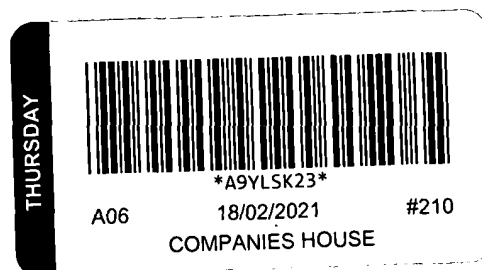


Company Registration Number: 08531479 (England & Wales)

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS**

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	Page
Reference and administrative details	1 - 2
Trustees' Report	3
Governance Statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities incorporating income and expenditure account	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31 - 57

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Aftab Chughtai Christine Margaret Quinn Darren Walsh Nargis Rashid Neelam Afzal
<b>Trustees</b>	Pete Anstey, Chair of Trustees (resigned 9 November 2020) Beverley Mabey, Accounting Officer Athos Chrysanthou Aftab Chughtai Clive Bailey Darren Walsh Emma Beswick (appointed 17 September 2019) Mick York Nursat Iqbal (resigned 21 August 2020) Habib Rehman (resigned 12 September 2019) Peter Richmond (resigned 20 September 2019) Paul Sherriff (resigned 13 November 2019) Carol Herity (resigned 14 November 2019) Jo Tyler (appointed 25 June 2020, resigned 21 October 2020)
<b>Company registered number</b>	08531479
<b>Company name</b>	Washwood Heath Multi Academy Trust
<b>Registered office</b>	Burney Lane Stetchford Birmingham B8 2AS
<b>Trust schools</b>	Washwood Heath Academy Saltley Academy Brownmead Primary Academy Gossey Lane Academy Tile Cross Academy Topcliffe Primary School Firs Primary School
<b>Company secretary</b>	Angela Sutheran
<b>Chief Executive Officer and Accounting Officer</b>	Dr Beverley Mabey
<b>Senior management team</b>	Beverley Mabey, Chief Executive Officer Ian Lowe, Deputy CEO Lynn Petrie, Acting Head of Washwood Heath Academy Peter Weir, Acting Executive Head Teacher of Saltley Academy and Tile Cross Academy Ashley Winters, Head Teacher of Brownmead Academy Sarah Amin, Head Teacher of Gossey Lane Academy Peter White, Acting Head Teacher of Saltley Academy Lynsey Hedley, Head Teacher of Topcliffe Primary School David Shakeshaft, Head Teacher of Firs Primary School Paul Marano, Head Teacher of Tile Cross Academy

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

**Bankers** Lloyds Bank PLC  
114-116 Colmore Row  
Birmingham  
B3 3BD

**Solicitors** Browne Jacobson  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Charitable Company was incorporated on 16 May 2013 and commenced operation activity when Washwood Heath School converted to an academy on 1 July 2013. The Trust became known as Washwood Heath Multi Academy Trust (WHMAT) on 1 November 2014 with the inclusion of Brownmead Primary School. There are currently Seven schools (1 all through aged academy, 2 secondary aged academies and 4 primary aged academies) within WHMAT, with Saltley Secondary joining on 1 March 2015, Gossey Lane Primary on 1 May 2016, Tile Cross Secondary on 1 May 2017 and Topcliffe Primary School and Firs Primary School merging with the Trust on 1 May 2018. The Trust's academies have a combined pupil capacity of 4738 and had a roll of 4525 in the school Autumn 2020 census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**CONSTITUTION**

The Academy Trust is a Charitable Company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Washwood Heath Multi Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Washwood Heath Multi Academy Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Academy Advisory Boards members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The members of the Academy Trust are responsible for the appointment of Trustees. When appointing new Trustees, the members will give full consideration to the skills and experience mix of existing Trustees in order to ensure that new appointees have the necessary qualities to contribute fully to the Trusts development.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Although there isn't a formal policy and/or procedure for Trustee training, the approach adopted by the Academy Trust is to tailor training to the individual based upon an assessment of their need their experience and specific requests of the individual.

As a minimum, new Trustees will be given an induction pack outlining the aims and values of the Trust, governance arrangements, current organisational structures and roles and responsibilities.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**ORGANISATIONAL STRUCTURE**

The governance of the Academy Trust is defined in the memorandum and articles of association together with the master and supplemental funding agreements with the Department for Education.

All Trustees are members of the Board of Directors. In addition, Trustees may serve on one of the three sub-committees that report to the Board.

The three sub committees are:

- Finance Committee
- Staffing & Pay Committee
- Audit & Risk Committee

A number of specified senior staff members sit on the sub committees, alongside trustees, but they do not have voting rights.

There are Academy Advisory Boards (AAB) which offer challenge and support to the Trust academies.

Board membership consists of up to 13 Trustees appointed by the members to include the CEO. For meetings, the quorum is any one third (rounded up to a whole number) of the total number of Trustees holding office at the date of the meeting. Meetings are held seven times a year.

AAB membership shall be 7-8 appointed by the Board of Trustees. For meetings, the quorum shall be half of the AAB rounded down. Meetings are held at least three times each academic year.

Terms of Reference for the Board, sub-committees and AAB have been developed with independent expert advice to ensure governance arrangements are fit for purpose. These are reviewed periodically, and updates incorporated into the Trust's Financial Regulations Manual (FRM). The FRM defines financial delegated authorities within the Trust including delegations to the Chief Executive Officer (CEO) and other senior managers. The FRM was updated in September 2019 to reflect a revised Scheme of Financial Delegations following an internal restructure which centralised support service functions.

The current Scheme of Financial Delegations is as follows:

Trust Board	£100,000 +
Finance Committee	Up to £100,000
Chief Executive Officer	Up to £40,000
Finance Director/Deputy CEO	Up to £25,000
Heads of Academies/Strategic Directors	Up to £10,000

The new governance arrangements for the MAT, including changes to the organisational structure, were originally approved December 2014. The current governance arrangements were approved September 2016.

The Chief Executive Officer (CEO) is the Accounting Officer.

**PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

A member of the Board of Trustees is involved in the appointment of all teaching staff on leadership scale and all support staff on Grade 7 or above. Pay is determined with reference to national agreements on pay and conditions for both teachers and support staff.

The review of performance and pay of the CEO and Head Teacher/Head of Academy's is delegated to the Staffing and Pay Committee who, in turn, receive independent advice from an externally appointed School Improvement Partner. Recommendations are referred back to the Board for their approval.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The review of performance and pay for members of each school Senior Leadership Team (SLT) is carried out by the Head of Academy. Results are moderated by the CEO.

**TRADE UNION FACILITY TIME**

There were no relevant union officials for the year/period ended 31 August 2020.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

The Academy Trust belongs to a partnership of schools that together form the East Birmingham Network (EBN). The network founded the EBN Academy, a free school, which aims to provide a second chance to those pupils for whom mainstream schooling has been challenging. Membership of the EBN provides a system of managed moves for our young people for whom alternative provision is more appropriate.

