

Company Registration Number: 10377400 (England & Wales)

ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**ALVECHURCH C OF E MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	B Maybee K Jordan R Crowte H Bates Rev R Bubbers
Directors	S Griffiths (appointed 2 May 2021) ¹ A Delaney (appointed 2 May 2021) ² L Notley, Chair of Finance & Personnel Committee ^{1,2} G Onyon, Chair, Chair of Standards & Achievement Committee ^{1,2} L Wilde ¹ J Wright ^{1,2} R Hickin, Vice Chair (appointed 1 September 2020) ² A Wallis (appointed 1 September 2020) ² S Lambert (appointed 1 September 2020, resigned 1 May 2021) ¹ A Thurgood (appointed 1 September 2020) ² L Tomlinson (appointed 1 September 2020) ¹ ¹ Finance & Personnel Committee ² Standards & Achievement Committee
Company registered number	10377400
Company name	Alvechurch C of E Multi-Academy Trust
Principal and registered office	Birmingham Road Alvechurch Worcester B48 7TA
Company secretary	J Griffin
Accounting Officer	D Snell
Senior management team	David Snell, Headteacher Vanessa Rancins, Deputy Headteacher Peter Hipkiss, Assistant Headteacher Dani Shipley, Inclusion Manager.
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 9 to 13 in Alvechurch, Worcestershire. It has a pupil capacity of 440 and had a roll of 434 in the school census on 31 October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy was incorporated on 15 September 2016 and opened as an Academy on 1 April 2017 and is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Alvechurch C of E Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Alvechurch C of E Middle School.

Details of the Trustees who served throughout the year, except as noted, 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 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Trustees who are appointed by members.
- up to 2 Trustees who are appointed by the Diocese of Worcester

Trustees are appointed for a four-year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term.

The Board of Trustees establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- **Finance, Audit and Personnel Committee** this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the peer reviewer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- **Curriculum and Standards Committee** this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, Assistant Headteacher and Inclusion Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy School Business Manager and Finance, Personnel and Curriculum and Achievement Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governing Body delegates all decisions relating to the pay for members of the Senior Leadership Team to the Finance, Audit and Personnel sub committee. The Terms of Reference for those committees are detailed in the Pay Policy which states that they must undertake an annual pay review for all staff and reach decisions through the application of any relevant criteria measured by the Academy's performance appraisal process. The Academy follows national pay scales and progression policy linked to performance management, in line with the pay policy.

The Academy's teaching staff (including management) are members of the Teachers' Pension (TP) scheme and support staff are automatically opted in to the Local Government Pension Scheme (LGPS). Rates of contribution from members and the Academy are calculated by TP and LGPS and reviewed on an annual basis.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Connected Organisations, including Related Party Relationships

There are no related parties or sponsors which control Alvechurch C of E Middle School, however there is a separate parent teacher association, Alvechurch C of E Middle School PTA (charity no: 506314), which may from time to time contribute to the operations of the school.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on Christian Ethos.

The aims of the Academy during the period ended 31 August 2021 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum;
- to develop students as more effective learners;
- to develop the Academy site so that it enables students to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to develop the Academy's capacity to manage change; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

This academic year, key priorities are contained in our School Development Plan which is available from the School Office. The SDP has the theme of Review, Rebrand and Relaunch and is based on the schools response to COVID disruption over the last academic year and to provide pupils with the opportunities they have missed out on. Improvement focuses identified for this year (2020/21) include:

Key Issue 1: Making up for Lost Time!

- Enhance Extra-Curricular Offer – adapt timings of school day to ensure staff capacity to offer at least one after (or before) school club for pupils. Aim to increase range of clubs and to encourage all pupils to attend at least one club per week
- Offer Catch-Up Tuition and Intervention – run a programme of tuition for targeted pupils through before and after school sessions as well as building sessions into normal school timetable
- Mental Health/Well Being Support – extend capacity for delivering mental health and well being support through staff training and allocating time for delivery of sessions
- Review and Relaunch Enrichment Opportunities – aim to reintroduce full, and balanced, curriculum support trips as well as Arts Week and Activities Week

