000	12,122,555
Transfer in on conversion to Academy Trust	-	-	-	-	5,919,054
Donations	53,570	-	62,001	115,571	303,050
Capital grants	-	-	710,635	710,635	1,034,427
TOTAL 2020	<u>417,570</u>	<u>(1,038,000)</u>	<u>5,131,636</u>	<u>4,511,206</u>	<u>19,379,086</u>
TOTAL 2019	<u>2,013,493</u>	<u>(3,424,413)</u>	<u>20,790,006</u>	<u>19,379,086</u>	

Restricted funds include LGPS Pension Deficit inherited of £1,038,000 (2019: £3,874,000).

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR THE TRUST'S EDUCATION

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DFE/ESFA GRANTS				
General Annual Grant	-	15,964,590	15,964,590	12,154,697
Other DfE/ESFA grants	-	3,369,443	3,369,443	1,948,724
	-	19,334,033	19,334,033	14,103,421
OTHER GOVERNMENT GRANTS				
Other government grants non-capital	745	190,343	191,088	235,716
	745	190,343	191,088	235,716
OTHER FUNDING				
Nursery income	175,711	-	175,711	265,759
Early years funding	554,839	-	554,839	356,531
Catering income	131,824	-	131,824	147,286
Other	77,323	42,484	119,807	97,386
	940,442	19,566,860	20,507,302	15,206,099
TOTAL 2019	913,757	14,292,342	15,206,099	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings income	20,434	-	20,434	15,808
After school club income	146,923	-	146,923	147,670
Sales of uniform income	249	-	249	3,399
Other income	131,384	-	131,384	88,531
	298,990	-	298,990	255,408
TOTAL 2019	255,288	120	255,408	

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	17,731	17,731	1,521
TOTAL 2019	1,521	1,521	

8. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Education:					
Direct costs	13,126,284	1,299,508	956,115	15,381,907	12,279,764
Support costs	3,719,686	1,165,422	2,416,124	7,301,232	5,103,655
Nursery:					
Direct costs	-	-	6,802	6,802	11,725
Support costs	98,019	-	538	98,557	109,131
TOTAL 2020	16,943,989	2,464,930	3,379,579	22,788,498	17,504,275
TOTAL 2019	12,291,489	5,212,786	-	17,504,275	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	15,381,907	7,301,232	22,683,139	17,383,419
Nursery	6,802	98,557	105,359	120,856
TOTAL 2020	15,388,709	7,399,789	22,788,498	17,504,275
TOTAL 2019	12,291,489	5,212,786	17,504,275	

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education	Nursery	Total	Total
	2020	2020	funds	funds
	£	£	2020	2019
			£	£
Pension finance costs	101,000	-	101,000	98,000
Staff costs	12,335,739	-	12,335,739	9,633,418
Depreciation	1,299,508	-	1,299,508	962,627
Educational supplies	716,332	5,491	721,823	626,007
Examination fees	1,358	-	1,358	-
Staff development	50,724	-	50,724	87,418
Other costs	4,292	-	4,292	9,542
Supply teachers	748,545	-	748,545	740,601
Security and transport	110,646	-	110,646	119,742
Catering	-	1,311	1,311	1,416
Office overheads	8	-	8	230
Legal and professional	13,755	-	13,755	12,488
TOTAL 2020	15,381,907	6,802	15,388,709	12,291,489

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	112,000	-	112,000	55,000
Staff costs	3,629,980	98,019	3,727,999	2,303,560
Other costs	-	-	-	1,250
Agency costs	65,706	-	65,706	13,374
Recruitment and support	126,010	-	126,010	98,251
Maintenance of premises and equipment	469,803	-	469,803	365,742
Cleaning	222,432	-	222,432	181,593
Rent and rates	61,757	-	61,757	38,414
Energy costs	307,289	-	307,289	197,006
Insurance	104,141	-	104,141	105,268
Security and transport	147,203	-	147,203	87,436
Catering	907,489	-	907,489	717,778
Technology costs	201,942	-	201,942	203,708
Office overheads	749,949	538	750,487	492,258
Legal costs - other	9,689	-	9,689	3,779
Educational consultancy	27,057	-	27,057	-
Legal costs - conversion	158,785	-	158,785	348,369
TOTAL 2020	7,301,232	98,557	7,399,789	5,212,786