Malachi Specialist Family Support Services Community Interest Company is a related party as Mr M York, Trustee of the Academy Trust is a director of Malachi Specialist Family Support Services Community Interest Company. The transactions with Malachi Specialist Family Support Services Community Interest Company are undertaken at arm's length and are disclosed in these financial statements.

**ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)**

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 Trust 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 Trust 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.

**ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE TRUST**

The Academy Trust actively engages with local suppliers in order to foster stronger links to the community it serves, whilst ensuring value for money through effective procurement processes. The trust's primary business customer is Forward Education Trust (FET) with whom WHMAT operate a shared academy site in Tile Cross. Officers from the trust have worked closely with colleagues at FET to establish and maintain a productive business relationship.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**OBJECTIVES AND ACTIVITIES**

**OBJECTS AND AIMS**

The Academy Trust's objective is to advance, for the public benefit, education for children aged 4 to 19 by establishing and maintaining schools which offer a broad and balanced curriculum.

The mission of Washwood Heath MAT has been to strive to provide the very best for all the members of our school's community. Learning to succeed is what Washwood Heath Multi Academy Trust is about: a passion for and love of learning with the drive and motivation to succeed.

Our aim is for students to fulfil their limitless potential through perseverance and effort, to recognise that excellence is a habit not an act (Aristotle). Staff are highly trained and here to support, guide and inspire students to continue their learning after school and when they do leave our schools, to do so with the confidence to see the world as an opportunity.

We aim to provide the best opportunities for learning and a climate within which a sense of moral responsibility is clear and that each child recognises that humanity and the common good is a key aim for all. We have four pillars for success:

- Students who achieve in the top 20% of similar schools, who go on to fulfil their highest aspiration and are seen as ambassadors for the school and positive role models in the community.
- Staff for whom we are the employer of choice, providing a great place in which to work and an environment where they can be the best.
- Parents/Carers, who know that Washwood Heath Multi Academy Trust really cares about their children, recognise that it has effective strategies to meet individual needs and for whom the Trust is the natural choice to entrust the education of their children to.
- A Community for whom we are a partner of choice which improve outcomes locally, regionally, nationally and globally.

By the time our students leave the Washwood Multi Academy Trust they will be literate, numerate confident young people with high aspirations, with independent learning skills and a sense of moral responsibility.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

**Leadership and Management**

Ensure that Governance in all of our schools is well informed and supports accurate and perceptive self-evaluation.

Support the recruitment and retention of high-quality staff.

Embed appraisal so that every member of staff feels valued and well supported to excel at their job.

**Behaviour and safety of students**

Develop an intolerance of bullying across all of our schools so that every learner across the campus feels happy and safe.

**Student Attainment and Achievement**

Ensure that the attainment and progress of learners in all of our schools is above the national average.

**Quality of Teaching**

Ensure that best practice is shared across all of our schools and that every teacher aspires to be outstanding.



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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Estates/Resources

Improve Washwood Heath Multi Academy Trust facilities by providing and maintaining a safe and comfortable working environment, conducive to both student learning and teacher performance.

Value for Money

Ensure that each of our schools is well supported and adequately resourced to ensure the best outcomes for learners.

**PUBLIC BENEFIT**

The Academy Trust aims to advance for the public benefit education in the east of Birmingham and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

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

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

CEO's Introduction

All 7 academies within the Trust have continued to make progress over the last 12 months providing a high quality curriculum to ensure we meet the needs of all the students in our care despite the impact of the Covid pandemic.

With no Key Stage 2 SATs being held this year and no process for gathering this data nationally being established, the Trust is planning strategically on the basis of an analysis of the three-year trend for each of our academies, which reveals the positive trends in terms of outcomes. Topcliffe were inspected and received a strong Ofsted report, graded 'Good', as did Brownmead Academy, recognising the continuous improvement of that academy. Firs were also inspected and, as anticipated, the Academy is at the 'Requires Improvement' stage of its journey. Washwood Heath Academy had its first inspection as an 'all-through' school and so the first with primary provision in place, again securing a strong and secure 'Good' judgement. The Trust has worked hard to address the issues required to continue Gossey Lane's progress towards a 'Good' judgement, with two Trust commissioned, externally-led reviews in July and March revealing the progress made and the impact of the Trust's support in securing this.

At secondary, one of the many frustrations of the pandemic is that the expected inspection of Tile Cross Academy is yet to take place. The significant improvement journey has been accelerated by a new leadership structure, which the Trust created to share expertise between both secondary provisions. With Saltley already graded 'Good' and Washwood Heath Academy also graded 'Good' (as above), the quality of our secondary provision is revealed in the published data for this year. While the pandemic has made an obvious change to the way this data has come about, there is no doubt that it reflects the school improvement journey of our schools and the achievement of our students and staff. Tile Cross is now at national average progress and the other two schools are still securely above, with attainment (which takes no account of starting points) impressively close to or above national average in many measures. Tile Cross was also awarded the accolade of 'School of the Year 2020' in the nationally recognised 'Social Mobility Awards', a very significant achievement.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

Professional development has continued to be a focus of the Trust's improvement strategy, with our appraisal system now reinvented as 'Professional Growth' and all colleagues having access to a 'pledge' of professional development opportunities. The Trust continues to utilise our Apprenticeship Levy fully and have used and acquired some of the Levy from one of our local universities, providing a range of opportunities for both for our teachers and support staff. At the time of writing, the Trust is still analysing externally benchmarked staff engagement data, but the headline is clear: in all areas, the Trust and individual academies have staff who are more positively engaged than the average.

The Trust continues to expand its student population and develop our estate to ensure we provide high quality resources. The expansion at Saltley has continued with the first year 7 group with a 'PAN' of 270 over-subscribed. A new building has been opened, which includes the growing resource base for autistic students. While student numbers at Firs and the expanded provision at Brownmead are areas of focus, the new Year 7 cohort at Tile Cross is encouraging in terms of the future. Student mobility is still a very significant feature of that school's character. As well as Saltley, Washwood Heath Academy (which has responded to community need by expanding to cover a further year group), Topcliffe and Gossey Lane remain strong in terms of their student populations.

The Trust's centralised services and the team ethos of the headteachers were essential in our successful response to the pandemic. The level of work to supply vouchers to those entitled to them, to ensure provision for the children of key workers and students identified as vulnerable, to provide online learning and pastoral support (including home visits) and the development of 'live' remote learning are evidence of this and are reflected in positive parental feedback. This work also continued into the re-opening process and the Trust, at the time of writing, has attendance at or above the national average for this term, a significant statistic.