Key Issue 2: Developing Quality of Curriculum

- Undertake curriculum review in every subject – audit of current delivery in light of pandemic, update curriculum maps and update staff through professional development
- Rebrand tutor time – use tutor more effectively for delivery of planned programme including PSHE at KS2 and Citizenship at KS3
- Implement statutory elements of RSHE and Careers education – identified lesson on timetable, train all staff effectively and reintroduce Careers Day

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**TRUSTEES' REPORT (CONTINUED)
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- SEND developments – continuing programme of TA training to achieve specialism and invest in new provision mapping software
- Review parental involvement/contact with school – blended approach to parents' evenings, new messaging system to parents to replace teachers to parents and review/relaunch Learning Journey celebration events for years 5 and 6

Key Issue 3: Improve Behaviour and Attitudes at unstructured times

- Relaunch Behaviour Policy – to include relaunch of ePraise shop, consistency of rewards and sanctions and a focus on corridor behaviour
- Improve Behaviour at break/lunch – improve use of grounds and suitable alternative games to football to improve choice
- Develop wet weather provision – investigate resources for a wet weather station and provide one to all classrooms

Key Issue 4: Leadership and Management

- Develop MAT strategy with Directors – investigate possibility of Trust partnership arrangements and plan best pathway for growth
- Relaunch Monitoring – full schedule of monitoring processes and Director focus days to develop their understanding of school
- Reenergise Church School Ethos – develop SIAMs plan and improve links to Diocese
- Develop Pupil Leadership – write role descriptions for Captains and School Council with relaunch of pupil jobs

Public Benefit

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 Commission's guidance on public benefit in exercising their powers/duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

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**TRUSTEES' REPORT (CONTINUED)
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STRATEGIC REPORT

Achievements and Performance

The Academy is in its fifth year of operation and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2021 was 434. The Academy is over PAN in two year groups and has a waiting list in operation for both of those year groups. The Academy is heavily oversubscribed for entry into year 5. There were 167 applicants for the 110 places available in year 5.

Due to the global COVID pandemic the normal assessments which measure school performance were not undertaken as pupils were not in school. This included the normal end of Key Stage 2 national assessments. We were able to, however, undertake GL assessments which give us a measure of performance compared to previous years.

Year 5				
	Intake		Exit	
	English	Maths	English	Maths
2015-16	106	96.7	105.8	103.6
2016-17	106.2	98.6	108.9	106.6
2017-18	103.6	98.7	108.4	111
2018-19	105.9	96.5	106.5	107.8
2020-21	103.5	98.7	107.4	106.7
Year 7				
	Intake		Exit	
	English	Maths	English	Maths
2016-17	104.5	101.1	109.1	110.5
2017-18	108.2	104.8	111	109.8
2018-19	105.7	105.8	110.4	111
2020-21	104.8	102.7	108.1	112

Year 8		
	Exit	
	English	Maths
2015-16	109.2	113.9
2016-17	109.7	113.3
2017-18	108.4	115.4
2018-19		
2020-21	110	118.6

Results show that whilst there has been a very slight dip in overall attainment in English in years 5 and 7, results in Maths went up in years 7 and 8 and we achieved our highest ever results in year 8 in both English and Maths despite the pupils being taught differently all year and being in lockdown for 8 weeks.

Outside of examination successes there were the following achievements to take note of:

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- We once again successfully entered numerous pupils into Arts Award assessments. The quality of provision has been recognised by the Assessors who are using the school as a case study for excellence
- We continue to be a leading edge school for Mental Health provision and a project to train pupil well-being ambassadors has won a regional award

To ensure that standards are continually assessed, the Academy operates a programme of monitoring which includes learning walks, observations, book trawls and pupil voice. These were, however, suspended due to COVID restrictions.

The Academy has established close links with other Middle Schools in the Bromsgrove area. The five schools are embarking on mutual staff development, joint CPD, with the primary aim of driving up standards across the town. This has been formalised into the Bromsgrove Middle School Learning Partnership with its dedicated development plan.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2020/21 were 434, a slight decrease of 3 pupils on previous year. It is anticipated that the school will be at broadly similar numbers in 2021/22.

The following KPI's monitored for the period to 31/08/21:

KPI	Result
Pupil to teacher ratio	19.5
Teaching to non-teaching staff ratio	19.5 : 11.3
Student attendance %	96
Total GAG per pupil	£4,881
Staffing Costs as % of GAG	71

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 (note 2.2).

