

Broadway Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number
08534233 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Broadway Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2021

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Broadway Academy Trust
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Reference and Administrative Details

Members	Mr J Bryan Mr J Cahill (Vice Chair) Dr L Gies Mr G Horden Honorary Alderman A Rudge LLB (Chair) Mr R Skelton (Accounting Officer)
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Trustees	Mr J Bryan Mr J Cahill (Vice Chair) Dr L Gies Mr R Harper (Staff Trustee) Mr G Horden Mr H Khattak (Staff Trustee) Mr J Moule Mr J Mound (resigned 13.3.21) Mr R Skelton (Accounting Officer) Honorary Alderman A Rudge LLB (Chair) Mr B Stone Mr S Uddin Ms Z Hussain
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Senior management team	
• Headteacher & CEO • Deputy Headteacher • Deputy Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Assistant Headteacher • Director of HR	Mr R Skelton Mr S Carroll Mr G Stewart Mr S Ahmed Mrs N Bailey-Nicholls Mrs C Cordon Mrs J Godsil (Acting) Mrs L Hesson (Acting) Mr J Mound Ms A Smith Mr A Taylor M S Yunus Mr R Zafar Mrs S Bidwell

Company name	Broadway Academy Trust
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Principal and registered office	The Broadway Birmingham B20 3DP
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Company registration number	08534233
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Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
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Broadway Academy Trust
(A Company Limited by Guarantee)

Bankers

Lloyds Bank
2nd Floor, 125 Colmore Row
Birmingham, B2 4BU

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham, B2 4BU

Broadway Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 19 serving a catchment area in Birmingham. It has a pupil capacity of 1250 and had a roll of 1227 in the school census on 7th October 2021.

Structure, Governance and Management

Constitution

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

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.

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the Governing Body provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Up to five Co-opted Trustees may be appointed by the Governing Body.

Staff Trustees are elected by employees of the academy trust and appointed by the Governing Body.

The above selection procedures are nominated by Trustees at Board meetings, interviewed, and appointed at the full board for staff trustees. Staff are asked at staff meetings to put their name forward for nomination. For parent trustees, an advertisement is put in the weekly newsletter asking for nominations, which parents vote on.

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Trustees' report for the year ended 31 August 2021 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

When appointing Governors key consideration is given to the personal and professional skills they will bring to the Governing Board. An annual skills audit is carried out and Governors are appointed according to the skills gaps identified from the audit. The Academy is committed to ensuring that all governors are provided with the information and support required to fulfil their role as a governor. Governors are appointed to a 4-year term of office and represent all aspects of school life, including parents, staff, and the local community.

The Academy subscribes to the National Governors Association and all Governors, new and existing are invited and encouraged to attend induction training and other specific training in line with their needs as identified in the skills audit and the Deep Committee on which they serve. All Governors are also invited to attend in-house training sessions delivered by other external sources at least once a year, covering a broad range of issues and topics.

Broadway Governing Board is a diverse board which is proactive in ensuring a broad cross section of society is represented.

Governors are encouraged to actively participate in the life of the Academy and there is a Governors' visits plan in place for Governors to visit the school and hold regular meetings with the teachers linked to the Deep Committee on which Governors sit. Governors contribute to the Deep Committee action plan and targets, reporting back on their visits to the school at each Committee.

All Governors annually review and approve a Governors Code of Conduct, based on that recommended by Birmingham City Council, which promotes effective working practices that are mutually supportive and respectful of roles and responsibilities. Governors agree to abide by the seven principles of public life

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- HR & Salaries
- Deep Services Finance, Audit & Premises
- Deep Academic
- Deep Experience & Support
- Deep Leadership & Coherence

The Full Board meets four times during each academic year and each of the committees meet three times each year, with additional meetings if required. To comply with the Academies Handbook the Full Board has Finance on the agenda for every meeting, so Finance is discussed at a Governors meeting seven times per annum.

In addition, governors volunteer to serve on staff or pupil disciplinary cases and appeals and exclusions.

The written terms of reference of the committees include the monitoring, preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The Board is responsible for the overall strategic vision and development of the Academy, which includes approving the School Improvement Plan, approving, and monitoring the annual budget and three-year financial plan and setting and approving policies. The Board is also responsible for agreeing any major decisions about the Academy plans and vision and is involved in senior staff appointments.

