

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

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BATLEY MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M Cook Mr A Lunat OBE Mrs A McCall Mr J Townend (resigned 11 October 2018) Mr D Page (appointed 1 July 2019) Mrs B Tullie (appointed 1 November 2019)
Trustees	Ms N Ahmend, Trustee Ms T Feiweles, Trustee Mrs P Pickles, Trustee (resigned 8 November 2018) Mr J Townend, Trustee Ms M Kennedy, Trustee Mrs E Loughhead, Vice Chair Mr S Mayet, Chair Mrs H Towers-Islam, Trustee (resigned 1 December 2018) Mrs M Sahota (appointed 10 October 2019)
Company registered number	07732537
Company name	Batley Multi Academy Trust
Principal and registered office	Windmill Lane Batley WF17 0LD
Company secretary	Mr D A Brown
Chief executive officer	Ms J Haigh
Senior management team	Ms J Haigh, Chief Executive and Co-Head - Batley Girls' High School Mrs S Vickers, Vice Chief Executive and Headteacher - Upper Batley High School Mr D Cooper, Co-Head - Batley Girls' High School Mr M Limbert, Assistant Head Mrs L Lang, Headteacher - Healey Junior, Infant & Nursery School Mrs H Towers-Islam, Headteacher - Field Lane Junior, Infant & Nursery School Mr D A Brown, Finance Director Mrs L Page, Human Resources
Independent auditors	BHP LLP Chartered Accountants 1st Floor Mayesbrook House Leeds LS16 6QY
Bankers	Lloyds TSB Bank plc 14 Church Street Sheffield S1 1HP

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates 2 secondary academies and 2 primary academies (1 joined on 1 December 2018), in Batley. Its academies have a combined pupil capacity of 2,901 and had a roll of 2,521 on the school census in autumn 2018. A through-school with secondary and primary intake will join during the 2019 autumn term.

We have now had our first Ofsted inspection of a school within the Trust, which was rated Good.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Batley Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Batley Multi Academy Trust.

The trustees of Batley Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1

The Trust currently comprises 4 schools; Batley Girls' High School, also known as Batley Girls' High School – Visual Arts College and our sponsored schools, Upper Batley High School, which joined on 1 April 2016 and Healey Junior, Infant and Nursery School, which joined on 1 December 2017. We were joined by Field Lane Junior, Infant and Nursery School, an Academy converter, on 1 December 2018.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

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.

c. Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed under the rules contained within the Academy Trust's Memorandum and Articles of Association and membership of the board of trustees is in accordance with the structures contained within it. The term of office for each Trustee is 4 years.

The number of Trustees must not be less than three, but are not subject to any maximum.

The members may appoint up to 5 Trustees.

We do not have any Trustees who are also employees of the Academy Trust.

Parent Trustees and Parent Local Governors shall be elected, or if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed.

The Trustees may appoint Co-opted Trustees.

e. Policies adopted for the induction and training of Trustees

Trustees are provided with induction and offered ongoing training opportunities during their term of office. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students and become involved throughout their term with school activities and initiatives. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

f. Organisational structure

Batley Multi Academy Trust currently comprises Batley Girls' High School, Upper Batley High School, Healey Junior, Infant and Nursery School and Field Lane Junior, Infant and Nursery School.

The management structure consists of the Board of Directors (Trustees), CEO and Vice CEO, Local Governing Bodies, the Co-Heads / Headteacher and school Senior Leadership Teams.

The Trustees have strategic oversight and ultimate responsibility for all management decisions within the Multi Academy Trust (MAT), setting visions and policies for the Trust. Their three core functions are to ensure clarity of vision, ethos and strategic direction; hold the Co-Heads and Headteachers to account for the educational performance of schools and their pupils, the performance management of staff and oversee financial performance, ensuring money is well spent.

The Trustees establish Local Governing Bodies to assist with the discharge of their governance functions. The Local Governing Bodies are responsible for making decisions on the operation of their relevant school by way of the terms of reference set and powers delegated to them by the Trustees under a Scheme of Delegation.

The Co-Heads and Headteachers are responsible for the day to day operations of each school, assisted by school Senior Leadership Teams, in particular organising the teaching staff, facilities and students and authorising spend within agreed budgets.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The salaries of all staff within the schools, including the Senior Leadership Team, are determined in line with our agreed Pay Policy. The policy states the following regarding Leadership Pay:

The Co-Heads will be responsible for determining the starting salary and making pay progression recommendations for posts on the Leadership Scale. The Pay Committee will be responsible for making the decision.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	22
Total pay bill	10,304
Percentage of total pay bill spent on facility time	0.21 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	4.53 %
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i. Related parties and other connected charities and organisations

The Trust is the Academy Sponsor of Upper Batley High School and Healey Junior, Infant and Nursery School.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

(continued)

a. Objectives and Activities

Batley Multi Academy Trust's sole purpose is to provide an outstanding education through our family of schools.

The Trust is passionately committed to the communities of Batley and Dewsbury and the surrounding area, serving our local learners and their families in order to secure excellent educational outcomes, partnered with high aspirations.

We know that every learner, with their different talents, skills and ambitions, has the potential to excel, which is vital in developing local wealth and enabling our community to contribute successfully to society as a whole. Respect lies at the heart of all we do and is key to becoming a successful young adult, who is ready to face the opportunities and challenges of today's world. We believe respect for learning, respect for self and respect for others shape who we are and we are particularly proud of our commitment to, and celebration of, community cohesion.

