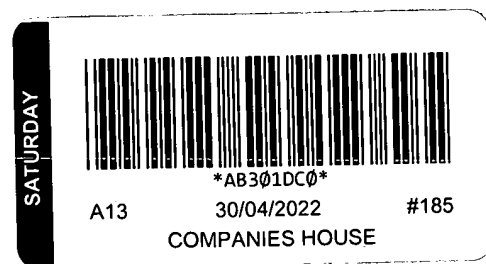


MATRIX ACADEMY TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the Year Ended 31 August 2021



Company Registration Number: 07654219 (England & Wales)

MATRIX ACADEMY TRUST

Annual Report and Financial Statements
for the Year Ended 31 August 2021

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MATRIX ACADEMY TRUST

Reference and Administrative Details
for the Year Ended 31 August 2021

Members	Mr J Bench Mr I Bidmead Mr S Smith Bishop Derek Webley MBE DL Professor Carl Chinn MBE
Trustees / Directors	Mr J Bench (Chairman) Dame Maureen Brennan Ms D Park Mr S Smith Mr S White Sir Mark Aspinall Mrs D Williams (resigned 27/09/2021) Mr A Heath
Company Secretary	Miss M Thomason
Senior Leadership Team	Dame Maureen Brennan (Chief Executive & Accounting Officer) Mrs L Draycott (Head teacher) Mr I Smith (Head teacher) Mr A Seager (Head teacher) Ms S Shepherd (Head teacher) Mr M Dunn (Head teacher) (resigned 18/04/2021) Miss J Newsome (Head teacher) Mr J Till (Head teacher) Mr R Doidge (Chief Financial Officer) Mr R Nicholls (Network Manager) Mrs L Doidge (HR Manager) Mr G Smart (Facilities Manager) Mrs L Coley (Finance Director)
Company Name Academies Operated	Matrix Academy Trust Barr Beacon School, Aldridge, Walsall Etone College, Nuneaton, Warwickshire Bloxwich Academy, Bloxwich, Walsall Dame Elizabeth Cadbury School, Bournville, Birmingham Turves Green Boys School, Northfield, Birmingham
Principal and Registered Office	Leamore Lane Bloxwich Walsall, WS2 7PS
Company Registration Number	07654219 (England & Wales)
Independent Auditor	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham, B153BE
Bankers	Lloyds Bank 595 Kingstanding Road Birmingham, B44 9TB
Solicitors	Browne Jacobson Victoria Square House, Victoria Square Birmingham, B2 4BU

MATRIX ACADEMY TRUST

Trustees' Report for the Year Ended 31 August 2021

The Trustees of Matrix Academy Trust present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Matrix Academy Trust operates 4 secondary academies and an all through academy in the West Midlands. Its academies have a combined pupil capacity of 5,262 and had a roll of 5,487 in the school census October 2021.

Barr Beacon School	11-18	Walsall
Bloxwich Academy	3-18	Walsall
Etone College	11-18	Warwickshire
Dame Elizabeth Cadbury School	11-18	Birmingham
Turves Green Boys School	11-16	Birmingham

Structure, Governance and Management

Constitution

Matrix Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Matrix Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Matrix Academy Trust (company number 07654219).

The Charitable Company was incorporated on 1 June 2011 under the name Barr Beacon School Trust. On 1 July 2011, Barr Beacon School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to the Charitable Company from Walsall Local Authority. Barr Beacon School was designated an outstanding school in January 2014.

On 6 December 2013, Barr Beacon School Trust was renamed Matrix Academy Trust and converted into a Multi Academy Trust on 1 February 2014.

On 1 February 2014, Etone College transferred all of its operations, assets and liabilities to Matrix Academy Trust. Etone College had itself converted from a Local Authority School to an Academy Trust on 1 January 2012. Etone College had been placed in special measures in April 2013. Etone College was recognised as good in all categories by Ofsted in January 2017.

On 1 April 2015, The Mirus Academy (Walsall College Academies Trust) transferred all of its operations, assets and liabilities to Matrix Academy Trust. The Mirus Academy (Walsall College Academies Trust) had itself converted from a Local Authority School to an Academy Trust on 1 January 2012. The Mirus Academy has now changed its name to Bloxwich Academy. The Mirus Academy had been placed in special measures in November 2013. Bloxwich Academy was removed from special measures and recognised as requires improvement with good rated for Behaviour and Post-16 in December 2017. Bloxwich Academy was recognised as a good school in all areas in November 2021.

On 1 October 2016, Dame Elizabeth Cadbury Technology College transferred all of its operations, assets and liabilities to Matrix Academy Trust. Dame Elizabeth Cadbury Technology College was a local authority school within Birmingham Local Authority. Dame Elizabeth Cadbury Technology College is now known as Dame Elizabeth Cadbury School. Dame Elizabeth Cadbury Technology College was recognised as a good school in November 2012.

On 1 May 2021, Turves Green Boys School transferred all of its operations, assets and liabilities to Matrix Academy Trust. Turves Green Boys School was a local authority school within Birmingham Local Authority. Turves Green Boys School was recognised as Inadequate in June 2019.

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

Members' Liability

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

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover 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 duty which they may be guilty in relation to the Academy Trust. 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 Trust.

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative for insurance where the UK government funds cover losses that arise. The scheme protects Members, Trustees and Governors offering cover up to £10,000,000 (£10Million)

Method of Recruiting and Appointment or Election of Trustees

The processes for appointing or electing the various types of Trustee at Matrix Academy Trust are as follows:

The Members shall appoint and may remove up to 5 Trustees.

Parent Trustees – There shall be a minimum of two Parent Trustees unless there are Local Governing Bodies which include at least two Parent Members.

Except for 16 - 19 Academies, Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies shall be elected or appointed (in accordance with the terms of reference determined by the Trustees from time to time). The elected or appointed Parent Trustee or Parent members of the Local Governing Bodies or Advisory Bodies must be a parent of a registered pupil at one or more of the Academies (but not one of the 16- 19 Academies) at the time when he/she is elected or appointed.

The number of Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Trustees and Parent members appointed by the Trustees if the number of parents standing for election is less than the number of vacancies.

The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Trustee or Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered pupil at one of the Academies (but not one of the 16 - 19 Academies). Any election of the Parent Trustees or Parent members of Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.

In appointing a Parent Trustee or Parent member of a Local Governing Body or Advisory Body the Trustees shall appoint a person who is the parent of a registered pupil at an Academy (but not one of the 16-19 Academies); or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

In the case of 16-19 Academies, Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies shall either be elected by parents of registered students at the 16 to 19 Academies, pursuant to Articles 56B to 56C, or be appointed by the Trustees/Advisory Bodies/Local Governing Bodies, pursuant to Article 56D. The elected or appointed Parent Trustees or Parent members of the Local Governing Bodies or Advisory Bodies must be a parent of a student at one of the 16 to 19 Academies at the time when he is either elected or appointed.

The number of Parent Trustees and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Trustees and Parent members appointed by the Trustees/Advisory Bodies/Local Governing Bodies if the number of parents standing for election is less than the number of vacancies.

The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Trustees or Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered student at one of the 16-19 Academies. Any election of the Parent Trustees or Parent members of Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Method of Recruiting and Appointment or Election of Trustees (continued)

In appointing a Parent Trustee or Parent member of a Local Governing Body or Advisory Body, the Trustees/Advisory Bodies/Local Governing Bodies shall appoint a person who is the parent of a registered student at one of the 16 to 19 Academies; or where it is not reasonably practical to do so, a person who is the parent of a child above compulsory school age but not above the age of 19.

The Chief Executive shall be a Trustee for as long as he/she shall remain in office as such.

Term of Office - The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment/election, all new Trustees will receive an introduction to their role from the Chairman and Chief Executive/Headteacher, this introduction includes a tour of the School site(s), the opportunity to meet other members of the Leadership Team and support from the Trustees.

The Board of Trustees is committed to providing opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

Trustees with specific roles within the Board of Trustees are encouraged to undertake specific training.

Organisational Structure

Matrix Academy Trust is a Multi Academy Trust with five individual schools forming that Trust, Barr Beacon School, Etone College, Bloxwich Academy, Dame Elizabeth Cadbury School and Turves Green Boys School.

The Board of Trustees are responsible for the strategic oversight of the trust. Operational management is the responsibility of the Chief Executive and staff. At Matrix Academy Trust the majority of roles and responsibilities of the Board of Trustees are dealt with at full Board of Trustees meetings. The Board of Trustees support the Accounting Officer in the performance of their duties. Where appropriate, duties are delegated to Local Governance Advisory Boards, committees and employees of the Trust, although the Board maintains overall control for the activities and performance of the trust. There are a small number of delegating committees – Staff Dismissal, Pupil Discipline, Appeals, Audit & Risk, Pay and Headteacher Appraisal. Trust/school policies are developed by the Leadership and Central Support Team incorporating statutory requirements and reflecting strategic direction agreed by the Trustees.