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Trustees' report for the year ended 31 August 2021 (continued)

The structure of the senior leadership team is the head teacher, two deputy head teachers, ten assistant head teachers and the Director of HR. The Deep Leadership group is responsible for the reviewing and authorising of expenditure within the agreed budget and the decisions made in relation to recruiting and appointing staff.

Arrangements for setting pay and remuneration of key management personnel

Trustees are unpaid but are able to claim travel and appropriate expenses in line with the Trustees Expenses Policy.

Senior staff are appraised against performance driven teaching and learning, leadership, and whole school objectives. These are reviewed at an HR and Salaries Committee by Governors.

The Headteachers performance review is conducted by the HR & Salaries Committee and an external consultant, the School Improvement Partner.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
7	6.4

Trade union facility time (continued)

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1% - 50%	6.4
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£ 4,431
Total pay bill	£ 6,952,068
Facility time as percentage of total pay bill	0.063%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.15%
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Related parties and other Connected Charities and Organisations

Broadway Academy has professional links with a broad range of other organisations, including the following:

- Local Primary and Secondary Schools

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Trustees' report for the year ended 31 August 2021 (continued)

- Other Academies and Multi Academy Trusts
- Radley College, Abingdon
- Top Barn Trust, Worcestershire
- Atlantic College, South Wales
- City of Birmingham Rockets Basketball Club
- Aston Manor Cricket Club
- Alvechurch Football Club
- BEP (Birmingham Education Partnership)
- Handsworth Association of Schools
- SSAT (Specialist Schools & Academies Trust)
- RSA (Royal Society of Arts)
- Sport England
- SACRE
- Duke of Edinburgh Award Scheme
- Cadet Force

Objectives and activities

Objects and aims

The strategic goal of Broadway Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

The overarching main aims and objectives for the Academy in the year:

- To ensure curriculum continuity (including Teacher Assessed Grades, monitoring of and curriculum developments) and teaching is highly effective across the Academy.
- To plan for Academy growth (to increase numbers in the Sixth Form and plan for other schools to join Broadway Academy Trust).
- To keep staff and students safe from COVID 19.
- To develop Island Pool Outdoor Activity Centre and the working farm at Top Barn Trust.
- To develop sixth-form sports academies with Birmingham Rockets, Aston Manor Cricket Club and Alvechurch FC as a part of the Broadway students' curriculum experience.
- To ensure Broadway is a safe, calm, and positive institution for students amidst an increasingly hostile, volatile and economically deprived community.
- To achieve an in-year budget and to plan for the future; to ensure we are compliant with the Academy handbook; to plan for Academy growth and ensure the IT infrastructure is effective.
- To ensure the good behaviour of all students, in classrooms and corridors and reduce the number of students who are referred to Alternative Provision.
- To develop the partnership with Radley College.
- To grow leadership throughout the Academy and deliver an Outstanding CPD programme for all staff.
- To continue to review, develop and monitor a unique and excellent curriculum (co-curricular programme) for all Broadway students with a particular focus on SEND, Pupil Premium and More Able students.
- To respond in a positive and proactive way to the effects of the pandemic on both students and staff (reading ages, mental health, increased gang activity, domestic violence).
- To secure Good and move on to excellence in time for the next Ofsted Inspection.

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Trustees' report for the year ended 31 August 2021 (continued)

The strategies and activities adopted for achieving these objectives are:

- A refined leadership and management team structure that have strong SEF and development plans linked to the above objectives and aims.
- A CPD and coaching programme to ensure staff grow and flourish as well as our students. The CPD programme is tailored to prioritise the improvement of student learning and guidance.
- Ongoing curriculum review and a focus on literacy across the academy.
- A strong pastoral team structure supporting safeguarding, wellbeing, behaviour, and attendance.
- Curriculum enrichment programme with a focus on outdoor education at all key stages.
- Delivery of a highly successful Summer School during August with a blend of academic and enrichment activities for the incoming Year 7 cohort and students across KS3 and KS4.

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/running-charity/managing-charity in exercising their powers or duties.

Broadway Academy Trust is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

Due to the cancellation of exams in 2021 there will be no progress scores and only limited national outcomes calculated for the cohort. Therefore, to provide context, average attainment scores have been provided compared to national.