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**TRUSTEES' REPORT (CONTINUED)
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FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities (note 18).

During the period ended 31 August 2021, the Academy received total income of £2,653k and incurred total expenditure of £2,677k.

The Academy has a NBV of tangible fixed assets at 31 August 2021 of £22k and has a provision relating to the Local Government Pension Scheme of £1,381k. The movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 21 to the financial statements.

The Academy generated an in year revenue surplus of £49k, excluding pension reserve adjustments. This further built on the surplus achieved in the previous financial year and because of the financial improvement of the Trust there is now no extra scrutiny from the ESFA.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Alvechurch C of E Middle School's current site was built and is maintained through a PFI arrangement with Worcester County Council. Further details are contained in the accounting policies

Reserves Policy

The Trustees review the reserve levels of the Academy 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 take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately 1 month of operating expenditure, currently c£197k. The Trust has been working towards this figure and has made significant gains this year and is on track to achieve these reserves total over the next two financial years. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

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

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and School Business Manager within strict guidelines approved by the Board of Trustees.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Financial - the Academy needs to continue its improvement in financial regularity and reporting that has moved it to a surplus position this financial year.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy'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. New appointments to the Board of Trustees has strengthened the Trust considerably in this area.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants 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 policies and procedures, health and safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - the Academy has a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy 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 term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Board of Trustees 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 Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy is aiming to continue to improve its financial health by adding further surplus funds by the end of this financial year.

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community and will begin to explore opportunities to expand the MAT over the next year.

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

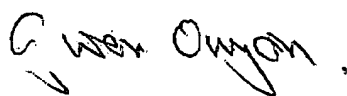
AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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, was approved by order of the Board of Trustees, as company directors, and signed on the board's behalf by:



G Onyon
Chair of Directors
Date: 8 November 2021

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Alvechurch C of E Middle School 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 4 times during the period to 31st August 2021. Effective oversight of funds is achieved through the more regular meetings of the Finance and Audit committee. That committee reports back to the Full Board after each meeting. Due to COVID restrictions meetings were held virtually and some combined into one so Finance and Audit became an agenda item on the Full Board meetings.

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

Trustee	Meetings attended	Out of a possible
Gwen Onyon	4	4
Richard Hickin	3	4
Lysandre Notley	3	4
Janet Wright	3	4
Lisa Tomlinson	4	4
Tony Wallis	3	4
Louise Wilde	2	4
Susan Lambert	1	1
Andy Thurgood	0	4
Annette Delaney	2	2
Samantha Griffiths	2	2

There has been two changes in the composition of the Board of Trustees in the period ended 31 August 2021 with the resignation of Mrs Sue Lambert in the Autumn Term. The Board of Trustees analysed its skills audit and in conjunction with Academy Ambassadors sought an experienced Finance individual to enhance the skill set. Mrs Samantha Griffiths was appointed in March with this in mind. The Board also sought to increase the number of Directors to nine, as per ESFA guidance, and appointed Mrs Annette Delaney in March.

The Board oversees the work of the Local Governing Body with a sharp focus on the following key priorities:

- Meeting the needs of stakeholders during the challenging COVID restrictions including providing effective online learning during lockdown periods and supporting our most vulnerable families
- Continual review of challenging budget leading to staffing adjustments in order to ensure the school continues to remain viable and is able to deliver front end services to all students
- External support and reviews across all subjects conducted by Partner Middle School Headteachers have provided key areas of priority for 2021/22
- Reviewed key statutory policies to ensure Alvechurch C of E Middle School remains compliant with requirements for having up to date and relevant policies in school
- Reviewed curriculum offer and adjusted timetable to provide a broad and balanced curriculum across the school

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- Focused developments at Key Stage 3 on ensuring pupils are 'High School' ready by the end of year 8
- Focused developments at Key Stage 2 on raising attainment in core subjects in end of Key Stage assessments whilst maintaining broad and balanced curriculum

The Board receives information from the Headteacher via the Headteacher's report at all Full Governing Body meetings. This includes analysis of pupil progress data, a review of School Self Evaluation and a review of the School Recovery Plan.

Trustees have all completed a self-evaluation of skills matrix which will inform areas for development for 2021/22.