Trustees formally approve and adopt policies and Leadership, together with staff, implement the agreed procedures and protocols.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel within the Trust's academies include the Trustees, the Senior Leadership Team and the Central Support Team. Pay and remuneration is determined by the trusts pay policy. Salaries are reviewed annually and can be changed during the year as per the trust or individual school's needs.

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	1,376.77
Total pay bill	19,640,656
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.007%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.000%
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Related Parties and other Connected Charities and Organisations

Matrix Academy Trust has strong connections with a number of universities for both pupil and staff engagement.

Barr Beacon SCITT completed its fifth year with 34 colleagues completing the programme leaving with good or outstanding features. Matrix Academy Trust is a hub with the TES Institute for the Straight to Teach Programme. Matrix Academy Trust also provided numerous virtual school experience placement days.

Barr Beacon SCITT has expanded to now offer primary placements. The primary recruitment was very strong and 19 primary trainees commenced in September 2021 and 34 secondary. There are also 7 assessment only route trainees in secondary and primary. The SCITT is one of the few school based SCITTs to be designated by Ofsted as outstanding. Many trainees are appointed to Trust schools with a remainder predominately staying in the West Midlands.

Matrix Academy Trust offered support to a number of schools in the form of visiting its academies to view good practice, along with supporting schools remotely via video conferencing. Matrix Academy Trust also providing advice and guidance to colleagues from other schools.

Evolve Teaching School, based at Barr Beacon School has been a designated Teaching School since September 2014, and is a partnership working within and beyond our locality. The Alliance partnership offers a network of Primary and Secondary schools that collaborate effectively to share first hand outstanding training and practice in a variety of different specialisms. Evolve Teaching School was a member of the Black Country Teaching School Group. Evolve Teaching School has now closed and will not receive any further funding.

With affect from 31 August 2021 no Teaching Schools existed and these have been replaced by Teaching School Hubs. Matrix Academy Trust is a strategic partner in Manor Teaching School Hub. Manor Teaching School Hub supports Walsall, Wolverhampton and South Staffordshire. The Hub leads on the Early Career Framework for new teachers, Appropriate Body registering for Early Career teachers and new National Professional Qualifications (NPQ) which is the golden thread of professional development for teachers. As a strategic partner, Matrix Academy Trust leads on the Appropriate Body for secondary schools in the three areas and provides venues and facilitators for the NPQ programmes.

The Chair of Trustees is a National Leader of Governance (NLG). He offers support to other governing bodies and has chaired an Interim Executive Board in a Walsall School in special measures.

The Chief Executive as a National Leader in Education (NLE) leads on pupil premium reviews together with Barr Beacon School as a National Support School (NSS). On 1 November 2017, the Chief Executive was elected onto the Head Teacher's Board for the west midlands working with the Regional School's Commissioner.

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Engagement with employees (including disabled persons)

Matrix Academy Trust understands its success and ability to fulfil its goals and ambitions depends significantly on the commitment of the workforce. Matrix Academy Trust has maintained and developed arrangements aimed at providing employees with information on matters of concern to them. This includes regular bulletins by the CEO and senior management along with access to the following documents on SharePoint:

Staff Policy; Code of Conduct, relevant risk assessments; Safeguarding Policy; COVID-19 policies and procedures; Pay Policy; Equality and Diversity Information and Objectives (encompassing protected characteristics e.g. age, disability, race etc.), along with all Finance, HR, Facilities and IT sections detailing policies, procedures, training and forms. Matrix Academy Trust utilises SharePoint as a staff intranet site to aid in collaboration and engagement with all employees. Employees are consulted regularly at school and trust level so that their views can be considered in making decisions, which are likely to affect their interests. Matrix Academy Trust encourages employees to become involved in its performance by contributing to strategic meetings for safeguarding, careers, SEND and core subjects, as a trust we also offer a NQT and middle leaders conference on an annual basis where policies, processes and ideas can be developed and discussed. Regular correspondence is issued from the HR and Payroll department to all staff regarding remuneration.

Engagement with suppliers, customers and others in a business relationship with the trust

Matrix Academy Trust fosters good business relationships with supplier, customers and others by treating them as equals, building, developing and maintaining good relationships, ensuring that business relationships are conducted in an open, transparent and honest manner following and complying with the relevant policies and regulations to ensure legal compliance. Matrix Academy Trust also follows government action rules and procurement policy notes.

Objectives and Activities

Objects and Aims

The principal object and activity of Matrix Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balanced and broad curriculum and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

The main objectives of the Trust for the year ended 31 August 2021 are summarised as follows: -

- to provide the highest quality education for all its pupils;
- to safeguard all pupils and staff;
- to provide value for money for the funds expended;
- to ensure that the Trust is suitably staffed;
- to comply with all statutory and curriculum requirements;
- to develop and maintain links with local industry and the wider community, including working with other educational establishments;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness;
- to provide quality training for trainee teachers to improve the workforce of all schools within the trust and their local communities;
- To reduce the impact of COVID-19 on both pupils and staff.

Objectives Strategies and Activities

Matrix Academy Trust aims to create a family of schools within the West Midlands, working collaboratively for the common good. Matrix Academy Trust does not intend to discriminate against any schools wishing to join the trust, and will accept, according to inspection regimes, those in outstanding and special measures category; additionally, the trust intends to achieve a mixture of sizes and phase schools as partners.

Matrix Academy Trust is aiming for regional regeneration through education, to help raise standards and aspirations of young people in the area. We want to work in collaboration with schools, not to impose. We see Matrix Academy Trust sharing success and best practice, whilst retaining individuality.

Our structured development and improvement process is built on the results the senior leadership team have achieved in education, helping to build a bespoke action plan to address school performance and improve the life chances of pupils.

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Objectives Strategies and Activities (continued)

The training of teachers and improvement of the workforce through our SCITT programme and 'grow your own' strategy, professional development, support and commitment to teacher training. Matrix Academy Trust aim to reduce regional staff shortages, especially in specialist subjects.

Equality & Diversity Policy

The overall objective of Matrix Academy Trust's Equality and Diversity Policy is to provide a framework for its academies to pursue its equality duties to eliminate unlawful discrimination and harassment; promote equality of opportunity; and promote good relations and positive attitudes between people of diverse backgrounds in all of its activities.

The principles of this policy apply to all members of the extended trust's community - pupils, staff, the Board of Trustees, parents, volunteers and community members. Partners and contractors are also expected to abide by the policy.

We will not tolerate less favourable treatment of anyone on the grounds of gender, race, disability, sexual orientation, age, and religion or belief.

Through our school ethos', curriculum and community links, we will work towards -

- a common vision;
- a sense of belonging for all;
- similar life opportunities for all;
- strong and positive relationships between different communities.

Equality and Diversity is more than just meeting legal obligations or targets. It's about making a difference to the lives of the communities we serve, treating all people with dignity and respect, and recognising the value of each individual. This means an on-going commitment to ensuring that our services meet the varied and individual needs of pupils in our schools.

Public Benefit

The Trustees confirm that they have complied with their duty to have due regard to public benefit guidance published by the Charity Commission for England & Wales. The Trustees have referred to the Charities Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The Trust's academies continue to be at the heart of their community, promoting community cohesion and sharing facilities with the wider community.

Strategic Report

Achievements and Performance

In the year leading up to 31 August 2021 the following was achieved by Matrix Academy Trust: -

The schools in the Trust continue to be the preferred school in their local communities as shown by the increase of over 300 pupils (excluding the addition of Turves Green Boys' School). Schools have worked to support Local Authorities by admitting beyond their pupil admission numbers. Nearly 100 appeals were heard for September 2021 Year 7 places in Trust schools.

Following a Direct Academy Order Matrix Academy Trust entered into a funding agreement for Turves Green Boys' School that opened as an Academy on 1st May 2021. Headteacher and Deputy Headteacher were seconded into Turves Green Boys' School along with regular support from the school improvement and central team. All staff TUPEd across from Turves Green Boys' School.

Post 16 provision in Trust schools has continued to grow with a greater range of student University destinations for September 2021. There is a wide range of courses that students are following, increasingly STEM related. Of 189 Year 13 students 161 attended University and a fifth of those were Russell Universities.

Covid-19 has transformed our schools. Both Teaching and Support staff have responded very well to the ever-changing expectations placed upon them from the Government guidance. It is a tribute to the quality of Trust staff that safeguarding, support and the wellbeing of pupils has continued during the year. The quality of leadership in each school ensured the impact of covid-19 was reduced on our pupils.

All Trust schools held summer schools in July and August 2021. They were well attended with 715 pupils attending.

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Achievements and Performance (continued)

Barr Beacon SCITT has expanded to now offer primary placements. The primary recruitment was very strong and 19 primary trainees commenced in September 2021 and 34 secondary. There are also 7 assessment only route trainees in secondary and primary. The SCITT is one of the few school based SCITTs to be designated by Ofsted as outstanding. Many trainees are appointed to Trust schools with a remainder predominately staying in the West Midlands.