Thus, there is significant evidence of the continuous improvement of the provision for the children of our academies and the impact of the Trust on this. The work already underway, through which the Trust will address its financial pressures, will ensure that this story of continuous improvement is one that continues to be told.

**GCSE Results Data 2020**

Indicator	Saltley Academy 2020	Tile Cross Academy 2020	Washwood Heath Academy 2020	National
<i>Progress 8</i>	+0.31	+0.07	+0.53	-0.03
<i>Attainment 8</i>	46.30	37	47	46.69
<i>5+EM</i>	30%	22%	42%	43%
<i>4+EM</i>	61%	47%	58%	65%
<i>Ebacc entry</i>	52%	17%	41%	40%
<i>Ebacc 5+</i>	9%	6%	19%	17%
<i>Ebacc 4+</i>	19%	9%	28%	25%
<i>5+ English</i>	48%	29%	77%	61%
<i>4+ English</i>	67%	58%	92%	76%
<i>5+ Maths</i>	37%	35%	44%	49%
<i>4+ Maths</i>	67%	57%	64%	70%

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**KEY FINANCIAL PERFORMANCE INDICATORS**

Cash is available to meet liabilities as they fall due. An average current account balance of £3.0 million has been maintained during the period (2019: £3.0 million). All liabilities have been met. Further details are given in the section on Reserves Policy below.

Staff costs as a percentage of total resources expended is monitored as staffing is considered to be the key asset deployed by each school. For the twelve-month period to 31 August 2020, this was 74.7% (2019: 74%).

**GOING CONCERN**

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

**FINANCIAL REVIEW**

Financial Review for Period

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as Restricted General Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2020, the Academy Trust received total income of £39,419,000 and incurred total expenditure of £36,806,000. The deficit of income over expenditure for the year was £3,080,000 excluding the capital donation within the year and the pension reserve movement. Trust expansion is the major factor which caused the Trust to incur a deficit in 2019-20, as the Trust made use of reserves to invest in new resources and provide additional teaching staff for growing pupil roles.

At 31 August 2020 the net book value of tangible fixed assets was £64.6 million (2019: £59.5 million) and movements in fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the five academies within the Trust.

In January 2020 auditors from the ESFA performed a review of a number of key financial and procurement controls within the trust. The investigation report detailing their findings was published in September 2020 and was critical of a number of aspects of trust's financial and procurement controls. As a consequence of this WHMAT was issued with a Financial Notice to Improve (FNTI) on 13th November 2020. The trust has already enacted a number of important changes to strengthen existing financial and procurement controls and is actively engaging with the ESFA to ensure full compliance with the FNTI and to secure further improvements required.

Key financial policies and procedures adopted or reviewed during the year include the Accountancy Policies, Reserves Policy, Investment Policy, Fixed Assets Policy and the Financial Regulations Manual.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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 will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The Trustees have determined that the minimum level of free reserves should be £1m. Free reserves are measured by unrestricted funds plus unused General Annual Grant. It is Trust policy to pool free reserves for use across all schools.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The Academy Trust monitors the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the Academy will strive to rebuild reserves up to the level needed.

At balance sheet date free reserves were £1.025 million (2019: £1.936 million).

In addition to free reserves, the balance of restricted funds (excluding pension reserve) at 31 August 2020 was £65.252 million (2019: £59.732 million); being the fixed asset fund. Realising the value of the fixed asset fund would require the sale of the Trusts' tangible fixed assets. Any such disposal would have to exclude all land and buildings as they are leased from Birmingham City Council.

**INVESTMENTS POLICY**

In balancing risk against return, investments are geared towards avoiding risk as opposed to maximizing any return on the investment. Accordingly, it is the Trust's policy to only invest funds in low risk and immediately accessible deposit accounts or similar financial products.

Officers regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

Any funds identified that are surplus to immediate cash requirements are transferred to an appropriate high interest deposit account rate. The maximum investment term should be no longer than twelve months from the date of deposit.

Of the £4.1m cash (2019: £4.7 million) held by the Trust at balance sheet date, £1.0 million was invested in a thirty-two day notice High Interest Deposit Account with Lloyds Bank.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

**Financial** the Trust has considerable reliance on continued Government funding through the ESFA. During 2019/20, approximately 98.7% (2018/19: 97%) of incoming resources was ultimately Government funded. Whilst this level is expected to continue into 2020/21, there is limited assurance that Government policy or practice will remain the same or that public funding will continue at the same levels. Recent Government announcements indicate that additional funding will be allocated to the Education Sector, but the expectation is that more of this funding will be allocated to schools from lower funded Local authorities. The implementation of the National Funding Formula is expected to impact adversely on our core funding. Any change in Government may impact upon this policy

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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Failures in governance and/or management the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – the success of the Trust is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection procedures and health, safety and welfare. Recent Ofsted inspections have concluded that safeguarding arrangements meet requirements confirming that this risk is being also being managed.

Staffing the success of each academy school is reliant on the quality of its staff. Trustees monitor and review policies and procedures to ensure the continued training and development of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Trust has appointed an independent internal assurance partner (TIAA) to carry out checks on financial systems and records as required by the Academy Financial Handbook.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Academy Trust has an approved Risk Management Policy, a Risk Management Methodology and Risk Registers at Academy and trust level. These have been discussed by Trustees and include the financial risks to the Trust. The policy and methodology will be reviewed periodically whilst registers are maintained as a live document to help both Trustees and senior staff manage risks.

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

The Trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure by means of regular update reports at Finance Committee meetings. The Trustees also regularly review the cash position of the Trust and ensure sufficient funds are held to cover all known and anticipated commitments.

Washwood Heath MAT Board recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 21 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the MAT is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**STREAMLINED ENERGY AND CARBON REPORTING**

**UK ENERGY USE AND ASSOCIATED GREENHOUSE GAS EMISSIONS**

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

**ORGANISATIONAL BOUNDARY**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 7 schools controlled during the reporting period.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**REPORTING PERIOD**

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

**QUANTIFICATION AND REPORTING METHODOLOGY**

This report was compiled independently by energy consultants Briar (Briar Consulting Engineers Limited). The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed to ensure the Streamlined Energy and Carbon Reporting ("SECR") requirements were met and exceeded where possible.

The energy data was collated using existing reporting mechanisms. These methodologies provided a near continuous record of natural gas and electricity use. Transport data related to minibuses and grey fleet originates from fuel purchase records and expense claims.

The energy data was converted to carbon emissions using the 2020 UK Government GHG Conversion Factors for Company Reporting. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity, heating and cooling (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

**ESTIMATIONS**

The electricity and natural gas energy use was compiled from invoices, with some estimations calculated based on most recent DEC benchmarks to provide a realistic account of energy consumption. For Tile Cross Academy, as the site is shared with another Trust, and in the absence of sub-metering, emissions have been apportioned according to relative occupied floor area.