The Finance and Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to set the annual budget, monitor performance against that budget, monitor adherence with ESFA submissions, deal with SDP issues relevant to finance and report to main Trustees board. The committee was scheduled to meet 6 times over the year but the onset of COVID led to some meetings being combined with Full Board (these are included in the following figures).

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Lysandre Notley	6	6
Gwen Onyon	6	6
Janet Wright	6	6
Lisa Tomlinson	6	6
Louise Wilde	6	6
Samantha Griffiths	3	3

REVIEW OF VALUE FOR MONEY

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

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

- The Trust has actively sought a new Trustee with a financial background to improve the skill set of the board which was identified as an area for development. The new Trustee was appointed through Academy Ambassadors and joined in March 2021.
- Robust financial governance and budget management.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve, and go beyond, nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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**GOVERNANCE STATEMENT (CONTINUED)
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THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 Alvechurch C of E Middle School for the period from 1 September 2020 to 31 August 2021 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 have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance and Audit 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 (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board decided to appoint Jane Hounsorne from MLG Services to act as an internal audit function and carried out a full review of finance systems and procedures in July 21 prior to year end. Due to COVID restrictions the normal peer review work with Fiona Anderson, the Financial Director of South Bromsgrove High School, was unable to take place.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The checks carried out in the current period included:

- Testing of purchase systems
- Testing of control account/bank account reconciliations

On an annual basis the reviewer reports to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

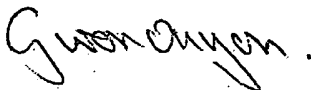
REVIEW OF EFFECTIVENESS

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

- The work of the internal reviewer
- The work of the external auditor
- The financial management and governance self-assessment process
- 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 Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place.

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



G Onyon
Chair of Trustees
Date: 8 November 2021



David Snell
Accounting Officer

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Alvechurch C of E Multi-Academy Trust I have considered my responsibility to notify the Academy board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Directors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's Trust funding agreement and the Academies Financial Handbook 2020.

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



D Snell
Accounting Officer
Date: 8 November 2021

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

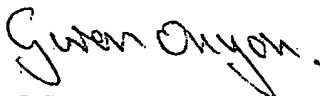
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



G Onyon
Chair of Directors
Date: 8 November 2021

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Alvechurch C of E Multi-Academy Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 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's affairs as at 31 August 2021 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 2020 to 2021 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 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALVECHURCH C OF E MULTI-ACADEMY TRUST (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALVECHURCH C OF E MULTI-ACADEMY TRUST (CONTINUED)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders; and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALVECHURCH C OF E MULTI-ACADEMY TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Directors and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



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 November 2021

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ALVECHURCH C OF E MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alvechurch C of E Multi-Academy Trust during the year 1 September 2020 to 31 August 2021 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 Alvechurch C of E 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 Alvechurch C of E 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 Alvechurch C of E Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ALVECHURCH C OF E MULTI-ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Alvechurch C of E Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2017 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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

Date: 18th November 2021

ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	-	1,488	10,086	11,574	10,008
Other trading activities		76,144	-	-	76,144	62,957
Investments	7	33	-	-	33	78
Charitable activities		35,276	2,530,391	-	2,565,667	2,382,908
Total income		111,453	2,531,879	10,086	2,653,418	2,455,951
Expenditure on:						
Charitable activities		75,021	2,588,300	13,999	2,677,320	2,413,781
Total expenditure		75,021	2,588,300	13,999	2,677,320	2,413,781
NET INCOME/ (EXPENDITURE)		36,432	(56,421)	(3,913)	(23,902)	42,170
Transfers between funds	18	(22,634)	4,992	17,642	-	-
Net movement in funds before other recognised gains/(losses)		13,798	(51,429)	13,729	(23,902)	42,170
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(141,000)	-	(141,000)	(297,000)
Net movement in funds		13,798	(192,429)	13,729	(164,902)	(254,830)
Reconciliation of funds:						
Total funds brought forward		5,103	(1,153,000)	8,664	(1,139,233)	(884,403)
Net movement in funds		13,798	(192,429)	13,729	(164,902)	(254,830)
Total funds carried forward		18,901	(1,345,429)	22,393	(1,304,135)	(1,139,233)

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

The notes on pages 26 to 48 form part of these financial statements.