Exams

KS4:

Attainment 8: 50.24 (National 2021: 50.9)
English & Maths 5+: 39.7% (National 2021: 51.9%)
Disadvantaged Attainment 8: 47.1 (National 2021: 40.3)
SEND Attainment 8: 30.97 (National 2021: 31.1)
English Attainment 8: 11.25 (National 2021: 10.0)
Maths Attainment 8: 8.73 (National 2021: 9.2)

KS5:

Average A Level Result: B (National 2021: B)
A Level Average Point Score: 39.3 (National 2021: 41.6)
Average Applied General Result: Distinction (National 2021: Distinction-)
Applied General Average Point Score: 34.2 (National 2021: 32.8)

Attendance

Pre Covid For the academic year **2018/19** we achieved **96.6% attendance and 5.1% PA figure**. The national average is 94.5% and PA figure 13.7%.

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Trustees' report for the year ended 31 August 2021 (continued)

For the academic year 2020/21 our attendance **was 94.6% and PA figure was 13.19%.**

Due to COVID 19 no national attendance figures was shared due to the negative implications Covid has had on school attendance despite the numerous challenges we still finished within national attendance figures **pre Covid set by the DfE.**

The aim being early identification, intervention, and prevention and to reduce barriers to learning for all our students and this has allowed us to become a benchmark for school attendance locally and nationally.

We aim to give the right help at the right time for all our learners and work very closely as a team to get the maximum daily attendance figures and if necessary, work closely with external agencies when needed for our most vulnerable learners.

Period: 01/09/2020 to 16/07/2021

Pupils DOB Range: 01/09/2004 -
31/08/2015

Scope: Year Group Y7+Y8+Y9+Y10 Percentage of
Sessions

Group	Presents	AEA	Authorised Absences	Unauthorised Absences	Possible	% Attend
Year 7	94.8	1.5	2.3	1.4	100	96.3
Year 8	93.9	0.6	3.1	2.4	100	94.5
Year 9	94.2	0.4	3.1	2.4	100	94.5
Year 10	93.7	0.3	3.4	2.6	100	94
Year 11	94	0.1	3.8	2.1	100	94.1
Whole Academy	94.1	0.7	2.9	2.2	100	94.6

Behaviour-

- Positive ratio of 5 positive points to 1 negative in 2020/21
- 96% of students with a positive residual on SIMS in 2020/21
- 98% of lesson observations highlighted that behaviour and attitudes were strong or secure in lessons in 2020/21
- Detention's continuing to decrease year on year.
- Fixed Term Exclusion rates currently averaging at 3.5 % (over a 3-year period) compared to the national average of 3.76% (NB- NA here decreased last year from 10% to this figure due to COVID and attendance levels).
- All key group suspension rates are lower now than 3 years ago including SEND, LAC, PP and FSM.
- Number of students with repeated FTE's has decreased over a three-year period. 7 students received a repeated FTE in 2020/21.
- Bullying, sexual misconduct and homophobic incidents resulting in exclusions are on a downward trajectory over the past three years.

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Trustees' report for the year ended 31 August 2021 (continued)

- Direct costs as a percentage of total costs were 67% (2020 : 66%)
- Support costs as a percentage of total costs were 33% (2020 : 34%)
- Total payroll costs as a percentage of recurring income were 83% (2020 : 78%)

Going concern

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

Financial Review

The financial results of Broadway Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2021 total resources expended were £9,200,333 and the deficit of income over expenditure was £563,217 which included depreciation of £511,992.

Reserves Policy

The trustees continually monitor the reserves of the charitable company and have developed processes to identify the effects of in-year decisions on future year's reserves. This process encompasses the nature of income and expenditure streams (and the need to match commitments with income) and nature of reserves.

It is the board of trustees' general policy to ensure an appropriate, risk-based level of unrestricted reserves are held. This balances financial sustainability with the need to invest strategically for growth and improvement to further the academy's educational purpose. Based on benchmarking, the trustees have set a target range for unrestricted reserves of between 5-8% of GAG income, with a floor limit equivalent to one month's salaries.

The academy had net total funds at 31 August 2021 of £11,710,264 which included £340,518 restricted funds not available for general purposes of the academy trust, £711,323 of free reserves defined as unrestricted funds available for general purposes and £ 17,681,423 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,051,841.

In addition, the deficit on the restricted pension fund of £7,023,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Budgeted salary expenditure for 2021/22 is £6,570,061 and hence the minimum target is £547,505. Unrestricted reserves at 31 August 2021 therefore represent £163,818 of headroom over agreed minimum level.