<b>UK Greenhouse gas emissions and energy use data for the 1 September 2019 to 31 August 2020</b>	
<b>Breakdown of energy consumption used to calculate emissions (kWh):</b>	<b>Year ended 31 August 2020</b>
Natural gas	3,210,309
Electricity (grid)	1,436,202
School minibuses	9,825
Employee owned vehicles where company purchases the fuel	6,930
<b>Total gross energy consumed</b>	<b>4,663,265</b>

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

<b>Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e)</b>	<b>Year ended 31 August 2020</b>
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>	
Natural gas	590.0
School minibuses	2.4
<b>Total Scope 1</b>	<b>592.4</b>
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b>	
Purchased electricity	334.8
<b>Total Scope 2</b>	<b>334.8</b>
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>	
Business travel in employee owned vehicles	1.72
<b>Total Scope 3</b>	<b>1.72</b>
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>929</b>

Note: Figures may not sum to total due to rounding.

**INTENSITY RATIO**

The chosen primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil (based on the Autumn census), which is the recommended ratio for the sector. Tile Cross Academy shares a site with a neighbouring SEN provision school and due to an absence of sub-metering, emissions have been apportioned according to relative occupied floor area. SEN schools have a greater level of emissions per pupil due to the greater staff-to-pupil ratio and reduced number of pupils enrolled so this is reflected in the intensity ratio for Tile Cross Academy.

<b>Tonnes of CO<sub>2</sub>e per pupil</b>	<b>Year ended 31 August 2020</b>
Washwood Heath Academy	0.183
Brownmead Primary Academy	0.202
Saltley Academy	0.173
Gossey Lane Academy	0.261
Firs Primary School	0.209
Topcliffe Primary School	0.207
Tile Cross Academy	0.348
<b>All schools and transport</b>	<b>0.210</b>

Note: Figures may not sum to total due to rounding.

**INTENSITY MEASUREMENT**

The chosen primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil (based on the Autumn census), which is the recommended ratio for the sector. Tile Cross Academy shares a site with a neighbouring SEN provision school and due to an absence of sub-metering, emissions have been apportioned according to relative occupied floor area. SEN schools have a greater level of emissions per pupil due to the greater staff-to-pupil ratio and reduced number of pupils enrolled so this is reflected in the intensity ratio for Tile Cross Academy.

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

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**MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY**

The management of resources and the need to embed sustainability is an important issue for the Trust and the following actions related to reducing energy use were implemented within the current reporting period.

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. From this date, the schools were open to vulnerable and critical worker's children only, with a phased and partial reopening for certain year groups occurring in June. During the closures, the children still attending school were gathered into the same school unit, where proximity allowed, in order to fully close the rest of the schools. The provision of free school meals was efficiently organised, as meals were prepared in a single school and delivered to children, allowing the full closure of all other kitchens.

A further result of health precautions has been the greater implementation of video conferencing for staff and board meetings, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Outside of the COVID-19 response, actions this year include a full roll-out of energy efficient LEDs to Firs Primary School and a full upgrade to PVC double glazing in Topcliffe Primary School.

There is an environmental working group, which focuses on initiating and actioning on environmental ideas such as education and training of school staff to promote energy efficient behaviour and putting forth on-site generation plans based on a recent PV feasibility study involving all of the schools.

**PLANS FOR FUTURE PERIODS**

**School Improvement**

The 2020/21 School Improvement Plans (SIP) are structured around the Ofsted Inspection Framework. They build on recent successes and underpin each academy's drive to achieve 'outstanding' status. Priorities include, but are not limited to, the following:

**Achievement**

- Investigate and implement alternative systems for tracking pupil progress
- Celebrate success and inspire students to independently achieve

**Teaching & Learning**

- Embed strategies to create independent, resilient learners
- Integrate literacy strategy across curriculum including pastoral activities

**Leadership & Management**

- Develop wider parental and community engagement
- Deliver highly effective, financially secure support services to enable the Academy to focus on excellence in all activities

**Behaviour & Safety**

- Develop role of student leadership to embed excellence and high standards at all levels
- Embed shared ethos for safeguarding and child protection in light of local contexts



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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For 2019/20, The Board of Trustees have pooled academies General Annual Grant (GAG) funding into one account. This has enabled the Trustees to target resources to priority areas, protect and in some cases enhance teaching and learning budgets in order to deliver more effective outcomes for children.

**FUNDS HELD AS CUSTODIAN**

During the 2019/20 accounting period the Washwood Heath Multi Academy Trust have not acted as Custodian Trustee on behalf of any others.

**AUDITOR**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the Charitable Company directors, on 17.12.2020 and signed on the board's behalf by:



**Clive Bailey  
Trustee**

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Washwood Heath 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 8 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
Darren Walsh	7	8
Aftab Chughtai	8	8
Pete Anstey, Chair of Trustees	8	8
Beverley Mabey, Accounting Officer	7	8
Nursat Iqbal	5	8
Clive Bailey	4	8
Mick York	6	8
Athos Chrysanthou	7	8
Emma Beswick	7	7
Jo Tyler	2	2
Carol Herity	1	2
Peter Richmond	1	1
Paul Sherriff	1	2
Habib Rehman	0	0

The Finance Committee is a sub-committee of the main Board of Trustees. During the year the committee met 4 times.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Aftab Chughtai	2	4
Pete Anstey	4	4
Carol Herity	1	2
Jo Tyler	1	1

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

The Audit & Risk Committee is also a sub-committee of the main Board of Trustees. During the year the sub-committee met 2 times.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Paul Sherriff	0	0
Athos Chrysanthou	2	2
Emma Beswick	2	2
Mick York	2	2

The Staffing and Pay Committee is also a sub-committee of the main Board of Trustees. During the year the sub-committee met 5 times.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Darren Walsh	5	5
Clive Bailey	4	5
Nursrat Iqbal	3	4
Sarah Cunningham	4	4

**REVIEW OF VALUE FOR MONEY**

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

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

**Improving educational results**

To ensure that standards are continually raised each academy operates a programme of lesson observations with a robust coaching, mentoring and support system in place. This ensures the quality of teaching through systematic review and targeted intervention with under performing staff.

Continued professional development programmes include: bespoke training; peer to peer teaching and learning support; distributed leadership linked to school priorities all leading to develop an outstanding performance.

**Workforce deployment**

Staffing structure is deployed to support an improved curriculum. Examples of this are additional staffing in core subjects to allow for smaller group sizes and additional small group work. Study skills and revision preparation sessions are also delivered on relevant Saturdays, at after school sessions and during holiday periods.