The main objectives of the Academy Trust during the year ended 31 August 2019 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to thus maintain the high standard of educational achievement of all learners across our schools;
- to maintain our position as the school of choice for Year 7 girls and recruit increasing numbers of sixth form students to Batley Girls' High School;
- to recruit increased numbers of Year 7 boys to Upper Batley High School;
- to recruit increased numbers of primary aged children to Healey Junior, Infant and Nursery School;
- to continue maintaining pupil numbers at Field Lane Junior, Infant and Nursery School;
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

(continued)

b. Strategic Direction

The Academy Trust's main strategic direction is encompassed in its mission to build a wider learning community which has access to the best possible teaching facilities, training and staff. The main beneficiaries of our company are the students. To fulfil our mission and support them, activities provided include:

- tuition and learning opportunities for all students to attain appropriate qualifications;
- the delivery of an outstanding curriculum which provides opportunities for everyone;
- the development of all teaching to be at least good and increasingly outstanding;
- training opportunities for all staff and the continued development of BGHS as lead school of the Yorkshire Rosé Teacher Training Alliance and as a Teaching School;
- high quality school to school support as part of Teaching School status;
- strong links with HEIs and a programme of visits and opportunities linked to progression;
- opportunities to pursue apprenticeships, qualifications relating to the educational field such as HLTA and gain leadership qualifications e.g. teaching leaders, NPQSL, SLEs;
- a programme of cultural and spiritual activities to ensure that students have the widest possible life experience at school and learn respect for other races, religions and social groups
- work placements of students with industrial and commercial partners;
- a careers advisory service to help students obtain employment or move on to higher education;
- effective and efficient deployment of the Pupil Premium to maximise the opportunities and achievement of disadvantaged students.

c. Public benefit

The principal object and activity of the charitable company is the operation of the 4 schools in Batley to advance for the public benefit, in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's aims and objectives.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

(continued)

Strategic report

Achievements and performance

a. Key performance indicators

All schools within the Trust have made progress in key challenge areas.

The aggregate GCSE scores for secondary students are well above average compared to Trust scores published last year. Our Trust is not yet large enough to appear in the Trust comparisons of schools, however our score would place us near the top of the table (7th out of 85 Trusts)

Batley Girls' High School has sustained excellent progress and raised attainment further (see below). The progress of disadvantaged students this year has been superb at +0.61 (Nat 2018 -0.4).

Upper Batley High School has had a very good year with increased progress and attainment (see below). There have been significant improvements across a wide range of measures. Gains made with maths at both Level 4 and 5 have been particularly impressive.

Healey Junior Infants and Nursery continues to improve in many areas. There is strong three year trend in RWM combined, Maths results in Year 6 have significantly improved, Phonics outcomes (Year 1 and 2) have been exceptionally good and Grammar, Spelling Punctuation outcomes are superb.

Field Lane Junior Infants and Nursery has sustained excellent outcomes and made significant gains, particularly with Greater Depth. Almost all external accountability measures are improved on last year, above national averages and exceed targets. Excellent gains have been made with Key Stage 1 Maths scores.

	EYFS	Primary	Secondary	Post 16	Total
Student numbers	121	492	1762	197	2572

Outcomes are rag rated against last year. ~~More than~~ Less than or equal to

Secondary aggregated performance:

Progress 8

	P8	
BGHS	184	0.7
UBHS	121	-0.11
TOTAL	305	
ALL	P8	0.28

	Disadvantaged P8	
BGHS	53	0.61
UBHS	35	-0.33
TOTAL	88	
ALL	P8 PP	0.24

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Secondary:

Batley Girls' High School

Upper Batley High School

KS4 Headline Measures	2019 Provisional	2018		KS4 Headline Measures	2019 Provisional	2018
A8	51.32	50.4		A8	40.34	37.03
P8	+0.7	0.7		P8	-0.11	-0.30
Basics 4+	76.3	71.3		Basics 4+	66.0%	47.0%
Basics 5+	57	49		Basics 5+	66.29%	24.0%
Eng P8	+0.61	0.71		Eng P8	-0.18	-0.28
Eng 4+	86.6	86.7		Eng 4+	66.9%	64.4%
Eng 5+	75.3	72.4		Eng 5+	46%	41.3
Maths P8	+0.59	0.54		Maths P8	0.20	-0.31
Maths 4+	79	75.2		Maths 4+	65.3%	52.9%
Maths 5+	62.9	55.2		Maths 5+	46.0%	28.8%
Ebacc P8	+0.77	0.76		Ebacc P8	-0.25	-0.52
Ebacc 4+	39.2	3.9		Ebacc 4+	12.1%	12.5%
Ebacc 5+	27.4	22.4		Ebacc 5+	4.8%	5.8%
Science (x2) 4+	70.4	67		Science (x2) 4+	64.8%	40.4%
Science (x2) 5+	63.8	35.5		Science (x2) 5+	33.0%	26.3%
Open P8	+0.78	0.71		Open P8	-0.14	-0.099
Dis p8	+0.61	0.32		Dis p8	-0.33	-0.39
Low p8	+0.55 (21)	+0.7		Low p8	+0.13 (28)	-0.302 (24)
Middle p8	+0.77 (98)	+0.7		Middle p8	-0.07 (55)	-0.62 (52)
High p8	+0.65(65)	+0.7		High p8	-0.35 (38)	-1.15 (23)







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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Batley Girls' High School Post 16

KS5 Headline Measures	2019		2018
A Level VA (Unvalidated)			-0.27
Average A Level Grade			C-
Applied General VA (Unvalidated)			-0.38
Average Applied General Grade			M
A Level - Alps Grade			5
Applied General - Alps Grade			8