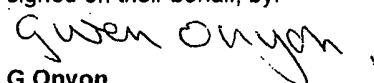
ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10377400

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	22,393	8,664
Current assets			
Debtors	15	369,113	380,683
Cash at bank and in hand		304,619	241,626
		<u>673,732</u>	<u>622,309</u>
Creditors: amounts falling due within one year	16	(619,260)	(617,206)
Net current assets		<u>54,472</u>	<u>5,103</u>
Total assets less current liabilities		<u>76,865</u>	<u>13,767</u>
Net assets excluding pension liability		<u>76,865</u>	<u>13,767</u>
Defined benefit pension scheme liability	25	(1,381,000)	(1,153,000)
Total net assets		<u><u>(1,304,135)</u></u>	<u><u>(1,139,233)</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	22,393	8,664
Restricted income funds	18	35,571	-
		<u>57,964</u>	<u>8,664</u>
Restricted funds excluding pension asset	18	(1,381,000)	(1,153,000)
Pension reserve	18	(1,381,000)	(1,153,000)
Total restricted funds	18	<u>(1,323,036)</u>	<u>(1,144,336)</u>
Unrestricted income funds	18	<u>18,901</u>	<u>5,103</u>
Total funds		<u><u>(1,304,135)</u></u>	<u><u>(1,139,233)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



G Onyon
Chair of Directors
Date: 8 November 2021

The notes on pages 26 to 48 form part of these financial statements.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	80,603	133,040
Cash flows from investing activities	22	(17,610)	10,086
Cash flows from financing activities	21	-	(60,000)
Change in cash and cash equivalents in the year		62,993	83,126
Cash and cash equivalents at the beginning of the year		241,626	158,500
Cash and cash equivalents at the end of the year	23, 24	304,619	241,626

The notes on pages 26 to 48 form part of these financial statements

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. GENERAL INFORMATION

Alvechurch C of E Multi-Academy Trust is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Birmingham Road, Alvechurch, Worcester, B48 7TA.

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 GOING CONCERN

The Directors assess whether the use of the going concern assumption is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

At 31 August 2021, the Academy has a surplus on free reserves of £36,432. Further surpluses are also anticipated in the forthcoming years.

The Trustees are satisfied that the academy will have adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 INTEREST RECEIVABLE

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Furniture and equipment	- 20% - 33% straight line
Computer equipment	- 25% 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.

2.7 DEBTORS

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

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

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 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.

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2. ACCOUNTING POLICIES (continued)

2.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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 PENSIONS

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.12 FUND ACCOUNTING

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

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

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

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

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

2.13 ACCOUNTING UNDER THE PFI ARRANGEMENT

Land and buildings are used for the provision of education by Alvechurch C of E Middle School under an agreement with Worcester County Council, in connection with a PFI agreement entered into by Worcester County Council. The related land and buildings are not recognised as assets of the Academy. This is because the Trustees assess that the Academy does not have the risks and rewards associated with ownership whilst this agreement is in place. Payments made in connection with this agreement are considered to be periodic operating rental charges. The agreement between Alvechurch C of E Middle School and Worcester County Council is such that amounts payable during the remainder of the agreement are subject to formulae dependent on factors outside the Academy's control and therefore it is not possible to state the cash flow commitments within this agreement.

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3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy 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.

The academy obtained other fixed assets on conversion, which have been accounted for at their effective net book value as at the conversion date. The recognition of such assets requires the Academy to estimate the useful economic life associated with each asset in order to be able to derive the net book value.

The Academy has made a judgment as to the accounting for the agreement relating to a PFI contract with further details outlined in the accounting policy 2.13.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	1,488	-	1,488	-
Capital Grants	-	10,086	10,086	10,008
	1,488	10,086	11,574	10,008
TOTAL 2020	10,008	-	10,008	

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5. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
Other DFE/ESFA Grants				
General Annual Grant	-	2,206,429	2,206,429	2,051,201
Other DfE/EFSA grants	-	6,170	6,170	5,350
Pupil Premium	-	59,619	59,619	65,122
Rates Relief	-	14,950	14,950	14,950
PE and Sports Grant	-	15,192	15,192	18,250
Teachers Pay Grant	-	96,726	96,726	95,382
	-	-	2,399,086	2,250,255
OTHER GOVERNMENT GRANTS				
Higher Needs	-	60,814	60,814	32,920
Other Government Grants	-	931	931	7,500
	-	61,745	61,745	40,420
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	48,880	48,880	-
Mass Testing	-	20,680	20,680	-
	-	69,560	69,560	-
Other income from the Academy's education				
School Trips	35,276	-	35,276	92,233
	35,276	-	35,276	92,233
	35,276	2,530,391	2,565,667	2,382,908
TOTAL 2020	92,233	2,290,675	2,382,908	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teachers Pay Grant, PE and Sports Grant, Rates Reclaim and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The funding received for Coronavirus exceptional support covers £29,650 of mass testing and additional cleaning costs. These costs are included in note 9 below as appropriate.