The Chief Executive Officer undertakes an annual review of teacher deployment. This includes looking at the curriculum offer and assessing the staffing requirement based on pupil/teacher ratios, contact time, teacher workload and average teacher cost.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF VALUE FOR MONEY (CONTINUED)**

**TARGETED IMPROVEMENT INCLUDING NEW INITIATIVES**

**Pooled budget**

For 2019/20, Trustees have implemented a pooled budget account. This account pools all academies GAG funding which is then distributed to policy and priority areas with a focus on supporting teaching and learning provision across the Trust. The policy has enabled, due to streamlining and centralising support service functions, additional resources into smaller schools whose provision was at risk as a result of rising costs and stagnant funding allocations. Academy Senior Leaders will concentrate on delivering teaching and learning supported by an agreed budget with Strategic Directors being responsible for support service functions across the Trust. This development will have oversight and scrutiny from Trustees in order to ensure that aims and objectives are delivered upon and benefits realised.

**Financial governance and oversight**

There are internal and external financial controls operating within the Trust.

Internal controls include: written governance structures for Board, sub committees and Academy Advisory Boards; financial policies covering fixed assets, change cards, investments and reserves; Financial Regulations Manual, scheme of delegations, pecuniary interest process, bank mandates, staffing structures, segregation of duties, budget planning and monitoring etc.

External Controls include: External auditors Bishop Fleming LLP appointed to produce annual accounts and carry out statutory and regulatory audits. TIAA provided an internal assurance service for 2019/20 providing Trustees with oversight of compliance with policies and procedures. Browne Jacobson Solicitor commissioned to provide service, in conjunction with Company Secretary, of updating Companies House with all legal statutory requirements.

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Washwood Heath Multi-Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and appointed TIAA as internal auditor for 2019/20 to 2021/22.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems.

On a termly basis, the internal auditor reports to the Board of Trustees through the Audit & Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF EFFECTIVENESS**

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

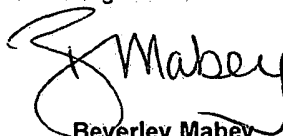
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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



**Clive Bailey**  
Trustee  
Date: 17/2/2020

  
**Beverley Mabey**  
Accounting Officer

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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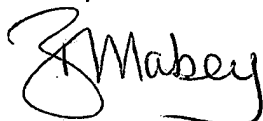
As Accounting Officer of Washwood Heath Multi-Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by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

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

I confirm that 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.

In January 2020 the Trust received an ESFA audit visit and a subsequent investigation report was issued in September 2020. This report was critical of some elements of our financial procedures and the robustness of their application, predominantly in the years prior to 2019-20. This resulted in the trust being issued with a Financial Notice to Improve (FNI) by the ESFA in November 2020.

Since January, a great deal of work has been completed to address the issues raised by the ESFA and we are working closely with them to address the points raised in the subsequent Notice to Improve. I am confident that the trust has made significantly progress in demonstrating not just compliance but best practice, which is our expectation and aspiration in all we do.



**Beverley Mabey**  
Accounting Officer  
Date:

17.12.2020

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

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



**Clive Bailey**  
Trustee

Date: 17-12-2020



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**OPINION**

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

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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 Trust 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.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



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

Date: 18th December 2020

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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In accordance with the terms of our engagement letter dated 7 May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Washwood Heath Multi-Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Washwood Heath Multi-Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Washwood Heath 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 Washwood Heath Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WASHWOOD HEATH MULTI-ACADEMY TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Washwood Heath Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 31 October 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**CONCLUSION**

The ESFA issued Washwood Heath Multi Academy Trust a Financial Notice to Improve dated 10 November 2020 and issued an Investigation report dated 12 November 2020. These reports mainly focus on issues prior to 1 September 2019, however there were some minor points noted which related to events after 1 September 2019.

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



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

Date: 18th December 2020

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>INCOME FROM:</b>						
Donations and capital grants	4	-	-	8,252	8,252	14,405
Charitable activities		-	31,289	-	31,289	31,426
Other trading activities		4	-	-	4	19
Investments	7	6	-	-	6	9
<b>TOTAL INCOME</b>		<b>10</b>	<b>31,289</b>	<b>8,252</b>	<b>39,551</b>	<b>45,859</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		-	33,770	3,036	36,806	34,502
<b>TOTAL EXPENDITURE</b>		<b>-</b>	<b>33,770</b>	<b>3,036</b>	<b>36,806</b>	<b>34,502</b>
Transfers between funds	20	(915)	473	442	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>(905)</b>	<b>(2,008)</b>	<b>5,658</b>	<b>2,745</b>	<b>11,357</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(7,084)	-	(7,084)	(2,939)
<b>NET MOVEMENT IN FUNDS</b>		<b>(905)</b>	<b>(9,092)</b>	<b>5,658</b>	<b>(4,339)</b>	<b>8,418</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,936	(19,704)	59,732	41,964	33,546
Net movement in funds		(905)	(9,092)	5,658	(4,339)	8,418
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,031</b>	<b>(28,796)</b>	<b>65,390</b>	<b>37,625</b>	<b>41,964</b>

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

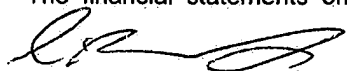
The notes on pages 31 to 57 form part of these financial statements.

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:08531479**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>FIXED ASSETS</b>			
Tangible assets	15	64,623	59,548
<b>CURRENT ASSETS</b>			
Debtors	16	963	1,073
Cash at bank and in hand		4,110	4,721
		<u>5,073</u>	<u>5,794</u>
Creditors: amounts falling due within one year	17	(3,225)	(3,214)
<b>NET CURRENT ASSETS</b>		<u>1,848</u>	<u>2,580</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>66,471</u>	<u>62,128</u>
Creditors: amounts falling due after more than one year	18	(50)	(50)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>66,421</u>	<u>62,078</u>
Defined benefit pension scheme liability	27	(28,796)	(20,114)
<b>TOTAL NET ASSETS</b>		<u><u>37,625</u></u>	<u><u>41,964</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	65,390	59,732
Restricted income funds	20	-	410
		<u>65,390</u>	<u>60,142</u>
Restricted funds excluding pension asset	20	(28,796)	(20,114)
Pension reserve	20		
<b>Total restricted funds</b>	20	<u>36,594</u>	<u>40,028</u>
<b>Unrestricted income funds</b>	20	<u>1,031</u>	<u>1,936</u>
<b>TOTAL FUNDS</b>		<u><u>37,625</u></u>	<u><u>41,964</u></u>

The financial statements on pages 28 to 57 were approved by the Trustees, and authorised for issue on 17th December 2020 and are signed on their behalf, by:



**Clive Bailey**  
Trustee

The notes on pages 31 to 57 form part of these financial statements.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash (used in)/provided by operating activities	22	(621)	304
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	23	10	30
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(611)</b>	<b>334</b>
Cash and cash equivalents at the beginning of the year		4,721	4,387
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	24, 25	<b>4,110</b>	<b>4,721</b>

The notes on pages 31 to 57 form part of these financial statements



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. GENERAL INFORMATION**

Washwood Heath Multi Academy Trust is a Charitable Company limited by guarantee, incorporated in England and Wales. The registered office is Washwood Heath Academy, Burney Lane, Stetchford, Birmingham, B8 2AS.