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the period includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,289,919	960,593
Amortisation of intangible assets	-	2,034
Fees paid to auditors for:		
- audit	25,050	22,000
- other services	9,100	7,700

BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF

a. STAFF COSTS

Staff costs during the period were as follows:

	2020 £	2019 £
Wages and salaries	11,622,452	8,762,979
Social security costs	1,007,415	769,464
Pension costs	3,433,871	2,324,402
	<u>16,063,738</u>	<u>11,856,845</u>
Agency staff costs	814,251	753,975
Staff restructuring costs	-	80,133
	<u>16,877,989</u>	<u>12,690,953</u>

b. STAFF NUMBERS

The average number of persons employed by the trust during the period was as follows:

	2020 No.	2019 No.
Teachers	167	144
Administration	45	34
Support	325	280
Management	38	34
	<u>575</u>	<u>492</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	149	131
Administration	34	27
Support	172	137
Management	38	30
	<u>393</u>	<u>325</u>

**BIRMINGHAM DIOCESAN MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

11. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	11	4
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £361,130 (2019: £267,662).

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12. CENTRAL SERVICES

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

- Legal and professional
- Finance
- Payroll and HR
- Education training and support
- Strategic governance
- Management of the academy conversion process
- Tendering and procurement of contracts
- Health & safety
- Estates management
- Safeguarding

The trust charges for these services on the following basis:

BDMAT distributes 95% of School Budget Share and Educational Services Grant to cover the budgeted cost of running a school on an annual basis.

The actual amounts charged during the period were as follows:

	2020 £	2019 £
St Michael's Church of England Primary Academy, Handsworth	56,194	57,130
St Clement's Church of England Academy	56,895	57,290
St George's Church of England Academy, Newtown	78,441	73,290
The Nethersole Church of England Academy	51,955	49,938
St George's Church of England Primary School, Edgbaston	53,226	53,303
Hawkesley Church of England Primary Academy	56,715	57,366
Coleshill Church of England Primary School	70,205	66,223
St Margaret's Church of England Primary School	39,748	39,883
Holy Trinity Church of England Primary Academy, Handsworth	46,947	32,288
St Michael's Church of England Primary School, Bartley Green	88,604	59,506
Nonsuch Primary School	49,622	32,347
Quinton Church of England Primary School	43,482	29,037
Austrey Church of England Primary School	19,647	-
Newton Regis Church of England Primary School	19,192	-
Warton Nethersole's Church of England Primary School	30,028	-
Woodside Primary School	38,742	-
TOTAL	799,643	607,601

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13. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the trust. The principal and other staff Directors 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 Directors' remuneration and other benefits was as follows:

	2020	2019
	£	£
Mr C D Mansell, CEO and Accounting Officer		
Remuneration	100,000 -	100,000 -
	105,000	105,000
Pension contributions paid	10,000 -	10,000 -
	15,000	15,000

During the period ended 31 August 2020, no Director expenses have been incurred (2019 - £271 to 3 Directors).