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6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	750	-	750	1,263
Fees received	52,530	-	52,530	48,216
Other	22,864	-	22,864	13,478
	<u>76,144</u>	<u>-</u>	<u>76,144</u>	<u>62,957</u>
TOTAL 2020	<u>62,944</u>	<u>13</u>	<u>62,957</u>	

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	<u>33</u>	<u>33</u>	<u>78</u>

Total investment income gained in the prior year in respect of bank interest was £78. This was the only element of investment income in the year ended 31 August 2020. All funds received were unrestricted.

8. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	1,591,087	478,546	178,697	2,248,330	1,931,092
Support costs	228,411	111,094	89,485	428,990	482,689
	<u>1,819,498</u>	<u>589,640</u>	<u>268,182</u>	<u>2,677,320</u>	<u>2,413,781</u>
TOTAL 2020	<u>1,580,479</u>	<u>577,388</u>	<u>255,914</u>	<u>2,413,781</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	2,248,330	428,990	2,677,320	2,413,781
TOTAL 2020	1,931,092	482,689	2,413,781	

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	11,000	-
Staff costs	1,589,652	1,294,008
Educational supplies	34,642	15,960
Staff Development	9,398	960
Other costs	67,875	90,951
Supply Teachers	1,435	42,360
Technology costs	38,700	27,147
PFI Charges	478,546	444,399
Educational consultancy	17,082	15,307
	2,248,330	1,931,092

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	11,000	16,000
Staff costs	228,411	243,649
Depreciation	13,999	12,483
Staff Development	1,976	-
Other costs	12,921	13,940
Recruitment and Support	98	-
Maintenance of premises and equipment	132	70
Cleaning	1,682	1,263
Rent and rates	14,981	15,833
Energy costs	260	388
Insurance	-	1,286
Security and transport	1,167	1,508
Catering	2,351	2,836
Technology costs	13,718	22,811
Office overheads	21,139	28,537
Legal and professional	15,457	11,468
Bank interest and charges	124	114
PFI charges	80,299	103,086
Educational consultancy	9,275	7,417
	<u>428,990</u>	<u>482,689</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	561,206	547,978
Depreciation of tangible fixed assets	14,000	12,483
Fees paid to auditors for:		
- audit	12,950	9,275
- other services	1,925	1,890
	<u>12,950</u>	<u>9,275</u>
	<u>1,925</u>	<u>1,890</u>

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11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,321,130	1,115,952
Social security costs	118,008	98,722
Pension costs	378,925	322,983
	<u>1,818,063</u>	<u>1,537,657</u>
Agency staff costs	1,435	42,822
	<u>1,819,498</u>	<u>1,580,479</u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	20	22
Administration and support	6	6
Management	4	4
Educational Support	30	24
	<u>60</u>	<u>56</u>

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £313,901 (2020 £273,483).

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12. DIRECTORS' 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 under their contracts of employment, and not in respect of their service as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows: Mr D Snell: remuneration £80,001 - £90,000 (2020: £70,001 - £80,000), employer's pension contributions £15,001 - £20,000 (2020: £10,001 - £15,000).

During the year ended 31 August 2021, expenses totalling £363 were reimbursed or paid directly to Danielle Shipley (£251 - Inclusion Manager) and David Snell (£112 - Headteacher) (2020: NIL).

13. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The level of cover provided in respect of professional indemnity is unlimited.