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Trustees' report for the year ended 31 August 2021 (continued)

Investment Policy

Any surplus funds are invested with Lloyds Bank plc in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major financial risks and uncertainties facing the charitable company which include potential changes in legislation and regulations, levels of future funding, and the financial impact of Covid-19. Management have put in place procedures to deal with these matters, and mitigation of these risks forms a prominent part of the academy's ongoing strategy.

Attention has also been focussed on non-financial risks arising from fire, health, and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

The Covid-19 pandemic resulted in an increase in likelihood of a number of the academy's non-financial risks being realised, despite previously having been appropriately mitigated. These include safeguarding, operational control measures, resource management and IT network and access reliability. The trustees' have considered the additional processes and controls identified and implemented by management as part of the academy's Covid-19 response and are satisfied that these heightened risks have been appropriately mitigated.

Fundraising

Fundraising activities involving parental contributions within the Academy are limited as we are mindful of the local community it serves. The Academy does not engage the services of professional fundraisers or companies to carry out fundraising on our behalf.

Plans for Future Periods

The overarching aims and key objectives:

- To support staff to further refine and continue to deliver an exceptional curriculum experience (which includes a rich and varied extra-curricular programme with a particular emphasis on outdoor education at Island Pool) in each subject area, grounded in the Broadway values and the development of character and outdoor education with a focus on the community (3Cs), across all key stages and for all students. There will be a continued focus on outcomes for SEN, Pupil Premium and the More Able students.
- Leaders will continue to aim to support teachers to deliver excellent lessons, each day, with an emphasis on Knowledge, Recall and Application (KRA). Remote and home learning continues to be a key feature of learning across the Academy. We aim for all students to continue to receive an Exceptional Educational Experience (3Es) with a continued focus on literacy.
- Maintain an optimistic and hopeful culture in the school. To continue to develop the leadership capacity and the wellbeing of all staff across the Academy through the delivery of high-quality training and coaching by Line Managers and a tailored programme of CPD which is supported by Performance Management.

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Trustees' report for the year ended 31 August 2021 (continued)

- To continue to support all staff to manage students' behaviour, through appropriate training and CPD, to further reduce any low-level disruption in lessons. To empower students to go beyond compliance, to take further responsibility for their own behaviour. To ensure safeguarding continues to be highly effective across all areas of the Academy. To ensure that all 9 aspects of the Equality Act are embedded across the Academy.

The Academy will continue with its vision to expand the trust and share the Broadway ethos, success and distinctive educational offer with other Primary and Secondary schools and for Broadway Academy to become a Multi Academy Trust.

Following the ongoing development and success of Island Pool Outdoor Activity Centre, Worcestershire, the trust will continue working with the Trustees of Top Barn Trust in developing a working farm that is integrated into the Broadway Academy curriculum.

Longer term investment in the IT infrastructure is planned to ensure it is robust and has capacity for further developments.

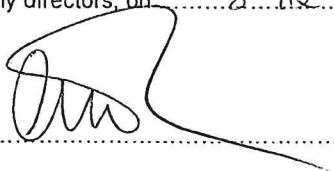
Ongoing development and extending Post 16 provision and sports academy opportunities continue to be a key focus for the academy.

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 8.12.2021 and signed on the board's behalf by:

.....
 Honorary Alderman A Rudge LLB - Chair of Trustees

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Governance statement for the year ended 31 August 2021

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Broadway 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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Bryan	4	4
Mr J Cahill (Vice Chair)	4	4
Dr L Gies	3	4
Mr R Harper (Staff Trustee)	4	4
Mr G Horden	3	4
Mr H Khattak (Staff Trustee)	4	4
Mr J Moule	4	4
Mr J Mound (Staff Trustee - resigned 13.3.21)	2	2
Mr R Skelton (Accounting Officer)	4	4
Honorary Alderman A Rudge (Chair)	4	4
Mr B Stone	4	4
Mr S Uddin	1	4
Ms Z Hussain	3	4

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Governance statement for the year ended 31 August 2021 (continued)

The Governing Body is well represented by Trustees with a wide range of experience and high-level skills serving both the full board and five sub-committees.

The full board and committees are presented with a wide range of high-level strategic reports in all areas, supported by relevant data and statistics.

Full board and committee meetings continued throughout the pandemic and closure of schools remotely.

Although the full board did not meet six times in the year, effective oversight is maintained through the committee structure who each meet once a term and report back to the full board.