The Combined Cadet Force continues to grow from strength to strength with increased pupil uptake.

As the Trust expands the need to centralise the Management Information System has become more evident. There is now a standard Management Information System across the Trust which allows daily recording of all pupil and staffing information. This followed a rigorous procurement exercise. The Trust has moved towards central reporting in the single central record, health and safety, compliance checks and payroll. The cloud based solution gathers data and presents as dashboards to ensure key performance measures are regularly monitored. The central reporting system for facilities and health and safety also includes compliance management, asset management, contract management and a site help desk which will aid the efficiency of the facilities team.

The Trust was awarded in 2019/2020 the Silver Award under the Defence Employer Recognition Scheme. Following an application in April 2021, on 23rd July 2021 it was confirmed that Matrix Academy Trust was awarded the Gold Award under the Employer Recognition Scheme.

The Trust was successful in making a bid to the Turing Scheme for two Trust wide opportunities. 50 Year 8 and 50 Year 9 pupils will be visiting Germany and Spain in June 2022. The funding was just over £125,000.

The Trustees engaged an external assessor to review governance across the Trust. This highlighted strengths of the Trust's governance however, it was recommended that a revision to school's Governance Advisory Boards be undertaken. From September 2021, Governance Advisory Boards became Parent Advisory Forums with greater clarity in the Scheme of Delegation of responsibility lying with the Trustees. The aim of Parent Advisory Forums is to increase parental engagement and ensure emerging parental issues will be reported at Trust Board meetings. This should formalise full communication between schools, parents and Trustees. Parent Advisory Forums will meet once a term. Turves Green Boys School required an Interim Academy Board to drive school improvement.

The Trust undertook reviews of each schools safeguarding, SEND, off rolling and curriculum planning. The reviews were undertaken to identify strengths and areas of development within the Trust. The safeguarding Trustee undertook a complete safeguarding audit of all schools. Departmental reviews were undertaken in core subjects.

A strength of the Trust is the increased sharing that has developed between schools and the Trust. Curriculum and thematic groups and Headteachers meet regularly. This has increased strengths in areas such as careers, SEND and safeguarding, with their discussions informing policy.

The Chief Executive Officer is a Headteacher elected member of the Head Teacher Board for the West Midlands Regional Schools Commissioner office and the Black Country Teaching Schools Council Sub-Regional Lead.

The Trust continues to improve its buildings with an asset management plan, which includes maintenance, planned works, capital works and major capital works (CIF). The IT improvement plan is a three-year rolling programme of upgrading all IT facilities within our schools.

Achievements and Performance (continued)

Key Financial Performance Indicators

- Maintain a healthy financial balance
- Maintain a healthy school roll
- Increase catering revenue
- Increase efficiency of energy usage
- Increase usage of local suppliers
- Standardised reporting
- Reduce sickness/absence levels
- Continue to promote professional development of staff
- Continue to maintain a full complement of staff

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Impact of COVID-19 pandemic

The Trust revised its risk assessment strategy and outbreak management plan following the changes through the Covid-19 pandemic. As each government guidance was released and Public Health England notification was revised, risk assessments were undertaken.

All schools were fully stocked with PPE supplies; masks, visors, gloves, hand sanitizer units and hand wash basins. Lateral flow testing was undertaken as per government requirements with schools using Covid-19 testers.

Following a professional development programme staff were upskilled in delivering remote learning when schools were closed due to the pandemic. Lessons were conducted virtually, usually through Microsoft Teams. All vulnerable children were contacted regularly and close relationships were established with local children services and Public Health England.

All Trust and Governance meetings continued remotely.

During the lockdown staff followed various work patterns. The only staff who were furloughed were catering staff and lunchtime supervisors. The remaining staff either worked remotely, school based or operated under flexible working conditions.

1,750 DfE devices were received for disadvantaged children in the Trust schools and these were distributed to be used by pupils on a loan basis. Once recalled the devices were reset to ensure the safeguarding of users.

There were times when pupil bubbles burst and whole groups were sent home in most schools. Whole school year groups ranged from Year 2 to Year 13 with one Public Health authority advising a one week closure for a Trust school (Bloxwich Academy).

All GCSE, A-Level and BTEC 2021 examinations were cancelled and schools were required to assess pupils with centre assessed grades. Examination grades were determined by teachers and submitted as required by exam boards. Each student had a portfolio with a rationale for their grades. Pupils were informed of the evidence used for grading purposes and were given the opportunity to provide mitigation. SENDCOs also commented on centre assessed grades. A rigorous quality assurance system was devised using both internal and cross Trust moderation. Unlike the previous year there was no algorithm determining centre grades.

The dedication and passion shown by all staff to ensure reduced impact of covid-19 showed the strength and ethos of Matrix Academy Trust. Matrix Academy Trust continues to incur additional costs maintaining high standards of health and safety aimed at preventing the spread of coronavirus.

Moving forward Matrix Academy Trust will continue to prioritise pupil and staff wellbeing. Our staff continue to work with dedication to ensure that the pupils within Matrix Academy Trust receive the best possible education.

Income generation activities in lettings has been significantly reduced to ensure focus and priority on covid-19 recovery.

Going Concern

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

Promoting the success of the company

The Trustees of Matrix Academy Trust promote the success of the Trust:

- ensuring that the Trust is promoted in the press and social media outlets;
- taking a strategic view so that the likely long-term consequence of any decision is considered fully;
- streamlining and standardising policies, procedures and systems;
- building and maintaining good business relationships with suppliers, customers and others;
- working closely in collaboration with other schools and trusts;
- ensuring that the mental health and wellbeing of pupils and employees is a priority.
- supporting other trusts by sharing best practice

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Financial Review

As shown in the Statement of Financial Activities on page 26, the combined Restricted General Fund and Unrestricted Fund show net expenditure for the year of £1,418,000 (2020: net income of £1,984,000). This is before the actuarial losses on defined benefit pension schemes and before a contribution of £235,000 towards capital expenditure in the year. Excluding the pension reserve, the combined Restricted General Fund and Unrestricted Fund show a carried forward balance of £9,064,000 as at 31 August 2021 (2020: £5,680,000).

The majority of the Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown in the statement of financial activities.

Matrix Academy Trust received total income of £52,460,000 (2020: £27,701,000), of which £24,786,000 (2020: £21,663,000) was received from the DfE through the General Annual Grant (GAG). Other income, excluding the transfer from LA on conversion of £19,142,000 (2020: £nil), totalled £8,532,000 (2020: £6,083,000) and was generated from income streams such as additional grant income, hire of facilities, student teacher programmes, catering income and capital income.

The Trust was also awarded £1,921,000 from the Condition Improvement Fund during the year ended 31 August 2021, for flat roof coverings at Barr Beacon School and heating distribution at Bloxwich Academy in the 2020/2021 bids; and for replacement of primary heating and hot water plant and; windows and doors at Dame Elizabeth Cadbury School, Windows and Doors at Barr Beacon School; and Replacement of Fire Safety Systems at Bloxwich Academy.

As indicated above, Matrix Academy Trust generates income through the hire of facilities and services through its Leisure Centre. For the year ended 31 August 2021 this income totalled £13,000 (2020: £50,000).

In the year ended 31 August 2021, there was a total expenditure of £30,732,000 (2020: £26,770,000) (note 6). Staff costs accounted for the majority of funds expended, which totalled £23,906,000 (2020: £20,308,000). (note 9).

The Trust's support staff (all non-teaching staff) are entitled to membership of their respective Local Government Pension Scheme. For the support staff at Barr Beacon School, Bloxwich Academy, Dame Elizabeth Cadbury School, Turves Green Boys School and Matrix Academy Trust (central team), this is the West Midlands Pension Fund which is administered by Wolverhampton City Council. For the support staff at Etone College, this is the Warwickshire Pension Fund which is administered by Warwickshire County Council. The appointed actuary of each scheme has assessed under FRS102 the Trust's share of the total deficit in those schemes as follows:- West Midlands Pension Fund: £17,426,000 (2020: £10,387,000); Warwickshire Pension Fund: £2,090,000 (2020: £1,749,000). The total LGPS deficit recognised in the Trust's financial statements is therefore £19,516,000 at 31 August 2021 (2020: £12,136,000).

The updating and management of the asset register (note 13) shows that we have total fixed assets at cost or valuation of £87,995,000 (2020: £63,151,000), including land and buildings with a value of £82,665,000 (2020: £58,039,000). Depreciation charges for the year totalled £1,590,000 (2020: £1,534,000) and are calculated on the straight line depreciation method at the rates set out in the accounting policies. The total net book value of assets at 31 August 2021 was £73,985,000 (2020: £50,729,000).

As defined in the Funding Agreement Articles of Association, no Trustee is employed by or receives any remuneration from the Academy Trust other than the Chief Executive. As defined, this clause only allows such a Trustee to receive remuneration or benefit from Matrix Academy Trust in his/her capacity as an employee of the Trust. Please refer to note 8 in the Notes to Financial Statements.