**2. ACCOUNTING POLICIES**

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

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

**2.2 GOING CONCERN**

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.3 INCOME**

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

**2.4 EXPENDITURE**

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.4 EXPENDITURE (CONTINUED)**

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 INTEREST RECEIVABLE**

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

**2.6 TANGIBLE FIXED ASSETS**

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Academy Trust were granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority schools. On conversion the long leasehold property was recognised as a donation from the Local Authority and was valued using the depreciation replacement cost method.

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

Depreciation is provided on the following bases:

Long-term leasehold land	- 0.8%-2% straight line
Long-term leasehold property	- 2%-4% straight line
Furniture and equipment	- 20% straight line
Plant and machinery	- 20%-33% straight line
Computer equipment	- 20%-33% straight line
Motor vehicles	- 20% 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.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.7 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.

**2.8 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.

**2.9 LIABILITIES**

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

**2.10 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

**2.11 OPERATING LEASES**

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.12 PENSIONS**

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

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

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

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

**2.13 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 Academy Trust does not have control over the charitable application of the funds. The Academy 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, paid and any balances held at period end are disclosed in Note 32.

**2.14 FUND ACCOUNTING**

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

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

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

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

The 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains the use of fixed assets as a lessee. The classification of such leases as operating or finance lease required the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**4. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations from local authority	-	7,291	7,291	14,405
Capital grants	-	961	961	-
<b>TOTAL 2020</b>	<b>-</b>	<b>8,252</b>	<b>8,252</b>	<b>14,405</b>
<b>TOTAL 2019</b>	<b>5</b>	<b>14,400</b>	<b>14,405</b>	

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION**

	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<b>Total funds 2019 £000</b>
<b>DFE/ESFA GRANTS</b>			
General Annual Grant	26,297	26,297	26,204
Start up grants	-	-	7
Other DfE / ESFA grants	1,477	1,477	1,373
Covid-19 exceptional costs grant	22	22	-
	<u>27,796</u>	<u>27,796</u>	<u>27,584</u>
<b>OTHER GOVERNMENT GRANTS</b>			
High Needs	343	343	356
Other government grants: non capital	2,491	2,491	2,465
	<u>2,834</u>	<u>2,834</u>	<u>2,821</u>
<b>OTHER INCOME</b>			
Internal catering income	309	309	467
Other	350	350	554
	<u>31,289</u>	<u>31,289</u>	<u>31,426</u>
<b>TOTAL 2020</b>	<u>31,289</u>	<u>31,289</u>	<u>31,426</u>
<b>TOTAL 2019</b>	<u>31,426</u>	<u>31,426</u>	

**6. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<b>Total funds 2019 £000</b>
Hire of facilities	2	-	2	15
Other	2	-	2	4
	<u>4</u>	<u>-</u>	<u>4</u>	<u>19</u>
<b>TOTAL 2020</b>	<u>4</u>	<u>-</u>	<u>4</u>	<u>19</u>
<b>TOTAL 2019</b>	<u>7</u>	<u>12</u>	<u>19</u>	

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**7. INVESTMENT INCOME**

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Short term deposits	6	6	9
<b>TOTAL 2019</b>	<b>9</b>	<b>9</b>	

**8. EXPENDITURE**

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
<b>EDUCATION:</b>					
Direct costs	20,946	3,036	2,166	26,148	23,708
Support costs	7,394	1,294	1,970	10,658	10,794
<b>TOTAL 2020</b>	<b>28,340</b>	<b>4,330</b>	<b>4,136</b>	<b>36,806</b>	<b>34,502</b>
<b>TOTAL 2019</b>	<b>25,240</b>	<b>3,806</b>	<b>5,456</b>	<b>34,502</b>	

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Education	26,148	10,658	36,806	34,502
<b>TOTAL 2019</b>	<b>23,708</b>	<b>10,794</b>	<b>34,502</b>	



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of direct costs**

	<b>Total funds 2020 £000</b>	<b>Total funds 2019 £000</b>
Pension finance costs	132	135
Staff costs	20,946	19,015
Depreciation	3,036	2,645
Educational supplies	557	660
Examination fees	296	201
Other costs	172	397
Legal and professional	1,008	655
<b>TOTAL 2020</b>	<b>26,148</b>	<b>23,708</b>

**Analysis of support costs**

	<b>Total funds 2020 £000</b>	<b>Total funds 2019 £000</b>
Pension finance costs	245	287
Staff costs	7,394	6,225
Staff development	75	121
Other costs	21	68
Maintenance of premises and equipment	605	716
Cleaning	76	119
Rent and rates	168	161
Energy costs	340	430
Insurance	82	130
Security and transport	59	89
Catering	380	568
Technology costs	310	740
Office overheads	474	547
Legal and professional	356	551
Governance costs	53	42
Covid-19 exceptional costs	23	-
<b>TOTAL 2020</b>	<b>10,658</b>	<b>10,794</b>

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	43	65
Depreciation of tangible fixed assets	3,036	2,645
Fees paid to auditors for:		
- audit	22	22
- other services	2	4
	<u>24</u>	<u>26</u>

**11. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	19,835	18,837
Social security costs	1,925	1,833
Pension costs	5,595	3,575
	<u>27,355</u>	<u>24,245</u>
Agency staff costs	851	852
Staff restructuring costs	134	143
	<u>28,340</u>	<u>25,240</u>

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	24	56
Severance payments	134	87
	<u>158</u>	<u>143</u>

**b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £133,642 (2019: £86,666). Individually, the payments were £2,640, £2,830, £4,795, £10,130, £13,193, £13,496, £17,428, £19,265 and £49,865 (2019: £1,650, £10,035, £10,635, £12,400, £16,418 and £25,000).

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**11. STAFF (CONTINUED)**

**c. STAFF NUMBERS**

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

	2020 No.	2019 No.
Teachers	289	274
Administration and support	380	357
Management	43	47
	<u>712</u>	<u>678</u>

**d. HIGHER PAID STAFF**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	12	8
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	1
In the band £170,001 - £180,000	1	1
	<u>1</u>	<u>1</u>

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,187,761 (2019 £985,036).

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**12. CENTRAL SERVICES**

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

- Financial service
- Legal service
- Education and support service
- Estate management
- Insurance service
- Human resource service

From the 1 September 2019, the Trust pool all of their General Annual Grant (GAG) income in line with ESFA guidance and therefore do not recharge any central costs. Detailed cost centre budgets are developed for each individual school within the academy, which are then monitored regularly by the management team who allocate and control the income to ensure the individual schools are performing financially and academically.

**13. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows; B Mabey: Remuneration £175,000 - £180,000 (2019 - £170,000 - £175,000), employer's pension contributions £Nil - £5,000 (2019 - £Nil - £5,000).