The trust intends to conduct its next self-evaluation/external review in 2021/22.

The **Deep Services Finance, Audit & Premises Committee** is a sub-committee of the main board of trustees. Its purpose is to, in line with the Academies Handbook:

- Ensuring regularity and propriety in the use of the Trust's funds, and achievement of economy, efficiency, and effectiveness – the three elements of value for money.
- Monitoring the Trust's financial sustainability and challenging the Accounting Officer's assessment of its ability to operate as a going concern.
- Providing scrutiny over the Trust's diversification and commercialisation initiatives and partnerships.
- Advising the Full Governing Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management arrangements.
- Directing a programme of independent internal scrutiny and considering the results and quality of external audit.
- Monitoring compliance with Premises Health and Safety and Accessibility laws and considering the investment requirements for development and maintenance.

Trustee	Meetings attended	Out of a possible
Mr J Cahill	1	1
Dr L Gies	1	3
Mr R Harper (Staff Trustee)	1	1
Mr H Khattak (Staff Trustee)	2	2
Mr J Mound (Staff Trustee)	1	1
Mr R Skelton (Accounting Officer)	3	3
Mr B Stone (Chair)	3	3

Review of value for money

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

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

The key focus of the Academy is on raising attainment and aspirations for all students both through curriculum and extra-curricular provision with a particular emphasis on outdoor education and building character.

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Governance statement for the year ended 31 August 2021 (continued)

The school staffing structure supports both the academic curriculum, well being and pastoral care of all students, this being a particular focus and strength throughout the ongoing impact of the pandemic.

During the year this has been achieved and supported by:

- Investment in resources and technology to ensure remote learning continues to be accessible to all students throughout the ongoing impact of the pandemic.
- Delivery of high quality and focused CPD programmes at all levels across the academy for teaching and support staff.
- Increased provision of whole school and identified targeted interventions to support the catch-up priorities. This includes additional emotional and well-being support as well as academic focus.
- Purchase of additional resources to support the continued and extended focus on literacy across the academy.
- The academy secured a lease on a site in Worcestershire called Island Pool. The site has been used to continue to develop our outdoor education provision and programme as well as curriculum use throughout the pandemic. Island Pool will be embedded as part of the curriculum offer for all students. As a result of this development the academy predict longer term savings on the historical costs of extra-curricular activities and alternative provision.
- Sports Academies now form part of the Post 16 provision offer giving opportunity for students to participate in sport alongside their academic studies. The Sports Academies offered are Basketball in partnership with City of Birmingham Rockets, Cricket in Partnership with Aston Manor Cricket Club and Football with Alvechurch Football Club. This offer has seen an increase in Post 16 students on roll from September 2021.
- Review and renegotiation of contracts and service level agreements where necessary, with the catering contract being a focus in the year.
- The Academy continues to explore further potential to generate additional external income to benefit the student of the Academy and the local and wider community.

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 the academy trust's policies, aims and objectives. It then evaluates the likelihood of those risks being realised, the impact should they be realised, and determines how to manage them efficiently, effectively, and economically. The system of internal control has been in place in Broadway Academy Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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 the academy trust's policies, aims and objectives. It then evaluates the likelihood of those risks being realised, the impact should they be realised, and determines how to manage them efficiently, effectively, and economically. The system of internal control has been in place in Broadway Academy Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the academy trust's significant risks that has been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees as a standard item of business.

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Governance statement for the year ended 31 August 2021 (continued)

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. 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 Deep Services Finance, Audit & Premises committee of reports which indicate financial performance against the forecasts, risks and opportunities, 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.
- appropriate identification and management of risks.

The academy is contracted for two independent financial reviews per year twice during the year, carried out by a third-party independent reviewer. Trustees' set the scope for these reviews through the Deep Services Finance, Audit and Premises Committee. The areas covered are, where applicable, focussed on areas of specific risk identified through the risk management process. The trustees are also able to recommend the commission of additional reviews, by alternative specialist providers, if required.

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

- safeguarding and control of assets
- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations
- accounting systems
- contracts
- management information and reporting
- additional arrangements and impacts on controls of Covid-19

The internal reviewer provides a report outlining the areas reviewed, key findings and recommendations to support the committee in considering and assessing actions. The Deep Services Finance, Audit and Premises Committee tracks progress against recommendations made to ensure that remedial actions are appropriately implemented.