Reserves Policy

The main Board of Trustees review the resources of the Trust and recognise the need to have sufficient reserves to protect against reductions in funding. The reserves are held in line with DfE guidelines. The policy aims to carry forward sufficient funds to meet the Trust's long term aims and objectives, ensuring that this does not affect its current operational activities. The amount allocated to reserves is to accommodate and manage the lagged pupil funding due to a growth in pupil numbers, capital building developments and the uncertainty around government funding in the future. £7,655,000 are designated funds ring-fenced for specific capital building projects, this then leaving sufficient reserves for operational risks. The trust reserves policy aims to operate around 5% of annual income as a reserves balance to always cover operational risks, reserves above this are allocated to specific projects.

The Trust's Unrestricted Funds increased by £5,000 in the year giving a reserves balance carried forward of £1,840,000 at 31 August 2021. At current levels, this represents less than one month's operating costs.

Investments Policy

Matrix Academy Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. Within the year ended 31 August 2021, Matrix Academy Trust received £1,000 interest on investments.

Matrix Academy Trust makes investment decisions to further the trust's charitable aims; ensuring that all investment risks are properly identified and managed. When considering an investment Matrix Academy Trust ensures that exposure to investments are tightly controlled so that the security of funds takes precedence over maximising revenue.

Majority of Matrix Academy Trusts income is received from the ESFA in the form of recurrent grants. Matrix Academy Trust ensures that all investments remain in line with the aims and objectives of the trust.

Financial and Risk Management Objectives and Policies

Risk is the threat that an event or action will adversely affect the Academy Trusts ability to achieve its objectives and to successfully execute its strategies. As such, risk management is an integral part of good governance and is a process whereby there is shared awareness and understanding within the trust of:

- the nature and extent of the risks it faces
- the extent and categories of risks regarded as acceptable
- the likelihood and potential impacts of the risks materialising
- the ability to reduce the incidence and impact on the organisation of risks that do materialise
- regular and on-going monitoring and reporting of risk
- an appropriate assessment is made of the cost of operating particular controls relative to the benefit obtained in managing the related risk
- the trust conducts, at least annually, a review of the effectiveness of the system of internal control in place

The trusts system of internal control is part of its risk management process and has a key role to play in the management of significant risks to the fulfilment of its objectives. It also contributes to the safeguarding of public funds, the trust's assets and promotion of best value. Internal control facilitates the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

The Trustees have adopted the Risk Registers based around those in the Academy's Handbook.

Risk Management

The Trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances.

The Trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to eliminate risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the following statement

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Statement on the System of Internal Financial Control

As Trustees, we acknowledge we have overall responsibility for ensuring Matrix Academy Trust has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records, which disclose with reasonable accuracy and at any time the financial position of the academy trust and which enable us to ensure financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that: -

- the trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- the proper records are maintained and financial information used within the trust is reliable;
- the trust complies with relevant laws and regulations.

The trust's system of internal financial control is based on a framework of regular management information and 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 Board of Trustees which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- delegation of authority and segregation of duties;
- Identification and management of risks

Principal Risks and Uncertainty

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the Trustees have a duty to report information on fundraising practices. The majority of the income of the Academy trust is GAG funding from the ESFA to provide education. The Trust receives income from its lettings, catering and the Trust helps to support other like-minded organisations through the secondment of staff, consultation and training activities. Fundraising from the public is a minor part of the Trust's approach to raising money. The Trust does not use professional fundraisers or work with commercial participators except seeking specialist consultation support in preparation for grant applications. Voluntary contributions and donations are requested in accordance with the Charging and Remissions Policy in which we promise not to charge for education provided during school hours and to inform parents on low incomes and in receipt of relevant benefits of the support available to them when asking for contributions. Matrix Academy Trust and its academies are committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, to ensure that no child is discriminated against by our offering of school trips, activities and educational extras. Voluntary contributions and donations help to support our efforts to help children live fulfilling and healthy lives. There have been no complaints about fundraising activity this year. All direct fundraising is undertaken by school representatives to ensure that it is not unreasonably intrusive or persistent.

MATRIX ACADEMY TRUST

**Trustees' Report (continued)
for the Year Ended 31 August 2021**

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	Barr Beacon School	Etone College	Bloxwich Academy	Dame Elizabeth Cadbury	Turves Green Boys School	TOTAL Matrix Trust
Energy consumption used to calculate emissions (kWh) Current reporting year 2020/21 (241,039)	241,039	241,039	241,039	241,039	241,039	241,039
Energy consumption break down (kWh) <ul style="list-style-type: none"> Gas Electricity 	GAS (kWh): 1,753,629 ELECTRICITY (kWh): 663,776.6	GAS (kWh): 1,064,514 ELECTRICITY (kWh): 411,302.1	GAS (kWh): 1,781,806 ELECTRICITY (kWh): 514,368.6	GAS (kWh): 983,187 ELECTRICITY (kWh): 313,027.8	GAS (kWh): 491,513 ELECTRICITY (kWh): 299,223	TRUST TOTAL GAS (kWh): 6,074,649 TRUST TOTAL ELECTRICITY (kWh): 2,201,698.1
Scope 1 emissions in metric tonnes CO2e Gas consumption *0.18316 (2021 fuels, natural gas conversion factor gross CV to kg CO2e) Owned transport – minibuses *0.18315 (2021 managed assets vehicles, vans class 2 – used in lieu of passenger vehicles conversion) Total scope 1	Gas Consumption CO2e: 321.19 tCO2e Minibus miles: Minibus 1: 3353 Minibus 2: 2254 Minibus 3: 1680 Ford Ranger: 1166 Minibus Total: 8453 CO2e = 2.49tCO2e Total scope 1 CO2e: 323.6tCO2e	Gas Consumption CO2e: 194.97 tCO2e Minibus miles: 1294 Minibus Total: 1294 CO2e = 3.81tCO2e Total scope 1 CO2e: 198.7tCO2e	Gas Consumption CO2e: 326.35 tCO2e Minibus miles: Minibus 1: 510 Minibus 2: 1747 Minibus Total: 2257 CO2e = 6.65tCO2e Total scope 1 CO2e: 333tCO2e	Gas Consumption CO2e: 180.08 tCO2e Minibus miles: 630 Minibus Total: 630 CO2e = 1.85tCO2e Total scope 1 CO2e: 181.93tCO2e	Gas Consumption CO2e: 90.02 tCO2e Minibus miles: Minibus 1: 479 Minibus 2: 1876 Minibus Total: 2355 CO2e = 6.94tCO2e Total scope 1 CO2e: 96.96tCO2e	Trust Total Gas Consumption CO2e: 1112.63 tCO2e Trust Minibus Miles Total: 14,989 CO2e = 44.17tCO2e Trust Total scope 1 CO2e: 1,156.8 tCO2e

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Scope 3 emissions in metric tonnes CO2e Business Travel in employee owned vehicles *0.28053 (2021 business travel and average car conversion factor to kgCO2e, petrol)	<u>See total</u>	<u>See total</u>	<u>See total</u>	<u>See total</u>	<u>See total</u>	Trust Total Business miles: 2307 Scope 3 CO2e: 0.64 tCO2e
Total gross emissions in metric tonnes CO2e	<u>See total</u>	<u>See total</u>	<u>See total</u>	<u>See total</u>	<u>See total</u>	1,624.8tCO2e
Intensity ratio Tonnes CO2e per pupil (5487)	<u>See total</u>	<u>See total</u>	<u>See total</u>	<u>See total</u>	<u>See total</u>	0.29 t/pupil (2019/20: 0.32 t/pupil)

Qualification and Reporting Mythology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement:

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

Measures taken to improve energy efficiency:

Through a new energy management contract (March 2020) smart meters have been fitted across school sites where possible. Increased use of Teams has resulted in less of a need for travel between sites. Through individual school Asset Management Plans (AMP) and estates strategy, the Trust has started a rolling programme of replacing lights with LED lighting.

Bloxwich Academy has been awarded £15,000 to develop a Decarbonisation Plan/Audit. This plan will be completed by March 2022. Funding was achieved through an application to the Phase 2 of the Public Sector Low Carbon Skills Fund.

The Trust is investigating the possibility of Solar Photovoltaics (PV) across the Matrix sites.

Solar Photovoltaics (PV) systems use cells to convert sunlight into electricity. When light shines on the cell it creates an electric field across the layers causing electricity to flow. The greater the intensity of the light, the greater the flow of electricity.

MATRIX ACADEMY TRUST

Trustees' Report (continued) for the Year Ended 31 August 2021

Plans for Future Periods

Matrix Academy Trust's plans for the future are to: -

- Drive improved achievement for all pupils across all key stages
- Develop relationships with partner primary schools
- Increase primary expertise in Trust
- Further expand the outstanding SCITT
- Continue to focus on school improvement and drive all schools to be outstanding
- Expand and develop the school improvement team
- Continue to be active members of school improvement locally, regionally, nationally and internationally
- Continue to support schools facing greater challenges
- Ambitious for the success of every child in the Trust
- Continue to offer the broadest curriculum to include a wide range of outer classroom experiences which may be creative, cultural and sporting.