14. DIRECTORS' AND OFFICERS' INSURANCE

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

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15. TANGIBLE FIXED ASSETS

	Long-term leasehold land and buildings £	Plant and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2019	36,794,774	1,769,348	308,909	38,873,031
Additions	-	514,429	124,122	638,551
Transfers in from existing Academy Trust	4,064,000	254,000	41,000	4,359,000
At 31 August 2020	40,858,774	2,537,777	474,031	43,870,582
DEPRECIATION				
At 1 September 2019	868,836	352,670	122,794	1,344,300
Charge for the period	714,578	475,536	99,805	1,289,919
At 31 August 2020	1,583,414	828,206	222,599	2,634,219
NET BOOK VALUE				
At 31 August 2020	39,275,360	1,709,571	251,432	41,236,363
At 31 August 2019	35,925,938	1,416,678	186,115	37,528,731

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2020 £	2019 £
Freehold land	7,563,443	7,021,443

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16. FIXED ASSET INVESTMENTS

	Short Term Deposits £
COST OR VALUATION	
At 1 September 2019	1,612,054
Additions	300,000
AT 31 AUGUST 2020	<u><u>1,912,054</u></u>
NET BOOK VALUE	
AT 31 AUGUST 2020	<u><u>1,912,054</u></u>
<i>AT 31 AUGUST 2019</i>	<u><u>1,612,054</u></u>

17. STOCKS

	2020 £	2019 £
Uniforms	<u><u>1,263</u></u>	<u><u>1,263</u></u>

18. DEBTORS

	2020 £	2019 £
Trade debtors	62,647	28,069
Other debtors	146,861	1,974,302
Prepayments and accrued income	658,225	960,503
	<u><u>867,733</u></u>	<u><u>2,962,874</u></u>

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Salix loan	10,775	10,775
Trade creditors	159,075	58,786
Other taxation and social security	231,947	205,851
Other creditors	295,630	16,370
Accruals and deferred income	1,326,242	1,786,766
	<u>2,023,669</u>	<u>2,078,548</u>

Included within creditors due within one year is a Salix loan balance of £625 incurred from St Clement's Church of England Academy. The full value of the loan outstanding is £8,750, £8,125 of which is shown as due over one year (note 20). The loan is repayable in annual instalments over the remaining 14 year of the loan with an applicable annual interest rate of NIL%.

Also included within creditors due within one year is a Salix loan balance of £10,150 incurred from St George's Church of England Academy, Newtown. The full value of the loan outstanding is £30,350, £20,200 of which is shown as due over one year (note 20). The loan is repayable in annual instalments over the remaining 4 year of the loan with an applicable annual interest rate of NIL%.

	2020 £	2019 £
Deferred income at 1 September 2019	337,245	135,937
Resources deferred during the period	274,041	337,245
Amounts released from previous periods	(337,245)	(135,937)
	<u>274,041</u>	<u>337,245</u>

At the balance sheet date BDMAT was holding funds received in advance in respect of Universal Infant Free School Meals funding from the ESFA.

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20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Salix loans	<u>28,325</u>	<u>39,100</u>

Included within creditors due in more than one year is a Salix loan balance of £8,125 incurred from St Clement's Church of England Academy. The full value of the loan outstanding is £8,750, £625 of which is shown as due within one year (note 19). The loan is repayable in annual instalments over the remaining 14 year of the loan with an applicable annual interest rate of NIL%.

Also included within creditors due in more than one year is a Salix loan balance of £20,200 incurred from St George's Church of England Academy, Newtown. The full value of the loan outstanding is £30,350, £10,150 of which is shown as due within one year (note 18). The loan is repayable in annual instalments over the remaining 4 year of the loan with an applicable annual interest rate of NIL%.

21. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>2,282,432</u>	<u>528,846</u>

Financial assets measured at fair value through income and expenditure comprises cash at bank.

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22. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	2,904,163	1,119,894	(141,283)	(1,636,762)	-	2,246,012
Early Years	-	554,839	(554,839)	-	-	-
	<u>2,904,163</u>	<u>1,674,733</u>	<u>(696,122)</u>	<u>(1,636,762)</u>	<u>-</u>	<u>2,246,012</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	15,964,590	(17,307,527)	1,342,937	-	-
Pupil Premium	-	1,655,610	(1,474,551)	-	-	181,059
UIFSM	-	388,809	(388,809)	-	-	-
Sports Premium	-	286,290	(251,820)	-	-	34,470
Other ESFA grants	-	865,796	(865,796)	-	-	-
Free School Grant	29,946	70,000	(25,734)	-	-	74,212
Other restricted income	-	335,765	(335,765)	-	-	-
Pension reserve	(10,940,000)	(1,038,000)	(147,000)	-	(3,259,000)	(15,384,000)
	<u>(10,910,054)</u>	<u>18,528,860</u>	<u>(20,797,002)</u>	<u>1,342,937</u>	<u>(3,259,000)</u>	<u>(15,094,259)</u>