The internal reviewer provides a report outlining the areas reviewed, key findings and recommendations to support the committee in considering and assessing actions. The Deep Services Finance, Audit and Premises Committee tracks progress against recommendations made to ensure that remedial actions are appropriately implemented.

The internal reviewer has delivered their schedule of work as planned.

Review of Effectiveness

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

- the work of the internal reviewer.
- the work of the external auditor; and
- the financial management and governance self-assessment process of the school resource management self-assessment tool.

Broadway Academy Trust
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2021 (continued)

The accounting officer has been advised of the implications of the result of any reviews of the system of internal control, and a plan to ensure continuous improvement of approach and systems is being developed.

Approved by order of the members of the board of trustees on 8-12-2021 and signed on its behalf by:



Honorary Alderman A Rudge LLB
Chair of Trustees



Mr R J Skelton
Accounting Officer

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of regularity, propriety and compliance
for the period ended 31 August 2021

As accounting officer of Broadway 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 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.

.....  Mr R J Skelton – Accounting Officer

Date : 10.12.2021

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
for the period 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on8.12.2021..... and signed on its behalf by:



..... Honorary Alderman A Rudge LLB – Chair of Trustees

Broadway Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of
Broadway Academy Trust

Opinion

We have audited the financial statements of Broadway Academy Trust (a Company Limited by Guarantee) for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Broadway Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Broadway Academy Trust
(continued)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Broadway Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Broadway Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the academy's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Broadway Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Broadway Academy
(continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 charitable company's members those matters we are required to state to them in an auditor's 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.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

13 December 2021

Broadway Academy Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 9 July 2013 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 Broadway 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 Broadway Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Broadway Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Broadway Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Broadway Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2013 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 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 our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Broadway Academy Trust
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Broadway Academy Trust
and the Education and Skills Funding Agency (continued)**

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.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

13 December 2021

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2020/21 £	Total 2019/20 £
Income from :							
Donations and capital grants	2	-	-	-	78,912	78,912	25,364
Charitable activities :	3						
Funding for the academy trust's educational operations		156	-	8,524,335	-	8,524,491	8,294,041
Other trading activities	4	33,597	-	-	-	33,597	119,459
Investments	5	116	-	-	-	116	571
Total		33,869	-	8,524,335	78,912	8,637,116	8,439,435
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6	40,940	361,000	8,286,401	511,992	9,200,333	9,011,916
Total		40,940	361,000	8,286,401	511,992	9,200,333	9,011,916
Net income/(expenditure) before transfers		(7,071)	(361,000)	237,934	(433,080)	(563,217)	(572,481)
Transfers between funds	14	-	-	(59,106)	59,106	-	-
Net income/(expenditure) after transfers		(7,071)	(361,000)	178,828	(373,974)	(563,217)	(572,481)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(728,000)	-	-	(728,000)	(1,929,000)
Net movement in funds		(7,071)	(1,089,000)	178,828	(373,974)	(1,291,217)	(2,501,481)
Reconciliation of funds							
Total funds brought forward	14	718,394	(5,934,000)	161,690	18,055,397	13,001,481	15,502,962
Total funds carried forward		711,323	(7,023,000)	340,518	17,681,423	11,710,264	13,001,481

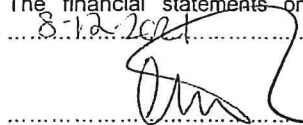
All of the Academy's activities derive from continuing operations during the above two financial periods.

Broadway Academy Trust
(A Company Limited by Guarantee)

Company number : 08534233
Balance sheet as at 31 August 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		17,681,423		18,055,397
Current assets					
Debtors	12	235,446		281,439	
Cash at bank and in hand		<u>1,574,721</u>		<u>1,201,670</u>	
		1,810,167		1,483,109	
Liabilities					
Creditors: amounts falling due within one year	13	<u>758,326</u>		<u>603,025</u>	
Net current assets			1,051,841		880,084
Net assets excluding pension liability			<u>18,733,264</u>		<u>18,935,481</u>
Defined benefit pension scheme liability	22		(7,023,000)		(5,934,000)
Total net assets			<u>11,710,264</u>		<u>13,001,481</u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	17,681,423		18,055,397	
Restricted income fund	14	340,518		161,690	
Pension reserve	14	<u>(7,023,000)</u>		<u>(5,934,000)</u>	
Total restricted funds			10,998,941		12,283,087
Unrestricted income funds	14		711,323		718,394
Total funds			<u>11,710,264</u>		<u>13,001,481</u>