The Trust continues to support the national school improvement agenda with colleagues who are involved and providing support in a wide range of opportunities such as the DfE School Improvement Offer, Workload Reduction Team, delivery of NPQs, Subject Knowledge Enhancement courses and mental health training.

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware: -

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors on 7 December 2021 and signed on the board's behalf by:



Mr Jeremy Bench
Chair of Trustees

MATRIX ACADEMY TRUST

Governance Statement for the Year Ended 31 August 2021

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform to 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 Matrix Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Board member</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr J Bench (Chairman)	6	7
Dame Maureen Brennan (CEO and Accounting Officer)	7	7
Mr S Smith	7	7
Ms D Park	7	7
Mr S White	3	7
Sir Mark Aspinall	6	7
Mrs D Williams	6	7
Mr A Heath	6	7

During the year, ended 31 August 2021 there has been no changes to the composition of the Board of Trustees.

The Trustees engaged an external assessor to review governance across the Trust. This highlighted strengths of the Trust's governance however, it was recommended that a revision to school's Governance Advisory Boards be undertaken. From September 2021, Governance Advisory Boards became Parent Advisory Forums with greater clarity in the Scheme of Delegation of responsibility lying with the Trustees. The aim of Parent Advisory Forums is to increase parental engagement and ensure emerging parental issues will be reported at Trust Board meetings. This should formalise full communication between schools, parents and Trustees. Parent Advisory Forums will meet once a term. Turves Green Boys School required an Interim Academy Board to drive school improvement.

The Board maintained its responsibilities to ensure robust governance and effective management arrangements by Board members meeting and discussing regularly with key management involving detailed conversations with the CFO to maintain effective oversight of funds.

The audit and risk committee is a sub-committee of the main Board of Trustees. Its purpose is to provide assurances to the board of Directors that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control at the trust
- agreeing a programme of work to address, and provide assurance on those risks
- review the reports of the responsible officer on the effectiveness of the financial procedures and controls
- reviewing the risk reduction plan

Attendance at meetings in the year was as follows:

<u>Audit and risk committee member</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs C Gilbert (Chair)	3	3
Mr S Smith	3	3
Sir Mark Aspinall	2	3

Matrix Academy Trust does not operate a Finance and General Purposes Sub-Committee.

MATRIX ACADEMY TRUST

Governance Statement (continued) for the Year Ended 31 August 2021

Review of Value for Money

As accounting officer, the Chief Executive 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:

Improving educational results

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- Continuing the drive to raise standards so all academies aim for outstanding;
- Targeting resources in key target areas such as literacy and numeracy;
- Monitoring the needs of individual pupils and ensuring the support they receive is of the highest quality;
- Ensure every single young person who attends an academy within Matrix Academy Trust has the very best experience and achieves everything they are capable of;
- Closing the gap between the progress of disadvantaged pupils and non-disadvantaged pupils;
- Monitor the performance of staff to ensure that relevant action is taken where weaknesses are identified;
- Using the SCITT to provide a pipeline of quality first teachers to work within the trust.

The effectiveness of these strategies can be seen in the sustained performance of pupil achievement.

Maintaining the Focus on individual pupils

The trust has managed the differing needs of pupils, such as those requiring one to one support and those requiring more stretch by:

- Quality catch up intervention in English and Maths
- More able pupils are challenged requiring additional planning
- Withdrawal from certain subjects in years 7, 8 and 9 to focus on additional literacy and numeracy work
- Success centre continues to work alongside the small proportion of disengaged pupils
- Purchasing equipment and additional resources for individual pupils where necessary
- Collapsed curriculum events to accelerate progress
- Discrete reading curriculum and support for the least able
- Educational visits
- Pupil premium & Covid Catch Up is strategically used for intervention strategies to ensure we minimise underperformance.

Financial Governance and Oversight

The Board of Trustees receives and approves the Annual Budget, Annual Accounts and the External Auditors Management Report and is mindful of the need to balance expenditure against income to ensure the trust and its academies remain a 'going concern'.

Each appointed Headteacher will have overall responsibility for the day to day management of their academy budget. The Board of Directors, Chief Executive and CFO review financial performance.

Better Purchasing

A register of all services and contracts is held and contracts are appraised and renegotiated in a timely manner to get the best mix of quality and effectiveness for the least cost.

Some services have been terminated with external providers as the expertise is now available in house.

The Trust benchmarks financial performance against each of its academies along with other Trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

The Trust regularly takes opportunities to work collaboratively with others to reduce and share administration and procurement costs.

MATRIX ACADEMY TRUST

Governance Statement (continued) for the Year Ended 31 August 2021

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Matrix Academy Trust for the period 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Services 4 Schools.

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

- Purchasing
- Payroll
- Business Interests
- Cash Control
- Financial Procedures
- GAG Income, Grant Income and Other Income
- Assets
- VAT & Taxations
- Data security
- Insurance
- Roles and Responsibilities
- Budgeting
- Governance
- Staff Structure
- Tendering Process
- Accounting records and systems
- Reporting

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

A schedule of work was approved for the year and adhered to. There were no findings which were perceived to be high risk or material in their nature or value.

MATRIX ACADEMY TRUST

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:

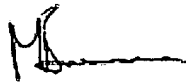
- the work of the internal auditor
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



Mr Jeremy Bench
Chair of Trustees



Dame Maureen Brennan
Accounting Officer

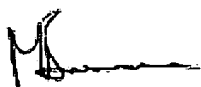
MATRIX ACADEMY TRUST

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2021

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

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



Dame Maureen Brennan
Accounting Officer

7 December 2021

MATRIX ACADEMY TRUST

Statement of Trustees' Responsibilities for the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



Mr Jeremy Bench
Chair of Trustees

Report of the Independent Auditors to the Members of
Matrix Academy Trust

Opinion

We have audited the financial statements of Matrix Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustees' 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 trust'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

Matters on which we are required to report by exception

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

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

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

Report of the Independent Auditors to the Members of
Matrix Academy Trust

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011, the Charities SORP (FRS102) and the Accounts Direction and Academies Financial Handbook issued by the ESFA.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management and Trustees as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

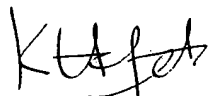
Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Matrix Academy Trust

Use of our report

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



KEVIN HODGETTS (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 23.12.2021

Independent Reporting Accountant's Assurance Report on Regularity to
Matrix Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement 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 Matrix Academy Trust during the period 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 Matrix Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Matrix Academy Trust and the 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 Matrix Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Matrix Academy Trust's funding agreement with the Secretary of State for Education 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 period 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 Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the Trust's activities;
- A review of governance procedures;
- A review of financial budgeting and monitoring procedures;
- A review of related/ connected party transactions in accordance with internal processes and the Academies Financial Handbook;
- A review and sample testing of internal financial controls; and
- A review and sample testing of procurement procedures.

Conclusion

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



Haines Watts Birmingham LLP
Reporting Accountant
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 23.12.2021

MATRIX ACADEMY TRUST

**Statement of Financial Activities
for the year ended 31 August 2021**

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	2021 Total funds £'000	2020 Total funds £'000
Income and endowments from						
Donations and capital grants	2	-	-	2,076	2,076	493
Transfer from Local Authority on conversion		-	(3,518)	22,660	19,142	-
Charitable activities						
Funding for the academies' educational operations	3	-	29,219	-	29,219	25,057
SCITT	24	-	890	-	890	873
Other trading activities	4	923	209	-	1,132	1,271
Investment income	5	1	-	-	1	7
Total		924	26,800	24,736	52,460	27,701
Expenditure on						
Raising funds		919	16	-	935	832
Charitable activities						
Academies' educational operations	7	-	27,292	1,590	28,882	25,060
SCITT	24	-	915	-	915	878
Total	6	919	28,223	1,590	30,732	26,770
NET INCOME/(EXPENDITURE)		5	(1,423)	23,146	21,728	931
Transfers between funds	18	-	(235)	235	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	(2,343)	-	(2,343)	(1,511)
Net movement in funds		5	(4,001)	23,381	19,385	(580)
Reconciliation of funds						
Total funds brought forward		1,835	(8,291)	50,729	44,273	44,853
Total funds carried forward		1,840	(12,292)	74,110	63,658	44,273