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22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Land and Buildings transferred	36,328,869	4,359,000	(930,631)	-	-	39,757,238
ESFA Capital Grants	128,790	772,636	-	(354,312)	-	547,114
Fixed assets funded from restricted grants	1,072,389	-	(292,014)	354,312	-	1,134,687
Fixed assets funded from General Funds	51,963	-	(72,729)	293,825	-	273,059
	<u>37,582,011</u>	<u>5,131,636</u>	<u>(1,295,374)</u>	<u>293,825</u>	<u>-</u>	<u>41,712,098</u>
TOTAL RESTRICTED FUNDS	<u>26,671,957</u>	<u>23,660,496</u>	<u>(22,092,376)</u>	<u>1,636,762</u>	<u>(3,259,000)</u>	<u>26,617,839</u>
TOTAL FUNDS	<u>29,576,120</u>	<u>25,335,229</u>	<u>(22,788,498)</u>	<u>-</u>	<u>(3,259,000)</u>	<u>28,863,851</u>

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

RESTRICTED FUNDS:

General Annual Grant - income from the ESFA which is to be used for the normal running costs of the school, including education and support costs.

Pupil Premium - represents funding received from the ESFA for children that qualify for free school meals to enable the school to address the current underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meals - represents income for the provision of free school meals to pupils.

Sponsor Grant - income from the ESFA which is to be used for the running costs of the central team function.

Transfer in from existing academies - surplus restricted reserves brought in from existing academies entering BDMAT.

Sports Premium funding - income from the ESFA which is to be used to make additional and sustainable improvements to the quality of physical education.

Other ESFA grants - income from the ESFA which is to be used for specific purposes.

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22. STATEMENT OF FUNDS (CONTINUED)

Free School Grant - income from the ESFA which is to be used to manage the free school building project.

Other income - income which has been received for specific purposes.

Birmingham Diocesan Board of Education - funding provided to fund the central function of the Academy Trust.

Pension reserve - this represents BDMAT's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

RESTRICTED FIXED ASSET FUNDS:

Fixed assets transferred in from existing academies - this represents the assets transferred to BDMAT from the academies entering BDMAT.

ESFA Capital grants - this represents funding from the ESFA to cover the maintenance and purchase of the school's assets.

Condition Improvement Fund - are restricted grants related to a grant provided to the School from the Condition Improvement fund to be used specific capital work.

Fixed assets purchased from restricted grants - this represents capital assets that have been purchased out of restricted funding.

Fixed assets purchased from general funds - this represents capital assets that have been purchased out of general funds.

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22. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
St Michael's Church of England Primary Academy, Handsworth	120,314	126,144
St Clement's Church of England Academy	388,411	271,504
St George's Church of England Academy, Newtown	188,435	196,380
The Nethersole Church of England Academy	114,069	127,622
St George's Church of England Primary School, Edgbaston	(111,634)	82,070
Hawkesley Church of England Primary Academy	(230,037)	(112,414)
Central	218,327	273,417
Coleshill Church of England Primary School	197,743	195,915
St Margaret's Church of England Primary School	(18,355)	128,104
St Michael's Church of England Primary School, Bartley Green	1,071,377	925,902
Quinton Church of England Primary School	393,252	447,966
Nonsuch Primary School	257,810	341,638
Holy Trinity Church of England Primary Academy, Handsworth	(132,894)	(70,139)
Austrey Church of England Primary School	33,612	-
Newton Regis Church of England Primary School	(15,436)	-
Warton Nethersole's Church of England Primary School	(11,487)	-
Woodside Primary School	72,246	-
Total before fixed asset funds and pension reserve	2,535,753	2,934,109
Restricted fixed asset fund	41,712,098	37,582,011
Pension reserve	(15,384,000)	(10,940,000)
TOTAL	28,863,851	29,576,120