During the year ended 31 August 2020, expenses totalling £530 were reimbursed or paid directly to 1 Trustee (2019 - £974 to 2 Trustees).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was cost of this insurance is included in the total insurance cost within support costs.

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**15. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Motor vehicles £000	Total £000
<b>COST OR VALUATION</b>					
At 1 September 2019	68,086	108	1,790	92	70,076
Additions	476	-	330	14	820
Donations	7,291	-	-	-	7,291
Disposals	-	-	(480)	-	(480)
Transfers between classes	108	(108)	-	-	-
At 31 August 2020	75,961	-	1,640	106	77,707
<b>DEPRECIATION</b>					
At 1 September 2019	9,365	-	1,092	71	10,528
Charge for the year	2,781	-	242	13	3,036
On disposals	-	-	(480)	-	(480)
At 31 August 2020	12,146	-	854	84	13,084
<b>NET BOOK VALUE</b>					
At 31 August 2020	63,815	-	786	22	64,623
At 31 August 2019	58,721	108	698	21	59,548

**16. DEBTORS**

	2020 £000	2019 £000
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	98	89
Prepayments and accrued income	790	851
Tax recoverable	75	133
	963	1,073

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>1,487</b>	2,095
Other taxation and social security	<b>478</b>	459
Other creditors	<b>568</b>	402
Accruals and deferred income	<b>692</b>	258
	<b>3,225</b>	<b>3,214</b>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2019	<b>87</b>	312
Resources deferred during the year	<b>114</b>	87
Amounts released from previous periods	<b>(87)</b>	(312)
	<b>114</b>	<b>87</b>

Deferred income relates to Universal Infant School Meals, Early Years funding, trip income received in advance, and other grants relating to the 2020/21 financial year.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
ESFA loans	<b>50</b>	50

Included within ESFA loans due after more than one year is one Salix loan totalling £50,000 (2019: £50,000). The balance represents amounts due to be paid within one year on the loan from the ESFA. This is a 10 year loan with an interest rate of 1.85% per annum, repayable in equal monthly instalments beginning in September 2020.

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**19. FINANCIAL INSTRUMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	<b>4,110</b>	<b>4,721</b>
Financial assets that are debt instruments measured at amortised cost	<b>679</b>	<b>503</b>
	<u><b>4,789</b></u>	<u><b>5,224</b></u>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u><b>(2,679)</b></u>	<u><b>(2,718)</b></u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, VAT recoverable and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and ESFA loans.

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**20. STATEMENT OF FUNDS**

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>UNRESTRICTED FUNDS</b>						
General funds - all funds	1,936	10	-	(915)	-	1,031
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	410	26,297	(27,180)	473	-	-
Other DfE/ESFA grants	-	1,803	(1,803)	-	-	-
Pupil premium	-	2,491	(2,491)	-	-	-
Other grants	-	698	(698)	-	-	-
Pension reserve	(20,114)	-	(1,598)	-	(7,084)	(28,796)
	<u>(19,704)</u>	<u>31,289</u>	<u>(33,770)</u>	<u>473</u>	<u>(7,084)</u>	<u>(28,796)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Transfer on conversion	54,487	-	(2,770)	-	-	51,717
DfE/ESFA capital grants	639	961	(32)	442	-	2,010
Capital expenditure from GAG	2,318	-	(118)	-	-	2,200
Other capital donations	2,288	7,291	(116)	-	-	9,463
	<u>59,732</u>	<u>8,252</u>	<u>(3,036)</u>	<u>442</u>	<u>-</u>	<u>65,390</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>40,028</u>	<u>39,541</u>	<u>(36,806)</u>	<u>915</u>	<u>(7,084)</u>	<u>36,594</u>
<b>TOTAL FUNDS</b>	<u>41,964</u>	<u>39,551</u>	<u>(36,806)</u>	<u>-</u>	<u>(7,084)</u>	<u>37,625</u>



**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**20. STATEMENT OF FUNDS (CONTINUED)**

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

**Restricted funds**

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

Start up Grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an Academy.

Assets donated from the local authority - This represents the school's funding surplus on conversion to an Academy

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

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

**Restricted fixed asset funds**

DfE / ESFA capital grants - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy

Other capital grants - The funds are received from third parties for direct expenditure on fixed asset projects. The fixed asset fund balance at year end represents the NBV of assets and any unspent grant amounts.

Capital expenditure purchased from other funds - These funds represent fixed assets purchased using other restricted or unrestricted income.

**Other information**

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**20. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Washwood Heath Academy	-	1,572
Saltley Academy	-	679
Brownmead Academy	-	124
Gossey Lane Academy	-	(18)
Tile Cross Academy	-	(649)
Topcliffe Primary Academy	-	(81)
Firs Primary School	-	115
Central services	<b>1,031</b>	604
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>1,031</b>	2,346
Restricted fixed asset fund	<b>65,390</b>	59,732
Pension reserve	<b>(28,796)</b>	(20,114)
	<hr/>	<hr/>
<b>TOTAL</b>	<b>37,625</b>	41,964
	<hr/> <hr/>	<hr/> <hr/>

The Trust started to GAG pool from September 2019 onwards therefore all reverses are now shown through central services. All non GAG pooled funds have been received by each individual school within the Trust and have been fully spent within the year.

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**20. STATEMENT OF FUNDS (CONTINUED)**

**TOTAL COST ANALYSIS BY ACADEMY**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Washwood Heath Academy	7,070	565	272	515	8,422	9,829
Saltley Academy	5,482	387	122	377	6,368	7,214
Brownmead Academy	1,325	54	50	55	1,484	1,627
Gossey Lane Academy	901	46	32	43	1,022	1,133
Tile Cross Academy	3,177	261	100	368	3,906	5,234
Topcliffe Primary School	1,693	79	32	117	1,921	2,282
Firs Primary School	1,580	53	26	84	1,743	2,224
Central services	718	4,949	62	3,175	8,904	1,759
<b>ACADEMY TRUST</b>	<b>21,946</b>	<b>6,394</b>	<b>696</b>	<b>4,734</b>	<b>33,770</b>	<b>31,302</b>