Healey Junior, Infant and Nursery School

2018

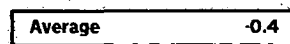
Progress score in reading, writing and maths

Reading



[More score details](#)

Writing



[More score details](#)

Maths

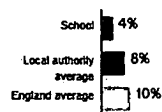


[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

2019

Progress in reading, writing and maths

Reading

Number of pupils = 53

Pupils with adjusted scores = 0

Below average -2.45

Confidence interval
-4.1 to -0.8

Writing

Number of pupils = 52

Pupils with adjusted scores = 2

Average -1.40

Confidence interval
-3.0 to 0.1

Maths

Number of pupils = 53

Pupils with adjusted scores = 0

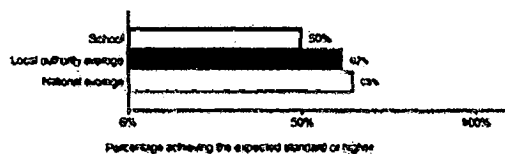
Average -0.02

Confidence interval
-2.3 to 0.6

Reading, writing and maths combined

Percentage of pupils achieving the expected standard or higher

Number of pupils = 54



	School	Kirklees	National
EYFS GLD %	41.9%	(69) 70	(72) 72

Progress scores for EYFS are strong in relation to standard baseline tests.

	School	Kirklees	National
Y1 Phonics %	52	(80) 79	(83) 82
Y2 Phonics %	5	(60) 59	(61) 56

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

	Reading			Writing			Maths			GPS		
	School	Kirklees	National	School	Kirklees	National	School	Kirklees	National	School	Kirklees	National
KS1 EXS %	63.6	(72) 73	(76) 75	59	(67) 67	(70) 69	59.6	(73) 74	(76) 76			
KS1 GDS %	10.6	(23) 22	(26) 25	5.5	(13) 13	(16) 15	7.5	(19) 20	(22) 22			
KS2 EXS %	55.6	(72) 70	(75) 73	67.9	(76) 77	(78) 78	73.9	(73) 78	(76) 79	73.6	(76) 77	(78) 78
KS2 ASS	99.8	(104)103	(105)104				102.6	(104)105	(104)105	105.6	(106)106	(108)108
KS2 GDS %	8.3	(25) 23	(28) 27	3.8	(15) 16	(20) 20	14.8	(21) 24	(24) 27	27.8	(33) 34	(34) 36
Ave progress	-2.6	-0.8	0.0	-1.37	-0.5	0.0	10.6	0.3	0.0			

RWM	School	Kirklees	National
KS1 EXS	54.6	(62) 63	(65) 65
KS1 GDS	9.6	(9) 10	(12) 11
KS2 EXS	50.9	(61) 62	(64) 65
KS2 GDS	9.6	(8) 9	(10) 11

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Field Lane Junior, Infant & Nursery School

2018

Progress score in reading, writing and maths ?

Reading

Average -0.6

[More score details ?](#)

Writing

Average 1.3

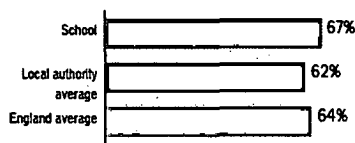
[More score details ?](#)

Maths

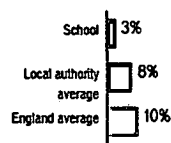
Above average 2.5

[More score details ?](#)

Pupils meeting expected standard in reading, writing and maths ?



Pupils achieving at a higher standard in reading, writing and maths ?



2019

Progress in reading, writing and maths

Reading

Number of pupils = 31

Pupils with adjusted scores = 0

Average 0.94

Confidence interval
-1.2 to 3.1

Writing

Number of pupils = 31

Pupils with adjusted scores = 0

Average 1.34

Confidence interval
-0.7 to 3.3

Maths

Number of pupils = 31

Pupils with adjusted scores = 0

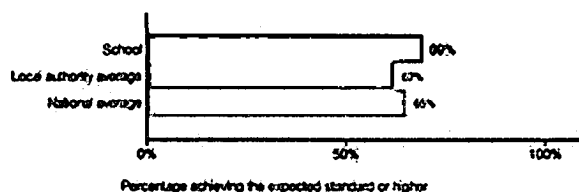
Above average 2.40

Confidence interval
0.5 to 4.3

Reading, writing and maths combined

Percentage of pupils achieving the expected standard or higher

Number of pupils = 32



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

	School	Kirklees	National
EYFS GLD %	(70) 70	(69) 70	(72) 72

	School	Kirklees	National
Y1 Phonics %	(80) 83	(80) 79	(83) 82
Y2 Phonics %	(100) 83	(60) 59	(61) 56

Progress 70%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

	Reading			Writing			Maths			GPS		
	School	Kirklees	National	School	Kirklees	National	School	Kirklees	National	School	Kirklees	National
KS1 EKS %	(73) 77	(72) 73	(76) 76	(63) 67	(67) 67	(70) 69	(63) 63	(73) 74	(76) 76			
KS1 GDS %	(27) 23	(23) 22	(26) 25	(10) 16	(13) 13	(16) 15	(17) 27	(19) 20	(22) 22			
KS2 EKS %	(70) 72	(72) 70	(76) 73	(87) 84	(76) 77	(78) 78	(87) 81	(73) 78	(76) 79	(87) 81	(76) 77	(78) 78
KS2 ASS	(103) 104	(104) 103	(105) 104				(105) 106	(104) 105	(104) 105	(106) 108	(106) 106	(106) 106
KS2 GDS %	(17) 28	(25) 23	(28) 27	(10) 25	(15) 16	(20) 20	(10) 20	(21) 24	(24) 27	(33) 33	(33) 34	(34) 36
Age progress	(-0.6) 0.5	(-1.1) -0.8	0.0	(1.3) 1.4	-1.0) -0.5	0.0	(2.5) 2.4	-0.7) -0.3	0.0			

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

EXS - Expected standard GDS - Greater depth standard ASS - Average Scaled Score

RWM - Reading, writing and maths combined

RWM	School	Kirklees	National
KS1 EXS	(57) 57	(62) 63	(65) 65
KS1 GDS	(7) 10	(9) 10	(12) 11
KS2 EXS	(67) 69	(61) 62	(64) 65
KS2 GDS	(3) 13	(8) 9	(10) 11

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

The Academy Trust operates under a Finance Policy and Procedures document (Financial Scheme of Delegation), which is reviewed and amended as the Trust is developing.

Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Each Academy also receives a Devolved Capital Grant allocation for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grant income is 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 expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £15,440,000 was covered by recurrent grant funding from the ESFA together with other resources.

At 31 August 2019 the net book value of fixed assets was £30,195,000 and movements in tangible fixed assets are shown in notes 12 and 13 to the financial statements. The assets were used exclusively for providing

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

education and the associated support services to the students of the Academy Trust.

The Academy Trust held fund balances at 31 August 2019 of £29,748,000 comprising £4,056,000 of restricted funds, £30,195,000 of restricted fixed asset funds, £1,059,000 of unrestricted general funds and a pension reserve deficit of £5,562,000.

a. Reserves policy

The Trustees review the reserve levels of the Academy 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 Trustees have determined that an appropriate level of free reserves should be equivalent to one month's expenditure, approximately £1,287,000. 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 such as urgent maintenance. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,059,000.

The Trustees have determined that, through careful 5 year budget planning, the reserves are intended to ensure that any projected in-year budget shortfalls over the next few years do not have a detrimental impact on service delivery and resources can be used to improve the facilities at each academy.

b. Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day requirement of its operations while protecting the real long-term value of any surplus cash balances against inflation. In addition the trust aims to invest surplus cash funds to optimise returns, but ensure that the investments are such that there is no risk to the loss of these cash funds.

It is recognised that most funds will be held within the Academy Trust current accounts, which are interest bearing. However where the cash flow identifies a base level of cash funds that will be surplus to requirements, in the short-term, these may be invested in an interest bearing account with one of the recognised high street banks.

The Academy Trust policy is not to invest in any funds where there are ethical concerns.

c. Principal risks and uncertainties

The key risks identified in the risk register are summarised below.

A risk register is maintained at the Academy Trust level which is reviewed at least annually and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy Trust and the actions being taken to reduce and mitigate the risks.

Risks are prioritised using a consistent scoring system.

This is supported by a risk management policy.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

d. Risk Management

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and school visits) and in relation to the control of finance. They have robust systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission.

<u>Risk</u>	<u>Key impact</u>	<u>Strategies for managing the risk</u>
Decline in student numbers	Loss of funding, reduced curriculum offer and potential redundancies	Marketing, transition and other frequent work with Primary schools and parents. Maintaining and promoting reputation and ethos. Rigorous delivery of high quality education and training.
Loss of key staff	Unable to deliver planned curriculum and/or support learning. Unable to lead/manage.	Culture of distributed leadership. Responsive and flexible approach to part-time and alternative working hours requests. Culture of seeking out talents and opportunities for colleagues to develop. Continuing to build and develop the School Direct Yorkshire Rose Alliance to provide a source of quality staff.
Non-compliance issue	Legal action, fines or imprisonment. Damage to reputation	Policies and procedures. Appropriate use of specialist advisors. Regular internal and external audits. Staff training.
Major ICT system failure / Business Interruption	Delays to planned delivery of curriculum and/ business activities	Reputable cloud providers. System and manual backups. Disaster Management Plans.
Major incident such as a fire or flood or serious intruder	School closure, potential loss to lives	On-going Premises Maintenance. Adequate insurance. Risk assessments and detection systems. Disaster Management Plans. Secure site and signing in systems.
Safeguarding issue	Harm to students (and staff)	Proactive Child Protection Team, all staff suitable trained in systems and procedures. Training provided to students and parents. Single Central Record maintained across the Trust. Pro-active working relationship with the local Prevent team.
Inadequate Governance	Unable to meet statutory duties to govern	Succession planning. Access to training and resources. Regular review of skills. Maintaining quorate meetings.
Wrong curriculum delivery / poor results	Reputation suffers. Loss of student engagement	Management constantly review and reassess curriculum offer. Regular tracking and targeted interventions. Rigorous delivery of high quality education and training.
Loss of reputation	Loss of students and/or staff	Promotion of schools and what they offer. Maintenance of ethos and culture.
Serious injury to staff or student(s)	Injury, potential loss of life	Health and Safety Policy and procedures and monitoring visits. Insurance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

Batley Multi Academy Trust currently comprises Batley Girls' High School, Upper Batley High School, Healey Junior Infant and Nursery School and Field Lane Junior, Infant and Nursery School, who joined on 1 December 2018. We provide high quality education for both boys and girls. This collaboration enables us to share expertise, knowledge and best practice to ensure academic and pastoral excellence throughout all of our schools, with all schools embracing the same overall ethos and values, whilst maintaining their own unique characters.

In our medium term planning, we are anticipating Batley Grammar School joining us during the 2019 autumn term and would like to expand the Trust further to include a total of 3 local Primaries, two of which would be Good or Outstanding. Longer term, we would then seek to welcome a further two local Primaries who may need greater support. In doing so, we aim to secure an outstanding education for many of the children and young people in our area, offering a fully integrated provision and a seamless educational experience across all ages and stages. We understand the importance of building capacity and strength with slow and measured growth. Our passion is about ensuring high educational outcomes for all young people in our town to further benefit the social and economic development of our local area.