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

	Deficit £
St George's Church of England Primary School, Edgbaston	111,634
Hawkesley Church of England Primary Academy	230,037
St Margaret's Church of England Primary School	18,355
Holy Trinity Church of England Primary Academy, Handsworth	132,894
Newton Regis Church of England Primary School	15,436
Warton Nethersole's Church of England Primary School	11,487

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22. STATEMENT OF FUNDS (CONTINUED)

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

St George's Edgbaston

The school has moved into a deficit position during 2019/20. During 2019/20 the trust made the strategic decision to pay LGPS deficit reduction payments in advance for the next 3 years resulting in a 6% saving for the schools in Birmingham and Solihull; the effect on this for St George's Edgbaston has been a reduction of (£107,000). Excluding the pension deficit payment there is a minor deficit position as a result of additional costs as a result of operating during the covid-19 period, additional funding has been applied for from the DfE to cover these additional costs.

Hawkesley

Hawkesley have brought forward a deficit in the year relating to the voluntary severance payments resulting from restructuring in 2017/18. During 2019/20 the trust made the strategic decision to pay LGPS deficit reduction payments in advance for the next 3 years resulting in a 6% saving for the schools in Birmingham and Solihull; the effect on this for Hawkesley has been a reduction of (£168,000). Excluding this payment the school reduced its deficit, as planned, and is on track to return to positive reserves in the next two years. There was an underspend on pupil premium during 2019/20 as a result of the national lockdown totalling £40,758 this will be spent during 2020/21.

St Margaret's

The school has moved into a deficit position during 2019/20. During 2019/20 the trust made the strategic decision to pay LGPS deficit reduction payments in advance for the next 3 years resulting in a 6% saving for the schools in Birmingham and Solihull; the effect on this for St Margaret's has been a reduction of (£41,000).

Holy Trinity

Holy Trinity undertook restructuring in 2018/19 to secure the financial sustainability of the school. During 2019/20 the trust made the strategic decision to pay LGPS deficit reduction payments in advance for the next 3 years resulting in a 6% saving for the schools in Birmingham and Solihull; the effect on this for Holy Trinity has been a reduction of (£99,000). Excluding this payment the school reduced its deficit in 2019/20, as planned, and is on track to return to a positive reserves position within the next three years.

Newton Regis

Due to its size and location the school operates shared leadership and governance with Austrey Church of England Primary Academy. These schools are developing closer ways of working to maintain a net overall surplus of reserves across the two sites. This will result in both schools returning to surplus reserves over the next three years.

Warton

The school has invested in the development of its nursery facility during 2019/20, with the help of a European grant, these contributions and additional investment in the school has resulted in a negative reserves balance. A plan is being developed to return the school to a surplus position over the next three years.

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22. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
St Michael's Church of England Primary Academy, Handsworth	678,072	131,434	69,438	357,806	1,236,750	1,220,006
St Clement's Church of England Academy	774,904	210,036	31,278	257,290	1,273,508	1,281,058
St George's Church of England Academy, Newtown	997,067	165,265	95,975	566,916	1,825,223	1,709,942
The Nethersole Church of England Academy	837,034	266,820	58,745	219,421	1,382,020	1,453,783
St George's Church of England Primary School, Edgbaston	897,054	120,242	52,725	292,528	1,362,549	1,304,859
Hawkesley Church of England Primary Academy	759,850	140,493	93,570	372,434	1,366,347	1,517,058
Central	471,771	1,000,681	8,110	409,435	1,889,997	897,906
Coleshill Church of England Primary School	1,200,846	256,406	38,723	348,474	1,844,449	1,783,163
St Margaret's Church of England Primary School	754,662	194,433	38,328	186,717	1,174,140	1,039,678