The notes form part of these financial statements

MATRIX ACADEMY TRUST

Statement of Financial Position
31 August 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	13	73,985	50,729
Current assets			
Debtors	14	2,682	1,954
Cash at bank		<u>8,152</u>	<u>5,226</u>
		10,834	7,180
Creditors			
Amounts falling due within one year	15	<u>(1,645)</u>	<u>(1,500)</u>
Net current assets		<u>9,189</u>	<u>5,680</u>
Total assets less current liabilities		83,174	56,409
Pension liability	19	<u>(19,516)</u>	<u>(12,136)</u>
NET ASSETS		<u><u>63,658</u></u>	<u><u>44,273</u></u>
Funds	18		
Restricted funds:			
Restricted general funds		7,224	3,845
Fixed asset funds		74,110	50,729
Pension reserve		<u>(19,516)</u>	<u>(12,136)</u>
		<u>61,818</u>	<u>42,438</u>
Unrestricted funds:			
General fund		<u>1,840</u>	<u>1,835</u>
Total funds		<u><u>63,658</u></u>	<u><u>44,273</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 7 December 2021 and were signed on its behalf by:



.....
Mr J E Bench
Chair of Trustees

Company registered number: 07654219

The notes form part of these financial statements

MATRIX ACADEMY TRUST

Statement of Cash Flows
for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	25	2,585	1,724
Interest paid		<u>15</u>	<u>-</u>
Net cash provided by operating activities		<u>2,600</u>	<u>1,724</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,184)	(993)
Capital grants from DfE/ESFA		2,076	486
Interest received		<u>1</u>	<u>7</u>
Net cash used in investing activities		<u>(107)</u>	<u>(500)</u>
Cash transferred on conversion to an academy		<u>433</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		2,926	1,224
Cash and cash equivalents at the beginning of the reporting period		<u>5,226</u>	<u>4,002</u>
Cash and cash equivalents at the end of the reporting period		<u>8,152</u>	<u>5,226</u>

The notes form part of these financial statements

MATRIX ACADEMY TRUST

Notes to the Financial Statements for the year ended 31 August 2021

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Matrix Academy Trust meets the definition of a public benefit entity under FRS 102.

Connected charities and subsidiary undertakings

Evolve Teaching School Alliance Limited is a Company Limited by Guarantee in which the Governing Body of Barr Beacon School Limited, acting as agent for Matrix Academy Trust, is the only member. These financial statements present the information of the Academy Trust as an individual entity only and do not consolidate the financial statements of Evolve Teaching School Alliance Limited. Exemption has been taken from the requirement to prepare consolidated group accounts on the grounds that the subsidiary is immaterial to the Academy Trust. The capital and reserves of Evolve Teaching School Alliance Limited at 31 August 2021 was £nil (2020: £nil) and the surplus for the year was £nil (2020: £3,094). Evolve Teaching School Alliance Limited ceased to trade on 31 August 2020.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 period 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trusts' depreciation policy.

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

Long leasehold buildings	- 50 years straight line basis
Leasehold land	- not depreciated
Fixtures, fittings and equipment	- 3 years straight line basis
Computer equipment	- 3 years straight line basis
Motor vehicles	- 3 years straight line basis

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

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.

Liabilities

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

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

Provisions

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

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

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and liabilities of the academy trust and their measurement basis 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

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

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

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

Pension costs and other post-retirement benefits

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

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

Transfer on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

2. Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Donations	-	-	-	7
Grants	-	2,076	2,076	486
	-	2,076	2,076	493

Grants received, included in the above, are as follows:

	2021 £'000	2020 £'000
Capital grants	2,076	486

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

3. Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
DfE/ESFA grants				
General Annual Grant (GAG)	-	24,786	24,786	21,663
Other DfE/ESFA grants				
Pupil Premium	-	1,882	1,882	1,647
Teachers pay grant	-	300	300	287
Teachers pension grant	-	872	872	835
Others	-	329	329	102
	-	28,169	28,169	24,534
Other Government grants				
Local authority grants	-	213	213	179
Special educational projects	-	280	280	182
Other income from the academies' educational operations	-	45	45	39
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	347	347	-
Other DfE/ESFA COVID-19 funding	-	130	130	-
COVID-19 additional funding (Non-DfE/ESFA)				
Coronavirus Job Retention Scheme	-	35	35	122
Other COVID-19 funding	-	-	-	-
	-	29,219	29,219	25,057

The academy received £347k of funding for catch-up premium and costs incurred in respect of this funding totalled £347k.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium, Teachers pay and Teachers pension grants are 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.

4. Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Hire of facilities	13	-	13	50
Catering income	711	-	711	768
School fund income	-	165	165	224
Other income	199	44	243	229
	<u>923</u>	<u>209</u>	<u>1,132</u>	<u>1,271</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

5.	Investment income			2021	2020	
		Unrestricted funds	Restricted funds	Total funds	Total funds	
		£'000	£'000	£'000	£'000	
	Deposit account interest	<u>1</u>	<u>-</u>	<u>1</u>	<u>7</u>	
6.	Expenditure			2021	2020	
			Non-pay expenditure			
	Staff costs	Premises	Other costs	Total	Total	
	£'000	£'000	£'000	£'000	£'000	
	Raising funds					
	Costs of fundraising					
	Direct costs	467	-	468	935	832
	Charitable activities					
	Academies' educational operations					
	Direct costs	19,604	1,230	1,790	22,624	20,051
	Allocated support costs	3,627	1,629	1,002	6,258	5,009
	SCITT					
	Direct costs	189	-	79	268	244
	Allocated support costs	<u>19</u>	<u>-</u>	<u>628</u>	<u>647</u>	<u>634</u>
		<u>23,906</u>	<u>2,859</u>	<u>3,967</u>	<u>30,732</u>	<u>26,770</u>
	Net income/(expenditure) is stated after charging/(crediting):					
				2021	2020	
				£'000	£'000	
	Auditors' remuneration			18	16	
	Auditors' remuneration for non-audit work			17	16	
	Depreciation - owned assets			1,588	1,534	
	Other operating leases			<u>32</u>	<u>30</u>	
7.	Charitable activities			2021	2020	
		Unrestricted funds	Restricted funds	Total funds	Total funds	
		£'000	£'000	£'000	£'000	
	Direct costs – academies' educational operations	-	22,624	22,624	20,051	
	Direct costs - SCITT	-	268	268	244	
	Support costs – academies' educational operations	-	6,258	6,258	5,009	
	Support costs - SCITT	<u>-</u>	<u>647</u>	<u>647</u>	<u>634</u>	
		<u>-</u>	<u>29,797</u>	<u>29,797</u>	<u>25,938</u>	

MATRIX ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2021**

7. Charitable activities - continued

	2021	2020
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	3,646	2,695
Technology costs	52	46
Premises costs	1,629	1,435
Legal costs - other	60	27
Legal costs – conversion	12	-
Other support costs	1,424	1,376
Governance costs	<u>82</u>	<u>64</u>
Total support costs	<u>6,905</u>	<u>5,643</u>

8. Trustees' remuneration and benefits

The Chief Executive Officer and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Dame M Brennan (Chief Executive Officer and trustee)		
Remuneration	2021 - £145,000 - £150,000	(2020 - £145,000 - £150,000)
Employer's pension contributions	£nil	£nil

Trustees' expenses

During the year ended 31 August 2021 and 31 August 2020 no travel and subsistence expenses were reimbursed to trustees. Related party transactions involving the trustees are set out in note 23.

9. Staff costs

	2021	2020
	£'000	£'000
Wages and salaries	17,172	15,092
Social security costs	1,699	1,479
Operating costs of defined benefit pension schemes	<u>4,987</u>	<u>3,685</u>
	23,858	20,256
Supply teacher costs	<u>48</u>	<u>52</u>
	<u>23,906</u>	<u>20,308</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2021	2020
Teachers (FTE: 2021: 292, 2020: 256)	323	268
Admin and support (FTE: 2021: 191, 2020: 157)	247	205
Management (FTE: 2021: 41, 2020: 37)	<u>41</u>	<u>37</u>
	<u>611</u>	<u>510</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

9. Staff costs - continued

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

	2021	2020
£60,001 - £70,000	13	14
£70,001 - £80,000	5	1
£90,001 - £100,000	3	3
£100,001 - £110,000	-	1
£140,001 - £150,000	1	1
	<u>22</u>	<u>20</u>

The key management personnel of the academy trust comprise the trustees, the senior leadership team and the central support team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,194,999 (2020:£1,193,555).

10. Trustees' and officers' insurance

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. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11. Central services

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

- > human resources
- > financial services
- > legal services
- > educational support services
- > facilities services
- > IT services

The trust charges each of their academies a proportion of their GAG income for provision of these central services. During the year a flat rate of 5% was charged.