14. TANGIBLE FIXED ASSETS

	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION			
At 1 September 2020	16,392	48,711	65,103
Additions	742	26,987	27,729
At 31 August 2021	17,134	75,698	92,832
DEPRECIATION			
At 1 September 2020	7,728	48,711	56,439
Charge for the year	225	13,775	14,000
At 31 August 2021	7,953	62,486	70,439
NET BOOK VALUE			
At 31 August 2021	9,181	13,212	22,393
At 31 August 2020	8,664	-	8,664

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15. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	3,198	3,697
Prepayments and accrued income	361,721	376,316
Tax recoverable	4,194	670
	<u>369,113</u>	<u>380,683</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	546,120	531,043
Other taxation and social security	28,700	23,641
Other creditors	33,421	27,764
Accruals and deferred income	11,019	34,758
	<u>619,260</u>	<u>617,206</u>

	2021 £	2020 £
Deferred income at 1 September 2020	26,841	-
Resources deferred during the year	1,519	26,841
Amounts released from previous periods	(26,841)	-
	<u>1,519</u>	<u>26,841</u>

Included in deferred income is grant funding from the ESFA in relation to future periods.

17. FINANCIAL INSTRUMENTS

	2021 £	2020 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>304,619</u>	<u>241,626</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds - all funds	5,103	111,453	(75,021)	(22,634)	-	18,901
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	1,704,709	(1,709,701)	4,992	-	-
Pupil Premium (PP)	-	59,619	(59,619)	-	-	-
Other ESFA Grants	-	634,758	(634,758)	-	-	-
High Needs Funding	-	60,814	(60,814)	-	-	-
COVID Funding	-	69,560	(33,989)	-	-	35,571
Other Local Authority Grants	-	931	(931)	-	-	-
Other Income	-	1,488	(1,488)	-	-	-
Pension Reserve	(1,153,000)	-	(87,000)	-	(141,000)	(1,381,000)
	<u>(1,153,000)</u>	<u>2,531,879</u>	<u>(2,588,300)</u>	<u>4,992</u>	<u>(141,000)</u>	<u>(1,345,429)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	8,664	-	(5,416)	-	-	3,248
ESFA capital grants	-	10,086	(6,305)	-	-	3,781
Purchased from GAG	-	-	(2,278)	17,642	-	15,364
	<u>8,664</u>	<u>10,086</u>	<u>(13,999)</u>	<u>17,642</u>	<u>-</u>	<u>22,393</u>
TOTAL RESTRICTED FUNDS	<u>(1,144,336)</u>	<u>2,541,965</u>	<u>(2,602,299)</u>	<u>22,634</u>	<u>(141,000)</u>	<u>(1,323,036)</u>
TOTAL FUNDS	<u><u>(1,139,233)</u></u>	<u><u>2,653,418</u></u>	<u><u>(2,677,320)</u></u>	<u><u>-</u></u>	<u><u>(141,000)</u></u>	<u><u>(1,304,135)</u></u>

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18. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS:

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

Pupil Premium (PP) - 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.

Other ESFA - Income which has been received for specific purposes from the ESFA.

High Needs funding - Funding received by the Local Authority to fund further support for students with additional needs.

Other Local Authority Grants - Income which has been received for specific purposes from the Local Authority.

Other income - Income which has been received from various sources through means not specified above.

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:

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

TRANSFERS:

Transfers between funds are in relation to restricted expenditure being supported by unrestricted income.

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18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds - all funds	-	155,255	(98,555)	(51,597)	-	5,103
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(105,550)	2,051,201	(1,997,248)	51,597	-	-
Pupil Premium (PP)	-	65,122	(65,122)	-	-	-
Other ESFA Grants	-	143,940	(143,940)	-	-	-
High Needs Funding	-	32,920	(32,920)	-	-	-
COVID Funding	-	7,500	(7,500)	-	-	-
Other Local Authority Grants	-	13	(13)	-	-	-
Pension Reserve	(800,000)	-	(56,000)	-	(297,000)	(1,153,000)
	<u>(905,550)</u>	<u>2,300,696</u>	<u>(2,302,743)</u>	<u>51,597</u>	<u>(297,000)</u>	<u>(1,153,000)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	21,147	-	(12,483)	-	-	8,664
TOTAL RESTRICTED FUNDS	<u>(884,403)</u>	<u>2,300,696</u>	<u>(2,315,226)</u>	<u>51,597</u>	<u>(297,000)</u>	<u>(1,144,336)</u>
TOTAL FUNDS	<u><u>(884,403)</u></u>	<u><u>2,455,951</u></u>	<u><u>(2,413,781)</u></u>	<u><u>-</u></u>	<u><u>(297,000)</u></u>	<u><u>(1,139,233)</u></u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	22,393	22,393
Current assets	18,901	654,831	-	673,732
Creditors due within one year	-	(619,260)	-	(619,260)
Provisions for liabilities and charges	-	(1,381,000)	-	(1,381,000)
TOTAL	18,901	(1,345,429)	22,393	(1,304,135)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	8,664	8,664
Current assets	5,103	617,206	-	622,309
Creditors due within one year	-	(617,206)	-	(617,206)
Provisions for liabilities and charges	-	(1,153,000)	-	(1,153,000)
TOTAL	5,103	(1,153,000)	8,664	(1,139,233)