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22. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
St Michael's Church of England Primary School, Bartley Green	1,312,048	384,905	47,241	302,559	2,046,753	1,363,547
Quinton Church of England Primary School	580,743	144,272	34,275	220,752	980,042	621,325
Nonsuch Primary School	721,175	152,709	28,994	259,649	1,162,527	743,618
Holy Trinity Church of England Primary Academy, Handsworth	615,939	136,290	14,478	286,998	1,053,705	846,777
Austrey Church of England Primary School	308,338	48,554	39,101	76,035	472,028	-
Newton Regis Church of England Primary School	270,486	149,479	19,981	79,991	519,937	-
Warton Nethersole's Church of England Primary School	524,277	137,459	14,933	112,319	788,988	-
Woodside Church of England Primary School	673,473	112,521	30,377	150,192	966,563	-
TRUST	12,377,739	3,751,999	716,272	4,499,516	21,345,526	15,782,720

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22. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	801,254	2,827,528	(658,166)	(66,453)	-	2,904,163
Early Years	-	356,531	(356,531)	-	-	-
	<u>801,254</u>	<u>3,184,059</u>	<u>(1,014,697)</u>	<u>(66,453)</u>	<u>-</u>	<u>2,904,163</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	12,280,003	(12,280,003)	-	-	-
Pupil Premium	-	1,391,429	(1,391,429)	-	-	-
UIFSM	-	228,876	(228,876)	-	-	-
Sponsor Grant	59,552	-	(59,552)	-	-	-
Transfer in from existing academies	-	314,587	(314,587)	-	-	-
Sports Premium	-	187,257	(187,257)	-	-	-
Other ESFA grants	21,296	16,000	(7,350)	-	-	29,946
Free School Grant	-	188,897	(188,897)	-	-	-
Other restricted income	-	135,000	(135,000)	-	-	-
Birmingham Diocesan Board of Education	-	-	-	-	-	-
Restricted Fund 11	-	-	-	-	-	-
Pension reserve	(4,574,000)	(3,874,000)	(734,000)	-	(1,758,000)	(10,940,000)
	<u>(4,493,152)</u>	<u>10,868,049</u>	<u>(15,526,951)</u>	<u>-</u>	<u>(1,758,000)</u>	<u>(10,910,054)</u>

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22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Land and Buildings transferred	17,507,141	19,755,584	(933,856)	-	-	36,328,869
Devolved formula Capital	39,423	228,018	-	(138,651)	-	128,790
ESFA Capital Grants	113,354	806,404	-	(919,758)	-	-
Fixed assets funded from restricted grants	28,261	-	(14,281)	1,058,409	-	1,072,389
Fixed assets funded from General Funds	-	-	(14,490)	66,453	-	51,963
	<u>17,688,179</u>	<u>20,790,006</u>	<u>(962,627)</u>	<u>66,453</u>	<u>-</u>	<u>37,582,011</u>
TOTAL RESTRICTED FUNDS	<u>13,195,027</u>	<u>31,658,055</u>	<u>(16,489,578)</u>	<u>66,453</u>	<u>(1,758,000)</u>	<u>26,671,957</u>
TOTAL FUNDS	<u><u>13,996,281</u></u>	<u><u>34,842,114</u></u>	<u><u>(17,504,275)</u></u>	<u><u>-</u></u>	<u><u>(1,758,000)</u></u>	<u><u>29,576,120</u></u>

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23. 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	-	-	41,236,363	41,236,363
Fixed asset investments	1,912,054	-	-	1,912,054
Current assets	333,958	2,341,735	475,735	3,151,428
Creditors due within one year	-	(2,023,669)	-	(2,023,669)
Creditors due in more than one year	-	(28,325)	-	(28,325)
Provisions for liabilities and charges	-	(15,384,000)	-	(15,384,000)
TOTAL	2,246,012	(15,094,259)	41,712,098	28,863,851