The actual amounts charged during the year were as follows:

	2021	2020
	£'000	£'000
Barr Beacon School	385	378
Etone College	214	198
Bloxwich Academy	327	287
Dame Elizabeth Cadbury	241	209
Barr Beacon SCITT	25	22
Turves Green Boys' School	66	
	<u>1,258</u>	<u>1,094</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

12. Comparatives for the statement of financial activities (31 August 2020)

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Income and endowments from				
Donations and capital grants	7	-	486	493
Charitable activities				
Funding for the academies' educational operations	-	25,057	-	25,057
SCITT	-	873	-	873
Other trading activities	939	332	-	1,271
Investment income	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total	953	26,262	486	27,701
Expenditure on				
Raising funds	832	-	-	832
Charitable activities				
Academies' educational operations	-	23,521	1,539	25,060
SCITT	-	878	-	878
Total	832	24,399	1,539	26,770
NET INCOME/(EXPENDITURE)	121	1,863	(1,053)	931
Transfers between funds	-	(512)	512	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(1,511)</u>	<u>-</u>	<u>(1,511)</u>
Net movement in funds	121	(160)	(541)	(580)
Reconciliation of funds				
Total funds brought forward	1,714	(8,131)	51,270	44,853
Total funds carried forward	<u>1,835</u>	<u>(8,291)</u>	<u>50,729</u>	<u>44,273</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

13. Tangible fixed assets

	Long leasehold £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
Cost					
At 1 September 2020	58,039	2,289	146	2,677	63,151
Additions	1,966	71	30	117	2,184
Transfer on conversion	<u>22,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,660</u>
At 31 August 2021	<u>82,665</u>	<u>2,360</u>	<u>176</u>	<u>2,794</u>	<u>87,995</u>
Depreciation					
At 1 September 2020	7,950	2,158	146	2,168	12,422
Charge for year	<u>1,230</u>	<u>87</u>	<u>9</u>	<u>262</u>	<u>1,588</u>
At 31 August 2021	<u>9,180</u>	<u>2,245</u>	<u>155</u>	<u>2,430</u>	<u>14,010</u>
Net book value					
At 31 August 2021	<u>73,485</u>	<u>115</u>	<u>21</u>	<u>364</u>	<u>73,985</u>
At 31 August 2020	<u>50,089</u>	<u>131</u>	<u>-</u>	<u>509</u>	<u>50,729</u>

Included in the cost or valuation of land and buildings is leasehold land of £7,614,038, which is not depreciated.

The long leasehold interest in the land and buildings of the school joining the Trust during the year has been transferred into the Trust's fixed assets at cost or valuation as follows:

The land and buildings of Turves Green Boys' School was valued at £22,660,000 by an external chartered surveyor on a depreciated replacement cost basis.

14. Debtors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade debtors	29	75
Other debtors	485	273
VAT recoverable	942	726
Prepayments and accrued income	<u>1,226</u>	<u>880</u>
	<u>2,682</u>	<u>1,954</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

15. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	807	536
Social security and other taxes	406	286
Other creditors	42	23
Accruals and deferred income	<u>390</u>	<u>655</u>
	<u>1,645</u>	<u>1,500</u>
	2021	2020
	£'000	£'000
Deferred Income at 1 September 2020	344	174
Resources deferred in the year	212	344
Amounts released from previous years	<u>(344)</u>	<u>(174)</u>
Deferred Income at 31 August 2021	<u>212</u>	<u>344</u>

At the balance sheet date, the academy trust was holding funds in advance for the following:

	2021	2020
	£'000	£'000
Catering	20	5
Capital expenditure	-	41
UIFSM funding	-	65
Rates funding	15	25
Bursary funding	79	55
SEND funding	7	45
Combined Cadet Force	1	-
School fund	58	108
Eramus funding	15	-
Sports England Grant	15	-
NLG funding	<u>2</u>	<u>-</u>
	<u>212</u>	<u>344</u>

16. Members' liability

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

17. Analysis of net assets between funds

	Unrestricted	Restricted	Fixed	2021
	funds	funds	asset	Total
	£'000	£'000	funds	funds
Fixed assets	-	-	73,985	73,985
Current assets	1,840	8,870	124	10,834
Current liabilities	-	(1,646)	1	(1,645)
Pension liability	<u>-</u>	<u>(19,516)</u>	<u>-</u>	<u>(19,516)</u>
	<u>1,840</u>	<u>(12,292)</u>	<u>74,110</u>	<u>63,658</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

17. Analysis of net assets between funds - continued

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

				2020
	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fixed assets	-	-	50,729	50,729
Current assets	1,839	4,999	342	7,180
Current liabilities	(4)	(1,154)	(342)	(1,500)
Pension liability	-	(12,136)	-	(12,136)
	<u>1,835</u>	<u>(8,291)</u>	<u>50,729</u>	<u>44,273</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

18. Movement in funds

	Balance at 1 September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	3,591	24,787	(21,507)	198	7,069
Pupil Premium	-	1,882	(1,882)	-	-
Teachers Pay Grant	-	300	(300)	-	-
Teachers Pension Grant	-	872	(872)	-	-
Catch-up Premium	-	347	(347)	-	-
Other DfE/ESFA funding	-	130	(130)	-	-
Other DfE/ESFA Grants	-	329	(329)	-	-
School fund	255	165	(239)	-	181
Other restricted funds	-	615	(615)	-	-
SCITT	(1)	890	(915)	-	(26)
Transfer in	-	433	-	(433)	-
	<u>3,845</u>	<u>30,750</u>	<u>(27,136)</u>	<u>(235)</u>	<u>7,224</u>
Pension reserve	(12,136)	-	(1,086)	(6,294)	(19,516)
Transfer in	-	(3,951)	-	3,951	-
	<u>(8,291)</u>	<u>26,799</u>	<u>(28,222)</u>	<u>(2,578)</u>	<u>(12,292)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	5,408	2,076	(224)	-	7,260
Capital expenditure from GAG	7,974	-	(246)	235	7,963
Transfer from Local Authority on conversion	35,593	22,660	(1,067)	-	57,186
Other capital funds	1,754	-	(53)	-	1,701
	<u>50,729</u>	<u>24,736</u>	<u>(1,590)</u>	<u>235</u>	<u>74,110</u>
Total restricted	<u>42,438</u>	<u>51,535</u>	<u>(29,812)</u>	<u>(2,343)</u>	<u>61,818</u>
Unrestricted funds					
Generated funds	1,835	925	(920)	-	1,840
	1,835	925	(920)	-	1,840
Total funds	<u>44,273</u>	<u>52,460</u>	<u>(30,732)</u>	<u>(2,343)</u>	<u>63,658</u>

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department of Education, or other funders.

Restricted Fixed Asset Funds are resources which are applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education, or other funders where the asset acquired or created is held for a specific purpose.

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

18. Movement in funds - continued

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021	Total 2020
	£'000	£'000
Barr Beacon School	2,208	1,803
Etone College	1,302	872
Bloxwich Academy	3,968	2,775
Dame Elizabeth Cadbury School	599	113
Turves Green Boys' School	663	-
Matrix Academy Trust	350	118
SCITT	(26)	(1)
Total before fixed assets and pension reserve	9,064	5,680
Restricted fixed asset fund	74,110	50,729
Pension reserve	(19,516)	(12,136)
Total	63,658	44,273

Analysis of academies by cost

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other (excluding depreciation) £'000	Total 2021 £'000	Total 2020 £'000
Barr Beacon School	6,368	1,051	323	996	8,738	8,089
Etone College	3,353	572	246	473	4,644	4,381
Bloxwich Academy	5,007	844	364	815	7,030	5,971
Dame Elizabeth Cadbury School	3,573	730	294	558	5,155	4,762
Matrix Academy Trust	474	817	16	139	1,446	1,241
Turves Green Boys' School	897	227	36	79	1,239	-
SCITT	195	91	1	603	890	787
Total	19,867	4,332	1,280	3,663	29,142	25,231

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

18. Movement in funds - continued

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

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	1,985	21,663	(19,545)	(512)	3,591
Other DfE group grants	109	2,871	(2,980)	-	-
School fund	151	225	(121)	-	255
Other restricted funds	-	630	(630)	-	-
SCITT	4	873	(878)	-	(1)
	<u>2,249</u>	<u>26,262</u>	<u>(24,154)</u>	<u>(512)</u>	<u>3,845</u>
Pension reserve	<u>(10,380)</u>	<u>-</u>	<u>(245)</u>	<u>(1,511)</u>	<u>(12,136)</u>
	<u>(8,131)</u>	<u>26,262</u>	<u>(24,399)</u>	<u>(2,023)</u>	<u>(8,291)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	5,086	486	(164)	-	5,408
Capital expenditure from GAG	7,704	-	(242)	512	7,974
Transfer from Local Authority on conversion	36,673	-	(1,080)	-	35,593
Other capital funds	<u>1,807</u>	<u>-</u>	<u>(53)</u>	<u>-</u>	<u>1,754</u>
	<u>51,270</u>	<u>486</u>	<u>(1,539)</u>	<u>512</u>	<u>50,729</u>
Total restricted	<u>43,139</u>	<u>26,748</u>	<u>(25,938)</u>	<u>(1,511)</u>	<u>42,438</u>
Unrestricted funds					
Generated funds	<u>1,714</u>	<u>953</u>	<u>(832)</u>	<u>-</u>	<u>1,835</u>
	<u>1,714</u>	<u>953</u>	<u>(832)</u>	<u>-</u>	<u>1,835</u>
Total funds	<u>44,853</u>	<u>27,701</u>	<u>(26,770)</u>	<u>(1,511)</u>	<u>44,273</u>

19. Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by which are managed by: - the West Midlands Pension Fund in respect of Barr Beacon School and Bloxwich Academy; Warwickshire County Council in respect of Etone College; and Birmingham City Council in respect of Dame Elizabeth Cadbury School and Turves Green Boys' School. The TPS and the LGPS are both Multi-employer Defined Benefit Pension Schemes.