In forming the Batley MAT, we placed a strong emphasis on concentrating on local schools and developing the existing BBEST partnership. We will provide opportunities for staff development and joint CPD work as well as being able to benefit from the economies of scale and procurement opportunities of collaborative and joint working.

The MAT will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students secure work, training or a place in higher education once they leave. Our strong links with the local universities and Cummins Turbo Technology are continuing to drive a greater focus on STEM subjects.

Key priorities for the trust are:

- to increase pupil numbers at UBHS which would have a beneficial impact upon income and enable the school to recruit staff to specific specialisms;
- to achieve better value for money across the MAT, through joint purchasing of SLAs, once existing contracts are up for renewal;
- to access conditional funding grants where possible and utilise DFC monies to improve the physical facilities on all sites, where needed.
 - o UBHS made a successful CIF bid for the roof and started a renovation of some of the toilets during the year, as well as works on stairwells, classrooms and purchased new furniture for the renovated classrooms.
 - o BGHS replaced cladding at the front of the school, converted a room into a brand new lecture theatre and rebuilt the Y7 dining area.
 - o Field Lane replaced the boilers, which were constantly failing and created a new library space.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Employee involvement and employment of the disabled

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

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

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

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

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on and signed on its behalf by:



Mr S Mayet
(Chair of Trustees)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Co-Head, 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 Batley Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Ms N Ahmend, Trustee	6	7
Ms T Feiweles, Trustee	6	7
Mrs P Pickles, Trustee	0	1
Mr J Townend, Trustee	6	7
Ms M Kennedy, Trustee	5	7
Mrs E Loughhead, Vice Chair	6	7
Mr S Mayet, Chair	6	7
Mrs H Towers-Islam, Trustee	2	2

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to ensure the Academy Trust has strategic plans in place to deliver effective teaching and learning within the school budget.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Kennedy (Chair)	2	3
E Loughhead JP	2	3
J Townend	2	3
N Ahmed	2	3
J Haigh (Co-Head and Accounting Officer)	3	3
S Vickers	3	3

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Co-Head has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by

- ensuring the school finances are deployed to deliver the schools' priorities as outlined in the school development plans;
- regularly reviewing the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced specialists and enthusiasts;
- utilising good tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money;
- ensuring management accounts are produced and reviewed on a monthly basis;
- reviewing contracts and outsourcing or taking in house as appropriate to achieve better Value for Money;
- using 5 year budget projections to aid planning and decision making;
- using a range of benchmarking data from sources such as the ESFA, DfE and various accountancy firms and investigating any areas outside normal ranges;
- ensuring quotes/tenders are sought as appropriate in order to drive down costs and illustrate value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Batley Multi Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint BHP LLP as internal auditor.

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

- testing of payroll systems;
- testing of income systems;
- testing of purchase systems;
- testing of control account/bank reconciliations;
- testing of risk management.

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

No material control issues have arisen as a result of the work of the internal auditor.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 finance and resources committee and a plan to ensure continuous improvement of the system is in place.

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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



Mr S Mayet
Chair of Trustees



Ms J Haigh
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Batley Multi Academy Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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



Ms J Haigh
Accounting Officer
Date:

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr S Mayet
(Chair of Trustees)

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

Opinion

We have audited the financial statements of Batley Multi Academy Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

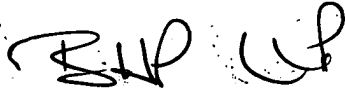
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

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



Michael Jackson (Senior statutory auditor)

for and on behalf of
BHP LLP

Chartered Accountants
Statutory Auditor

1st Floor

Mayesbrook House

Leeds

LS16 6QY

Date:

2 December 2019

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

In accordance with the terms of our engagement letter dated 17 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Batley Multi Academy Trust during the year 1 September 2018 to 31 August 2019 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 Batley Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Batley 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 Batley Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Batley Multi Academy Trust's funding agreement with the Secretary of State for Education dated July 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

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



Michael Jackson

BHP LLP

Date:

2 December 2019

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfers from Local Authority on conversion		-	(185)	1,490	1,305	3,025
Other donations and capital grants		-	-	634	634	64
Charitable activities		-	13,928	-	13,928	12,089
Teaching schools	33	-	-	-	-	66
Other trading activities		6	320	-	326	242
Investments	6	24	-	-	24	18
Total income		30	14,063	2,124	16,217	15,504
Expenditure on:						
Charitable activities	8	-	14,522	852	15,375	12,572
Teaching schools	33	-	66	-	66	-
Total expenditure		-	14,588	852	15,440	12,572
Net income/(expenditure)		30	(525)	1,272	777	2,932
Transfers between funds	20	-	(379)	379	-	-
Net movement in funds before other recognised gains/(losses)		30	(904)	1,651	777	2,932
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(2,145)	-	(2,145)	911
Net movement in funds		30	(3,049)	1,651	(1,368)	3,843
Reconciliation of funds:						
Total funds brought forward		1,029	1,543	28,544	31,116	27,273
Net movement in funds		30	(3,049)	1,651	(1,368)	3,843
Total funds carried forward		1,059	(1,506)	30,195	29,748	31,116

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 37 to 64 form part of these financial statements.