The financial statements on pages 25 to 47 were approved by the trustees, and authorised for issue on 8.12.2021 and are signed on their behalf by:



Honorary Alderman A Rudge LLB - Chair of Trustees

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

	Notes	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	432,041	(55,912)
Cash flows from investing activities	19	(58,990)	(107,554)
Change in cash and cash equivalents in the reporting period		<u>373,051</u>	<u>(163,466)</u>
Cash and cash equivalents at 1 September 2020		1,201,670	1,365,136
Cash and cash equivalents at 31 August 2021	20	<u>1,574,721</u>	<u>1,201,670</u>

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021

1. Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **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.

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Income (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

- **Expenditure on raising funds**

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

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

All resources expended are inclusive of irrecoverable VAT.

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Tangible fixed assets

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

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

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

Long leasehold buildings	- straight line over 50 years
Furniture and equipment	- 10% straight line
Computer hardware	- 20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Leased assets

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

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial 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. Prepayments are not financial instruments.

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

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. 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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Pension benefits (continued)

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

Fund accounting

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

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

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

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	-	25,192	25,192	25,364
Donated fixed assets	-	-	53,720	53,720	-
	-	-	78,912	78,912	25,364
2020 total	-	-	25,364	25,364	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	7,324,576	-	7,324,576	7,170,496
Other DfE Group grants					
Teachers pay	-	83,204	-	83,204	83,532
Teachers pension	-	235,113	-	235,113	234,944
Pupil premium	-	568,132	-	568,132	568,654
Others	-	22,500	-	22,500	38,292
	-	8,233,525	-	8,233,525	8,095,918
Other government grants					
Local authority grants	-	33,839	-	33,839	24,122
Other government funding	-	30,334	-	30,334	152,100
Other income from the academy trust's educational operations	156	-	-	156	5,168
Covid-19 additional funding (DfE/ESFA)					
Catch-up premium	-	83,720	-	83,720	-
Other DfE/ESFA Covid-19 funding	-	110,135	-	110,135	-
Covid-19 additional funding (non DfE/ESFA)					
Coronavirus Job Retention Scheme	-	32,782	-	32,782	16,733
	156	290,810	-	290,966	198,123
	156	8,524,335	-	8,524,491	8,294,041
2020 total	5,168	8,288,873	-	8,294,041	

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

3. Funding for the Academy Trust's educational operations (continued)

The academy received £83,820 of funding for catch-up premium and costs incurred in respect of this funding totalled £84,500.

The academy furloughed all of its Community Centre staff under the government's CJRS. The funding received of £32,782 relates to staff costs in respect of 12 staff which are included within note 8 below.

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Community Centre income	15,685	-	15,685	101,241
Miscellaneous	17,912	-	17,912	18,218
	<u>33,597</u>	<u>-</u>	<u>33,597</u>	<u>119,459</u>
2020 total	<u>119,459</u>	<u>-</u>	<u>119,459</u>	

5. Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	116	-	116	571
2020 total	<u>571</u>	<u>-</u>	<u>571</u>	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2020/21 Total £	2019/20 Total £
Academy's educational operations					
Direct costs	5,392,748	294,881	477,052	6,164,681	5,941,921
Allocated support costs	1,788,648	704,757	542,247	3,035,652	3,069,995
	<u>7,181,396</u>	<u>999,638</u>	<u>1,019,299</u>	<u>9,200,333</u>	<u>9,011,916</u>
2020 total	<u>6,636,182</u>	<u>1,056,990</u>	<u>1,318,744</u>	<u>9,011,916</u>	

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

6. Expenditure (continued)

Net income/(expenditure) for the period includes :

		2020/21	2019/20
		£	£
Operating leases	- plant and machinery	22,596	23,704
Depreciation		511,992	514,790
Fees payable to auditor	- audit	9,250	9,000
	- other services	300	-
		<u>543,138</u>	<u>547,494</u>