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(23,902)	42,170
ADJUSTMENTS FOR:		
Depreciation	13,999	12,483
Capital grants from DfE and other capital income	(10,086)	(10,008)
Interest receivable	(33)	(78)
Defined benefit pension scheme cost less contributions payable	65,000	40,000
Defined benefit pension scheme finance cost	22,000	16,000
Decrease/(Increase) in debtors	11,570	(12,786)
Increase in creditors	2,055	45,259
NET CASH PROVIDED BY OPERATING ACTIVITIES	80,603	133,040

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Repayments of borrowing	-	(60,000)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	-	(60,000)

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest receivable	33	78
Purchase of tangible fixed assets	(27,729)	-
Capital grants from DfE and other capital income	10,086	10,008
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(17,610)	10,086

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	304,619	241,626

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24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	241,626	62,993	304,619

25. PENSION COMMITMENTS

The Academy'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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £33,264 were payable to the schemes at 31 August 2021 (2020 - £27,764) 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.

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25. 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 £203,130 (2020 - £181,206).

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

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 2021 was £138,000 (2020 - £99,000), of which employer's contributions totalled £111,000 (2020 - £80,000) and employees' contributions totalled £ 27,000 (2020 - £19,000). The agreed contribution rates for future years are 17 per cent for employers and 5 - 12.5 per cent for employees.

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

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

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25. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021 %	2020 %
Rate of increase in salaries	4.3	3.8
Rate of increase for pensions in payment / inflation	2.9	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

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

	2021 Years	2020 Years
Retiring today		
Males	22.7	22.6
Females	25.1	25
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27

SENSITIVITY ANALYSIS

	2021 £000	2020 £000
Discount rate +0.1% pa	1,336	1,117
Mortality assumption - 1 year increase	1,444	1,197
CPI Rate +0.1% pa	1,427	1,189
Pay growth +0.1% pa	1,386	1,157

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	538,000	281,000
Government bonds	-	29,000
Property	28,000	23,000
Cash and other liquid assets	16,000	18,000
Other bonds	1,000	23,000
Other	63,000	54,000
TOTAL MARKET VALUE OF ASSETS	646,000	428,000

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25. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £91,000 (2020 - £6,000).

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

	2021 £	2020 £
Current service cost	(176,000)	(120,000)
Interest income	7,000	5,000
Interest cost	(29,000)	(21,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(198,000)	(136,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	1,581,000	1,091,000
Current service cost	176,000	120,000
Interest cost	29,000	21,000
Employee contributions	27,000	19,000
Actuarial losses/(gains)	223,000	321,000
Benefits/transfers paid	(9,000)	9,000
AT 31 AUGUST	2,027,000	1,581,000

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

	2021 £	2020 £
AT 1 SEPTEMBER	428,000	291,000
Interest income	9,000	6,000
Actuarial losses	82,000	24,000
Employer contributions	111,000	80,000
Employee contributions	27,000	19,000
Benefits/transfers paid	(9,000)	9,000
Administrative expenses	(2,000)	(1,000)
AT 31 AUGUST	646,000	428,000

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26. OPERATING LEASE COMMITMENT

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	567,303	553,161
Later than 1 year and not later than 5 years	2,267,248	2,212,644
Later than 5 years	6,518,338	7,191,093
	<u>9,352,889</u>	<u>9,956,898</u>

Of the total operating lease commitment as at 31 August 2021 £9,352,398 (2020: £9,956,898) is the commitment in relation to the PFI agreement.

27. MEMBERS' LIABILITY

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

28. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than the certain director's remuneration already disclosed in Note 12.

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