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	37,528,731	37,528,731
Fixed asset investments	1,612,054	-	-	1,612,054
Current assets	2,054,536	622,685	815,762	3,492,983
Creditors due within one year	(762,196)	(553,870)	(762,482)	(2,078,548)
Creditors due in more than one year	(231)	(38,869)	-	(39,100)
Provisions for liabilities and charges	-	(10,940,000)	-	(10,940,000)
TOTAL	2,904,163	(10,910,054)	37,582,011	29,576,120

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24. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	2,546,731	17,337,839
ADJUSTMENTS FOR:		
Depreciation	1,289,919	959,418
Capital grants from DfE and other capital income	(796,359)	(1,034,427)
Interest receivable	(17,731)	(1,521)
Defined benefit pension scheme obligation inherited	1,038,000	3,874,000
Defined benefit pension scheme cost less contributions payable	213,000	360,000
Defined benefit pension scheme finance cost	(66,000)	153,000
Decrease/(increase) in debtors	2,095,141	(2,385,827)
(Decrease)/increase in creditors	(54,879)	1,481,126
Non-cash assets inherited from Academies	(4,723,000)	(21,074,016)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	1,524,822	(330,408)

25. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayments of Salix loan	(10,775)	(11,406)
NET CASH USED IN FINANCING ACTIVITIES	(10,775)	(11,406)

26. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest receivable	17,731	1,521
Purchase of tangible assets	(638,551)	(1,186,958)
Purchase of investments	(300,000)	(1,600,000)
Capital grants from DfE group	796,359	1,034,427
Cash transferred on conversion	364,000	1,542,418
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	239,539	(208,592)

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27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	2,282,432	528,850
TOTAL CASH AND CASH EQUIVALENTS	2,282,432	528,850

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	Other movements £	At 31 August 2020 £
Cash at bank and in hand	528,846	1,753,586	-	2,282,432
Debt due within 1 year	(10,775)	10,775	(10,775)	(10,775)
Debt due after 1 year	(39,100)	-	10,775	(28,325)
	478,971	1,764,361	-	2,243,332

29. PENSION COMMITMENTS

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham LLP and Hymans Robertson LLP. 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.

Contributions amounting to £266,207 were payable to the schemes at 31 August 2020 (2019 - £4,885) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

29. 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 period amounted to £1,088,911 (2019 - £599,196).

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

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

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 period ended 31 August 2020 was £2,168,000 (2019 - £997,000), of which employer's contributions totalled £1,941,000 (2019 - £807,000) and employees' contributions totalled £ 227,000 (2019 - £190,000). The agreed contribution rates for future years are 21.3% per cent for employers and 5.5% - 12.5% per cent for employees.

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

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

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29. PENSION COMMITMENTS (CONTINUED)

Barnett Waddingham have been the actuary on the following schools:

Hawkesley Church of England Primary Academy
St Clement's Church of England Academy
St George's Church of England Primary School, Edgbaston
St George's Church of England Academy, Newtown
St Michael's Church of England Primary Academy, Handsworth
St Margaret's Church of England Primary School
Holy Trinity Church of England Primary Academy, Handsworth
St Michael's Church of England Primary School, Bartley Green
Nonsuch Primary School
Quinton Church of England Primary School

Hymans Robertson LLP have been the actuary on the following schools:

Coleshill Church of England Primary School
The Nethersole Church of England Academy
Austrey Church of England Primary School
Newton Regis Church of England Primary School
Warton Nethersole's Church of England Primary School
Woodside Church of England Primary School

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.19	3.60
Rate of increase for pensions in payment/inflation	2.24	2.21
Discount rate for scheme liabilities	1.62	1.85
Inflation assumption (CPI)	2.24	2.21

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	21.8	21.0
Females	24.0	23.2
<i>Retiring in 20 years</i>		
Males	23.2	22.6
Females	25.7	25.1

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29. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	7,414,000	5,013,000
Gilts	1,072,000	670,000
Bonds	1,160,000	592,000
Property	1,148,000	727,000
Cash and other liquid assets	717,000	267,000
Other	1,474,000	1,050,000
TOTAL MARKET VALUE OF ASSETS	12,985,000	8,319,000

The actual return on scheme assets was £688,000 (2019 - £564,000).