BATLEY MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER 07732537

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	15	-	4
Tangible assets	16	30,195	28,541
		<u>30,195</u>	<u>28,545</u>
Current assets			
Debtors	17	604	358
Cash at bank and in hand		6,106	5,512
		<u>6,710</u>	<u>5,870</u>
Creditors: amounts falling due within one year	18	(1,573)	(748)
Net current assets		<u>5,137</u>	<u>5,122</u>
Total assets less current liabilities		<u>35,332</u>	<u>33,667</u>
Creditors: amounts falling due after more than one year	19	(22)	(29)
Net assets excluding pension liability		<u>35,310</u>	<u>33,638</u>
Defined benefit pension scheme liability	27	(5,562)	(2,522)
Total net assets		<u><u>29,748</u></u>	<u><u>31,116</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	30,195	28,544
Restricted income funds	20	4,056	4,065
		<u>34,251</u>	<u>32,609</u>
Restricted funds excluding pension asset	20	34,251	32,609
Pension reserve	20	(5,562)	(2,522)
Total restricted funds	20	<u>28,689</u>	<u>30,087</u>
Unrestricted income funds	20	<u>1,059</u>	<u>1,029</u>
Total funds		<u><u>29,748</u></u>	<u><u>31,116</u></u>

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 33 to 64 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



Mr S Mayet
Chair of Trustees



Ms J Haigh
Accounting officer

The notes on pages 37 to 64 form part of these financial statements.

BATLEY MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	956	1,066
Cash flows from investing activities	24	(355)	(356)
Cash flows from financing activities	23	(7)	(8)
Change in cash and cash equivalents in the year		594	702
Cash and cash equivalents at the beginning of the year		5,512	4,810
Cash and cash equivalents at the end of the year	25	6,106	5,512

The notes on pages 37 to 64 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

Batley Multi Academy Trust is a private limited company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 1 of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Trustees' Report on page 3.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

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

1.2 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, 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 academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Taxation

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

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

1.7 Intangible assets

Intangible assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 33 % straight line
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1.8 Tangible fixed assets

Assets costing £1000 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 basis over its expected useful life, as follows:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Building improvements	- 10% straight line
New Buildings	- 2% straight line
Buildings acquired on conversion	- 2-5% straight line
Plant and machinery	- 25% straight line
Fixtures, fittings and equipment	- 25% straight line
Computer equipment	- 33% straight line

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

1.9 Debtors

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

1.10 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.

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

1.12 Provisions

Provisions are recognised when the academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

1.15 Pensions

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.16 Fund accounting

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

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

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

1.17 Redundancy and severance payments

Where the academy trust has a constructive liability to make a redundancy payment this is recognised as and when the liability arises. Where the trustees have agreed it in the interests of the trust to make a severance payment which is not contracted, this is recognised as a liability once the decision to make a payment has been ratified at a meeting of the board of trustees.

1.18 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 27, 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 2019. 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.

BATLEY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Transfers from Local Authority on conversion	-	(185)	1,490	1,305
Capital grants	-	-	452	452
Devolved formula capital grants	-	-	182	182
	-	(185)	2,124	1,939

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Donations	78	(823)	3,770	3,025
Grants	-	-	16	16
Government grants	-	-	48	48
	78	(823)	3,834	3,089

4. Income from charitable activities

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants			
General Annual Grant	12,527	12,527	11,046
Other DfE/EFA grants	986	986	788
Other government grants	415	415	255
	13,928	13,928	12,089

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Other incoming resources

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Income from ancillary trading activities	6	320	326

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Income from ancillary activities	241	-	241

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Short term deposits	24	24	18

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Activities:				
Direct costs	10,519	-	1,550	12,069
Support costs	1,501	647	1,158	3,306
Teaching school	66	-	-	66
	12,086	647	2,708	15,441

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Staff Costs</i>	<i>Premises</i>	<i>Other</i>	<i>Total</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Activities:				
Direct costs	8,406	-	1,421	9,827
Support costs	1,243	548	954	2,745

8. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Restricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Charitable activities	15,375	15,375	12,572

9. Analysis of expenditure by activities

	<i>Activities undertaken directly</i>	<i>Support costs</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Education	12,069	3,306	15,375

	<i>Activities undertaken directly</i>	<i>Support costs</i>	<i>Total funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Education	9,827	2,745	12,572

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Pension income	69	63
Staff costs	1,479	1,243
Depreciation	297	260
Staff development	21	27
Other costs	647	548
Supply Teachers	725	541
Recruitment and other staff costs	68	63
	3,306	2,745

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	66	94
Depreciation of tangible fixed assets	848	738
Amortisation of intangible assets	4	5
Fees paid to auditors for:		
- audit	17	15
- other services	6	11

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	8,814	7,429
Social security costs	831	696
Pension costs	1,974	1,423
	<u>11,619</u>	<u>9,548</u>
Agency staff costs	322	87
Staff restructuring costs	79	14
	<u>12,020</u>	<u>9,649</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	79	14
	<u>79</u>	<u>14</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	134	116
Administration & Support	209	183
Management	32	32
	<u>375</u>	<u>331</u>

c. Higher paid staff

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs (continued)

c. Higher paid staff (continued)

	2019 No.	2018 No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for the academy trust was £2,092,492 (2018: £1,816,120).