The pension costs and the LGPS are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS and the LGPS related to the period ended 31 March 2019.

Prepaid contributions to the schemes as at 31 August 2020 amount to £304,117 (2020: £545,000) and are included within debtors.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

19. Pension and similar obligations - continued **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 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.

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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £3,008 (2020 - £2,618).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £813 (2020 - £719), of which employer's contributions totalled £629 (2020 - £555) and employees' contributions totalled £184 (2020 - £164). The agreed contribution rates for future years are 19.9% for employers and range from 5.5% to 9.9% for employees.

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

In November 2019 The West Midlands Pension Fund notified the Trust that additional employer's contributions would be payable in future years as follows:

Matrix Academy Trust - £22,989 for 2021/22 and £23,827 for 2022/23
Barr Beacon School - £32,666 for 2021/22 and £33,857 for 2022/23
Bloxwich Academy - £53,776 for 2021/22 and £55,737 for 2022/23
Dame Elizabeth Cadbury School - £109,000 for 2021/22 and £113,000 for 2022/23

Warwickshire Pension Fund notified the Trust that employer's contributions would be payable for 2021/22 of £99,000.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

19. Pension and similar obligations - continued

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

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Present value of funded obligations	(33,850)	(23,316)
Fair value of plan assets	14,334	11,180
	(19,516)	(12,136)
Present value of unfunded obligations	-	-
Deficit	(19,516)	(12,136)
Net liability	(19,516)	(12,136)

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

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Current service cost	1,578	1,230
Net interest from net defined benefit asset/liability	213	185
Past service cost	-	18
Administrative expenses	1	3
	1,792	1,436
Actual return on plan assets	1,622	762

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening defined benefit obligation at start of the period	23,316	19,876
Current service cost	1,578	1,230
Past service cost	-	18
Contributions by scheme participants	187	171
Interest cost	402	373
Change in financial assumptions	5,161	1,508
Benefits paid	(239)	(228)
Settlements	4,197	-
Experience loss/(gain)	(68)	93
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(258)	420
Other remeasurements	(426)	(145)
	33,850	23,316

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

19. Pension and similar obligations - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening fair value of scheme assets at start of the period	11,180	9,496
Assets interest	189	188
Contributions by employer	706	1,191
Contributions by scheme participants	187	171
Assets administration expenses	(1)	(3)
Expected return	2,066	571
Actuarial gains/(losses)	-	(206)
Benefits paid	(239)	(228)
Settlements	246	-
	<u>14,334</u>	<u>11,180</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Actuarial (gains)/losses from changes in demographic assumptions	258	(420)
Other remeasurements	426	145
Actuarial gains/(losses) from change in assumptions	(5,093)	1,714
Expected return on assets	2,066	(571)
	<u>(2,343)</u>	<u>868</u>

For The West Midlands Pension Fund, the major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
Equities	61%	56%
Bonds	8%	11%
Other Bonds	6%	4%
Property	7%	7%
Cash	4%	7%
Other	14%	15%
	<u>100%</u>	<u>100%</u>

For Warwickshire Pension Fund, the major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
Equities	62%	60%
Bonds	24%	25%
Property	11%	13%
Cash	3%	2%
	<u>100%</u>	<u>100%</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

19. Pension and similar obligations - continued

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

West Midlands Pension Fund

	2021	2020
Discount rate	1.70%	1.60%
Future salary increases	3.85%	3.25%
Future pension increases	2.85%	2.25%
Inflation assumptions (CPI)	2.85%	2.20%

Warwickshire Pension Fund

	2021	2020
Discount rate	1.65%	1.70%
Future salary increases	3.70%	3.00%
Future pension increases	2.90%	2.20%
Inflation assumptions (CPI)	2.90%	2.20%

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

West Midlands Pension Fund

Retiring today		
Males	21.6	21.9
Females	24	24.1
Retiring in 20 years		
Males	23.8	23.8
Females	25.8	26

Warwickshire Pension Fund

Retiring today		
Males	21.6	21.6
Females	23.8	23.8
Retiring in 20 years		
Males	22.5	22.5
Females	25.4	25.4

Sensitivity analysis as at 31 August 2021

West Midlands Pension Fund

	2021	2020
	£'000	£'000
Discount rate +0.1%	27	18
Discount rate -0.1%	29	19
Mortality assumption - 1 year increase	29	19
Mortality assumption - 1 year decrease	27	18
CPI rate +0.1%	29	19
CPI rate -0.1%	27	18

Warwickshire Pension Fund

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2% (2020 - 2%)	131 (2020 - 110)
0.1% in the Salary Increase Rate	0% (2020 - 1%)	8 (2020 - 7)
0.1% increase in the Pension Increase Rate	2% (2020 - 2%)	122 (2020 - 102)

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

20. Contingent liabilities

There were no contingent liabilities as at 31 August 2021 or 31 August 2020.

21. Capital commitments

	2021	2020
	£'000	£'000
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

22. Long-term commitments, including operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£'000	£'000
Within one year	26	39
Between one and five years	<u>27</u>	<u>46</u>
	<u>53</u>	<u>85</u>

23. Related party disclosures

Owing to the nature of the Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Dame Maureen Brennan's son Mr S Brennan is employed at Barr Beacon School as a member of the support staff. He received remuneration from the trust during the year totalling £31,054 (2020: £27,798).

During the year, the company recharged Evolve Teaching School Alliance Limited for staff costs and sundry expenses totalling £8,050 (2020: £43,991). At the year end there was a balance outstanding from Evolve Teaching School Alliance Limited of £nil (2020: £nil) included in debtors.

There were no other related party transactions for the year ended 31 August 2021 other than certain trustees' remuneration and expenses already disclosed in note 8.

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

24. SCITT trading account

	2020/21 £'000	2020/21 £'000	2019/20 £'000	2019/20 £'000
Income				
<u>Direct income</u>				
NCTL income	567		625	
SLC income	313		227	
Trainee income	-		-	
<u>Other income</u>				
Miscellaneous income	<u>10</u>		<u>21</u>	
Total income		890		873
Expenditure				
<u>Direct costs</u>				
Direct staff costs	189		171	
Staff development	3		2	
Educational consultancy	72		64	
Other direct costs	<u>3</u>		<u>6</u>	
Total direct costs		(267)		(243)
<u>Other costs</u>				
Trainee payments	566		560	
Trainee placement costs	32		23	
University sponsor	-		-	
Support staff costs	19		18	
Technology costs	-		-	
Recruitment and support	-		-	
Other support costs	6		11	
Share of governance costs	<u>25</u>		<u>22</u>	
Total other costs		(648)		(634)
Total expenditure		915		878
Surplus/(Deficit) from all sources		(25)		(5)
Balance at 1 September 2020		<u>(1)</u>		<u>4</u>
Balance at 31 August 2021		<u>(26)</u>		<u>(1)</u>

MATRIX ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

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

	2021 £'000	2020 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	21,728	931
Adjustments for:		
Depreciation charges	1,588	1,534
Capital grants from DfE/ESFA	(2,076)	(486)
Transfer from Local Authority on conversion	(19,142)	-
Interest received	(1)	(7)
Interest paid	(15)	-
(Increase)/decrease in debtors	(728)	245
Increase/(decrease) in creditors	145	(738)
Difference between pension charge and cash contributions	<u>1,086</u>	<u>245</u>
Net cash provided by operations	<u>2,585</u>	<u>1,724</u>

26. Analysis of changes in net funds

	At 1/9/20 £'000	Cash flow £'000	At 31/8/21 £'000
Net cash			
Cash at bank	<u>5,226</u>	<u>2,926</u>	<u>8,152</u>
	<u>5,226</u>	<u>2,926</u>	<u>8,152</u>
Total	<u>5,226</u>	<u>2,926</u>	<u>8,152</u>

27. New schools joining the trust

On 1 May 2021, Turves Green Boys' School converted to an academy and joined the Trust under the Academies Act 2010. All the operations, assets and liabilities were transferred to Matrix Academy Trust from Birmingham City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as transfers in from Local Authority on conversion.

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

	Unrestricted funds £'000	Restricted General funds £'000	Restricted Fixed Asset Funds £'000	Total £'000
Tangible fixed assets				
- Leasehold land and buildings	-	-	22,660	22,660
- Other tangible fixed assets	-	-	-	-
- Revenue funds transferred	-	433	-	433
- LGPS pension deficit	-	(3,951)	-	(3,951)
		<u>(3,518)</u>	<u>22,660</u>	<u>19,142</u>