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

	2020 £	2019 £
Current service cost	(1,844,000)	(1,167,000)
Past service cost	(31,000)	(221,000)
Interest income	197,000	212,000
Interest cost	(410,000)	(363,000)
Administrative expenses	(4,000)	(2,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(2,092,000)	(1,541,000)

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

	2020 £	2019 £
Opening defined benefit obligation	19,272,000	8,345,000
Transferred in on existing academies joining the trust	2,503,000	7,062,000
Current service cost	1,844,000	1,167,000
Interest cost	410,000	363,000
Employee contributions	227,000	190,000
Actuarial losses/(gains)	4,209,000	2,138,000
Benefits paid	(115,000)	(214,000)
Past service cost	31,000	221,000
Closing defined benefit obligation	28,381,000	19,272,000

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29. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
AT 1 SEPTEMBER	8,319,000	3,771,000
Transferred in on existing academies joining the trust	1,465,000	3,175,000
Interest income	201,000	212,000
Actuarial gains/(losses)	950,000	380,000
Employer contributions	1,941,000	807,000
Employee contributions	227,000	190,000
Benefits paid	(115,000)	(214,000)
Administration expenses	(4,000)	(2,000)
Closing fair value of scheme assets	12,984,000	8,319,000

30. OPERATING LEASE COMMITMENTS

At 31 August 2020 the trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	30,839	16,566
Later than 1 year and not later than 5 years	55,032	7,215
	85,871	23,781

31. MEMBERS' LIABILITY

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

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32. RELATED PARTY TRANSACTIONS

Owing to the nature of the trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors 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 trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Birmingham Diocesan Board of Finance - an entity in which Mr S Skakel is also a Director. BDMAT received £10,000 during the period (2019: £135,000) and purchased procured services of £52,778 (2019: £68,845) during the period. A balance of £6,613 (2019: £6,556) was owing to Birmingham Diocesan Board of Finance as at 31 August 2020. Birmingham Diocesan Board of Finance also employs the following Directors: Mrs S E Smith, Dr J Smart, and Rev'd B Scott; and Mrs C Ward-Lewis who is a Member.

Services for Education Limited - an incorporated charity in which Mrs S E Smith is also a Director. BDMAT purchased procured services totalling £55,091 (2019: £33,178) during the period. A balance of £1,006 (2019: £274) was owing to Services for Education Limited as at 31 August 2020.

FFT Education Ltd – a company employing Ms H Leung. BDMAT purchased pupil data services totalling £7,695 (2019: £3,109) during the period. A balance of £2,660 (2019: zero) was owing to FFT Education Ltd as at 31 August 2020.

Advanced Software Ltd – a limited company employing Mr N Pilditch. BDMAT purchased software licences and text messages totalling £22,844 (2019: £2,589) during the period. A balance of zero (2019: zero) was owing to Advanced Software Ltd as at 31 August 2020.

33. POST BALANCE SHEET EVENTS

On 1 September 2020, Lady Katherine Leveson Church of England Primary School joined the Multi Academy Trust.

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34. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

Heartwood Church of England Academy Trust

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold property	4,064,000	4,064,000
Furniture and equipment	254,000	254,000
Computer equipment	41,000	41,000
CURRENT ASSETS		
Debtors due within one year	58,000	58,000
Cash at bank and in hand	405,000	405,000
LIABILITIES		
Creditors due within one year	(99,000)	(99,000)
PENSIONS		
Pensions - pension scheme liabilities	(1,038,000)	(1,038,000)
NET ASSETS	<u>3,685,000</u>	<u>3,685,000</u>