12. Central services

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

- Human resources
- Financial services
- Payroll services
- Legal services
- MAT leadership

The academy charges for these services on the following basis:

3% of GAG income (to be reviewed annually)

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Upper Batley High School	113	101
Healey Junior, Infant and Nursery	46	36
Field Lane Junior, Infant and Nursery	21	-
Total	<u>180</u>	<u>137</u>

13. Trustees' remuneration and expenses

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Trustees' remuneration and expenses (continued)

	2018
	£000
Ms J Haigh, Chief Executive and Accounting Officer (resigned 7 June 2018)	65 - 70
	Pension contributions paid
	10 - 15
Ms S Vickers (resigned 7 June 2018)	60 - 65
	Remuneration
	Pension contributions paid
	10 - 15

During the year ended 31 August 2019, no Trustees received any remuneration or other benefits.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

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

15. Intangible assets

	Computer software
	£000
Cost	
At 1 September 2018	16
At 31 August 2019	16
Amortisation	
At 1 September 2018	12
Charge for the year	4
At 31 August 2019	16
Net book value	
At 31 August 2019	-
At 31 August 2018	4

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	30,830	203	324	12	31,369
Additions	2,354	45	78	26	2,503
At 31 August 2019	<u>33,184</u>	<u>248</u>	<u>402</u>	<u>38</u>	<u>33,872</u>
Depreciation					
At 1 September 2018	2,433	140	245	10	2,828
Charge for the year	759	28	54	8	849
At 31 August 2019	<u>3,192</u>	<u>168</u>	<u>299</u>	<u>18</u>	<u>3,677</u>
Net book value					
At 31 August 2019	<u>29,992</u>	<u>80</u>	<u>103</u>	<u>20</u>	<u>30,195</u>
At 31 August 2018	<u>28,397</u>	<u>63</u>	<u>79</u>	<u>2</u>	<u>28,541</u>

17. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	3	2
Other debtors	76	76
Prepayments and accrued income	525	280
	<u>604</u>	<u>358</u>

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

	2019 £000	2018 £000
Trade creditors	81	76
Other taxation and social security	199	177
Other creditors	190	167
Accruals and deferred income	1,103	328
	<u>1,573</u>	<u>748</u>
	2019 £000	2018 £000
Deferred income at 1 September 2018	70	50
Resources deferred during the year	95	70
Amounts released from previous periods	(70)	(50)
	<u>95</u>	<u>70</u>

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

	2019 £000	2018 £000
Other loans	<u>22</u>	<u>29</u>

Salix has provided a loan which is provided on the following terms: interest free and repayable over 8 years in equal instalments. The total amount repayable is £29,448 within other creditors. This is split between creditors under one year of £7,362 and creditors over one year of £22,086.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	1,029	30	-	-	-	1,059
Restricted general funds						
General Annual Grant (GAG)	3,739	13,331	(12,671)	(379)	-	4,020
Other Dfe/ESFA grants	151	234	(385)	-	-	-
Other grants	109	364	(473)	-	-	-
Teaching school grant	66	-	(66)	-	-	-
Other general restricted funds	-	343	(307)	-	-	36
Pension reserve	(2,522)	(209)	(686)	-	(2,145)	(5,562)
	<u>1,543</u>	<u>14,063</u>	<u>(14,588)</u>	<u>(379)</u>	<u>(2,145)</u>	<u>(1,506)</u>
Restricted fixed asset funds						
Transfer on conversion	24,335	1,490	(536)	-	-	25,289
Dfe/EFA capital grants	1,787	634	(134)	-	-	2,287
Capital expenditure from GAG	2,422	-	(182)	379	-	2,619
	<u>28,544</u>	<u>2,124</u>	<u>(852)</u>	<u>379</u>	<u>-</u>	<u>30,195</u>
Total Restricted funds	<u>30,087</u>	<u>16,187</u>	<u>(15,440)</u>	<u>-</u>	<u>(2,145)</u>	<u>28,689</u>
Total funds	<u>31,116</u>	<u>16,217</u>	<u>(15,440)</u>	<u>-</u>	<u>(2,145)</u>	<u>29,748</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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

General Annual Grant (GAG)

GAG funding must be used for the running costs of the Academies. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants

These funds relate to the Pupil Premium, 16-19 Bursary, Rates Relief Y7 Catch-up and Summer School programmes.

Other grants

These funds included the Special Education Needs grants, and other LA grants.

Other general restricted funds

Includes school fund income, student teacher income and other trading income.

Restricted Fixed Asset Fund

DfE/ESFA capital grants

The Devolved Formula Capital grant is to be used specifically to maintain and improve buildings, and the Condition Improvement Fund grant relates to roof re-covering.

The gross transfer from the restricted general fund to the restricted fixed asset fund of £379,000 represents total capital expenditure from the General Annual Grant (GAG) during the year.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£000	£000
Batley Girls' High School	3,994	4,117
Upper Batley High School	988	866
Healey Junior, Infant and Nursery School	115	111
Field Lane Junior, Infant and Nursery School	18	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	5,115	5,094
Restricted fixed asset fund	30,195	28,544
Pension reserve	(5,562)	(2,522)
	<hr/>	<hr/>
Total	29,748	31,116
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£000	£000	£000	£000	£000
Batley Girls' High School	5,766	812	157	989	7,724
Upper Batley High School	2,693	485	126	724	4,028
Healey Junior, Infant and Nursery School	1,493	128	42	341	2,004
Field Lane Junior, Infant and Nursery School	636	76	9	111	832
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy	10,588	1,501	334	2,165	14,588
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BATLEY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	922	107	-	-	-	1,029
Restricted general funds						
General Annual Grant (GAG)	3,432	11,046	(10,365)	(374)	-	3,739
Other Dfe/ESFA grants	57	788	(694)	-	-	151
Other grants	16	486	(393)	-	-	109
Teaching school grant	-	66	-	-	-	66
Pension reserve	(2,234)	(823)	(376)	-	911	(2,522)
	1,271	11,563	(11,828)	(374)	911	1,543
Restricted fixed asset funds						
Transfer on conversion	21,028	3,770	(463)	-	-	24,335
Dfe/EFA capital grants	1,852	64	(129)	-	-	1,787
Capital expenditure from GAG	2,200	-	(152)	374	-	2,422
	25,080	3,834	(744)	374	-	28,544
Total Restricted funds	26,351	15,397	(12,572)	-	911	30,087
Total funds	27,273	15,504	(12,572)	-	911	31,116