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**20. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>UNRESTRICTED FUNDS</b>					
General funds	1,920	16	-	-	1,936
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	269	26,204	(26,063)	-	410
Start up grants	-	7	(7)	-	-
Pupil premium	-	2,465	(2,465)	-	-
Other grants	-	2,767	(2,767)	-	-
Pension reserve	(16,620)	-	(555)	(2,939)	(20,114)
	<u>(16,351)</u>	<u>31,443</u>	<u>(31,857)</u>	<u>(2,939)</u>	<u>(19,704)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Assets transferred on conversion	42,316	14,096	(1,925)	-	54,487
DfE/ESFA capital grants	468	304	(133)	-	639
Capital expenditure from other funds	2,898	-	(580)	-	2,318
Other capital donations	2,295	-	(7)	-	2,288
	<u>47,977</u>	<u>14,400</u>	<u>(2,645)</u>	<u>-</u>	<u>59,732</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>31,626</u>	<u>45,843</u>	<u>(34,502)</u>	<u>(2,939)</u>	<u>40,028</u>
<b>TOTAL FUNDS</b>	<u><u>33,546</u></u>	<u><u>45,859</u></u>	<u><u>(34,502)</u></u>	<u><u>(2,939)</u></u>	<u><u>41,964</u></u>

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	64,623	64,623
Current assets	1,036	2,986	1,051	5,073
Creditors due within one year	5	(2,946)	(284)	(3,225)
Creditors due in more than one year	(10)	(40)	-	(50)
Provisions for liabilities and charges	-	(28,796)	-	(28,796)
<b>TOTAL</b>	<b>1,031</b>	<b>(28,796)</b>	<b>65,390</b>	<b>37,625</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	59,548	-	59,548
Current assets	1,936	3,624	234	-	5,794
Creditors due within one year	5	-	(3,214)	(5)	(3,214)
Creditors due in more than one year	(5)	-	-	(45)	(50)
Provisions for liabilities and charges	-	(20,114)	-	-	(20,114)
<b>TOTAL</b>	<b>1,936</b>	<b>(16,490)</b>	<b>56,568</b>	<b>(50)</b>	<b>41,964</b>

**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £000	2019 £000
Net income for the period (as per Statement of financial activities)	2,745	11,357
<b>ADJUSTMENTS FOR:</b>		
Depreciation	3,036	2,645
Capital grants from DfE and other capital income	(961)	(456)
Interest receivable	(6)	(9)
Defined benefit pension scheme cost less contributions payable	1,221	133
Defined benefit pension scheme finance cost	377	422
Decrease in debtors	247	329
Increase/(decrease) in creditors	11	(21)
Donated assets	(7,291)	(14,096)
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	<b>(621)</b>	<b>304</b>

**23. CASH FLOWS FROM INVESTING ACTIVITIES**

	2020 £000	2019 £000
Interest receivable	6	9
Purchase of tangible fixed assets	(820)	(435)
Capital grants from DfE Group	824	456
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>10</b>	<b>30</b>

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £000	2019 £000
Cash in hand	4,110	4,721
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>4,110</b>	<b>4,721</b>

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**25. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2019 £000	Cash flows £000	Repayment of ESFA loans £000	Other changes £000	At 31 August 2020 £000
Cash at bank and in hand	4,721	(611)	-	-	4,110
Debt due after 1 year	(50)	-	-	-	(50)
	<u>4,671</u>	<u>(611)</u>	<u>5</u>	<u>(5)</u>	<u>4,060</u>

**26. CAPITAL COMMITMENTS**

	2020 £000	2019 £000
<b>CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS</b>		
Acquisition of tangible fixed assets	-	193

**27. PENSION COMMITMENTS**

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

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

Contributions amounting to £404,343 were payable to the schemes at 31 August 2020 (2019 - £432,747 prepaid and included within debtors) and are included within creditors.

**TEACHERS' PENSION SCHEME**

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

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

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**27. PENSION COMMITMENTS (CONTINUED)**

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,473,000 (2019 - £1,639,000).

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

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

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,501,000 (2019 - £2,455,000), of which employer's contributions totalled £1,142,000 (2019 - £2,136,000) and employees' contributions totalled £ 359,000 (2019 - £319,000). The agreed contribution rates for future years are 17.7% - 22.3% per cent for employers and 5.5% - 8.5% 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**

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pension in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.6	1.90



**WASHWOOD HEATH MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**27. PENSION COMMITMENTS (CONTINUED)**

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	(977)	(722)
Discount rate -0.1%	1,004	742
Mortality assumption - 1 year increase	1,456	1,027
Mortality assumption - 1 year decrease	(1,401)	(991)

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

	2020 £000	2019 £000
Equities	4,737	4,961
Gilts	915	781
Other bonds	327	312
Property	636	673
Cash	559	298
Other	1,258	1,225
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>8,432</b>	<b>8,250</b>

The actual return on scheme assets was £843,000 (2019: £439,000).

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**27. PENSION COMMITMENTS (CONTINUED)**

The amounts recognised in the Statement of financial activities are as follows:

	2020 £000	2019 £000
Current service cost	(2,312)	(1,813)
Past service cost	(90)	(456)
Interest income	168	178
Interest cost	(540)	(597)
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(2,774)</b>	<b>(2,688)</b>

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

	2020 £000	2019 £000
<b>AT 1 SEPTEMBER</b>	<b>28,364</b>	<b>21,842</b>
Current service cost	2,312	1,813
Interest cost	540	597
Employee contributions	351	319
Actuarial (gains)/losses	5,914	3,582
Benefits paid	(343)	(245)
Past service costs	90	456
<b>AT 31 AUGUST</b>	<b>37,228</b>	<b>28,364</b>

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

	2020 £000	2019 £000
<b>AT 1 SEPTEMBER</b>	<b>8,250</b>	<b>5,221</b>
Interest income	168	178
Actuarial gains/(losses)	(1,170)	643
Employer contributions	1,181	2,136
Employee contributions	351	319
Benefits paid	(343)	(245)
Administration fee	(5)	(2)
<b>AT 31 AUGUST</b>	<b>8,432</b>	<b>8,250</b>

**WASHWOOD HEATH MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**28. OPERATING LEASE COMMITMENTS**

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

	<b>2020 £000</b>	<b>2019 £000</b>
Not later than 1 year	<b>11</b>	<b>43</b>
Later than 1 year and not later than 5 years	<b>12</b>	<b>23</b>
	<b>23</b>	<b>66</b>

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

Malachi Specialist Family Support CIC, a company where M York, a Trustee, is a fellow Director. During the year the Trust has made purchases of £32,465 (2019: £31,220) from the company and at the year end an amount of £Nil (2019: £Nil) was outstanding.

Mirror Development and Training Limited, a company where V Allen, a Trustee, is a fellow Director. During the year the Trust has made purchases of £Nil (2019: £600) from the company and at the year end an amount of £Nil (2019: £Nil) was outstanding.

**31. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2020 the Academy Trust received £39,951 (2019: £43,583) and disbursed £32,656 (2019: £48,503) from the fund. An amount of £5,132 (2019: £10,052) was brought forward from the prior year and £12,427 (2019: £5,132) is included in other creditors relating to undistributed funds that is repayable to ESFA.

**32. POST BALANCE SHEET EVENTS**

On 10 November 2020, the Trust have been issued a financial notice to improve from the ESFA. The Trust have an action plan in place to address all concerns raised by the ESFA.