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

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	30,195	30,195
Current assets	1,059	5,651	-	6,710
Creditors due within one year	-	(1,573)	-	(1,573)
Creditors due in more than one year	-	(22)	-	(22)
Provisions for liabilities and charges	-	(5,562)	-	(5,562)
Total	1,059	(1,506)	30,195	29,748

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	28,541	28,541
Intangible fixed assets	-	-	4	4
Current assets	1,029	4,841	-	5,870
Creditors due within one year	-	(747)	(1)	(748)
Creditors due in more than one year	-	(29)	-	(29)
Provisions for liabilities and charges	-	(2,522)	-	(2,522)
Total	1,029	1,543	28,544	31,116

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

22. Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£000	£000
Net income for the year (as per Statement of financial activities)	777	2,932
Adjustments for:		
Amortisation	4	5
Depreciation	849	738
Capital grants from DfE and other capital income	(2,124)	(3,834)
Interest receivable	(24)	(18)
Defined benefit pension scheme obligation inherited	209	823
Defined benefit pension scheme cost less contributions payable	686	376
Increase in debtors	(246)	(82)
Increase in creditors	825	126
Net cash provided by operating activities	956	1,066

23. Cash flows from financing activities

	2019	2018
	£000	£000
Repayments of borrowing	(7)	(8)
Net cash used in financing activities	(7)	(8)

24. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	24	18
Purchase of intangible assets	(1,013)	(438)
Capital grants from DfE	634	64
Net cash used in investing activities	(355)	(356)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank	6,106	5,512
Total cash and cash equivalents	6,106	5,512

26. Conversion to an academy trust

On 1st December 2018 Field Lane Junior, Infant & Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Batley Multi Academy Trust from Kirklees for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Freehold land and buildings	-	1,490	1,490
Current assets			
Cash - representing budget surplus on LA funds	24	-	24
Non-current liabilities			
Pension liability	(209)	-	(209)
Net (liabilities)/assets	(185)	1,490	1,305

27. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £175,178 were payable to the schemes at 31 August 2019 (2018 - £148,959) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £904,104 (2018 - £762,000).

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £581,000 (2018 - £460,000), of which employer's contributions totalled £422,000 (2018 - £334,000) and employees' contributions totalled £ 159,000 (2018 - £126,000). The agreed contribution rates for future years are 13 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.25	3.25
Rate of increase for pensions in payment/inflation	2	2
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2	2
RPI inflation	3	3.1

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	14,376	9,089
Discount rate -0.1%	15,082	9,536
Mortality assumption - 1 year increase	14,246	9,041
Mortality assumption - 1 year decrease	15,209	9,580
CPI rate +0.1%	14,952	9,454
CPI rate -0.1%	14,502	9,168

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	7,111	5,064
Government bonds	962	733
Corporate bonds	412	238
Property	403	285
Cash and other liquid assets	174	149
Other	101	319
Total market value of assets	9,163	6,788

The actual return on scheme assets was £1,442,000 (2018 - £393,000).

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

	2019 £000	2018 £000
Current service cost	(756)	(647)
Past service cost	(283)	-
Interest income	206	141
Interest cost	(275)	(204)
Total	(1,108)	(710)

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27. Pension commitments (continued)

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

	2019	2018
	£000	£000
At 1 September	9,310	7,158
Conversion of academy trusts	610	2,074
Interest cost	275	204
Employee contributions	159	126
Actuarial losses/(gains)	3,381	(659)
Benefits paid	(49)	(240)
Current service costs	756	647
Past service costs	283	-
At 31 August	14,725	9,310

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

	2019	2018
	£000	£000
At 1 September	6,788	4,924
Transferred in on existing academies joining the trust	401	1,251
Interest income	206	141
Actuarial gains	1,236	252
Employer contributions	422	334
Employee contributions	159	126
Benefits paid	(49)	(240)
At 31 August	9,163	6,788

28. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Not later than 1 year	41	61
Later than 1 year and not later than 5 years	42	24
	83	85

**NOTES TO THE FINANCIAL STATEMENTS
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29. 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.

30. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

31. Post balance sheet events

After the year end Batley Grammar School joined the trust on 1st November 2019.

32. Agency arrangements

The Academy Trust has allocated full administration of 16-19 Bursary Funds from the ESFA to the LA (Kirklees Council). Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the trust does not have beneficial interest in the individual transactions. An allowance of 5% as a contribution to administration costs of £2,559 (2018: £2,893) is allowed in the year. Where funds have not been fully applied in the period then an amount has been included as a sundry creditor due to the ESFA. The trust received £50,824 (2018: £57,864) of bursary funds and the amount not distributed and included in other creditors at the year end is £Nil (2018: £9,981).

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**NOTES TO THE FINANCIAL STATEMENTS
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33. Teaching school trading account

	2019 £000	2019 £000	2018 £000	2018 £000
Income				
Direct income	-		66	
Total income		-		66
Expenditure				
Direct expenditure				
Direct staff costs	44		-	
Other expenditure				
Other staff costs	22		-	
Total expenditure		66		-
(Deficit)/surplus from all sources		(66)		66
Teaching school balances at 1 September 2018		66		-
Teaching school balances at 31 August 2019		-		66