7. Charitable activities

	Unrestricted funds	Restricted pension fund	Other restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£	£
Educational operations					
Direct costs	9,475	-	6,155,206	6,164,681	5,941,921
Support costs	31,465	361,000	2,643,187	3,035,652	3,069,995
	<u>40,940</u>	<u>361,000</u>	<u>8,798,393</u>	<u>9,200,333</u>	<u>9,011,916</u>
2020 total	<u>151,914</u>	<u>213,000</u>	<u>8,647,002</u>	<u>9,011,916</u>	
Analysis of support costs					
Support staff costs	31,465	361,000	1,396,183	1,788,648	1,630,120
Depreciation	-	-	217,111	217,111	223,821
Technology costs	-	-	127,886	127,886	122,296
Premises costs	-	-	479,584	479,584	534,969
Other support costs	-	-	412,787	412,787	548,703
Governance costs	-	-	9,636	9,636	10,086
Total support costs	<u>31,465</u>	<u>361,000</u>	<u>2,643,187</u>	<u>3,035,652</u>	<u>3,069,995</u>
2020 total	<u>144,334</u>	<u>213,000</u>	<u>2,712,661</u>	<u>3,069,995</u>	

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

8. Staff

a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	4,956,282	4,780,359
Social security costs	508,410	479,801
Pension costs	1,487,376	1,258,884
	<u>6,952,068</u>	<u>6,519,044</u>
Agency staff costs	229,328	117,138
	<u>7,181,396</u>	<u>6,636,182</u>

b) Staff numbers

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

	2020/21	2019/20
	Number	Number
Teachers	73	73
Administration and support	71	75
Management	14	13
	<u>158</u>	<u>161</u>

c) Higher paid staff

	2020/21	2019/20
	Number	Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	5	5
£70,001 - £80,000	2	-
£120,001 - £130,000	1	1
	<u>1</u>	<u>1</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

8. Staff (continued)

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,282,249 (2020 : £1,057,257).

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows :

R Skelton (principal and trustee)	
Remuneration	£120,000 - £125,000 (2020 : £120,000 - £125,000)
Employer's pension contributions paid	£25,000 - £30,000 (2020 : £25,000 - £30,000)
J Mound (staff trustee - resigned 13/3/21)	
Remuneration	£35,000 - £40,000 (2020 : £60,000 - £65,000)
Employer's pension contributions paid	£nil - £5,000 (2020 : £10,000 - £15,000)
R Harper (staff trustee)	
Remuneration	£20,000 - £25,000 (2020 : £5,000 - £10,000)
Employer's pension contributions paid	£nil - £5,000 (2020 : £nil - £5,000)
H Khattak (staff trustee)	
Remuneration	£50,000 - £55,000 (2020 : £10,000 - £15,000)
Employer's pension contributions paid	£nil - £5,000 (2020 : £nil - £5,000)

During the year ended 31 August 2021 travel and subsistence expenses totalling £78 (2020 : £1,146) were reimbursed or paid directly to 1 (2020 : 2) trustees.

Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £199 (2020 : £208). The cost of this insurance is included in the total insurance cost.

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

11. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2020	20,802,740	433,067	921,569	22,157,376
Additions	-	-	138,018	138,018
Disposals	-	-	(756,899)	(756,899)
At 31 August 2021	<u>20,802,740</u>	<u>433,067</u>	<u>302,688</u>	<u>21,538,495</u>
Depreciation				
At 1 September 2020	2,981,727	276,806	843,446	4,101,979
Charge for the year	416,055	43,310	52,627	511,992
Released by disposals	-	-	(756,899)	(756,899)
At 31 August 2021	<u>3,397,782</u>	<u>320,116</u>	<u>139,174</u>	<u>3,857,072</u>
Net book values				
At 31 August 2021	<u>17,404,958</u>	<u>112,951</u>	<u>163,514</u>	<u>17,681,423</u>
At 31 August 2020	<u>17,821,013</u>	<u>156,261</u>	<u>78,123</u>	<u>18,055,397</u>

Leasehold property was valued at 28 April 2014 by The Valuation Office Agency – DVS and the furniture and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2021 is represented by :

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Valuation in 2014	20,802,740	312,164	-	21,114,904
Cost	-	120,903	302,688	423,591
	<u>20,802,740</u>	<u>433,067</u>	<u>302,688</u>	<u>21,538,495</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

12. Debtors

	2021	2020
	£	£
Debtors from operations	15,233	374
VAT recoverable	8,506	18,534
Prepayments and accrued income	211,707	262,531
	<u>235,446</u>	<u>281,439</u>

13. Creditors

	2021	2020
	£	£
Amounts falling due within one year :		
Accruals and deferred income	219,708	93,746
Other creditors	538,618	509,279
	<u>758,326</u>	<u>603,025</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	161,690	7,324,576	(7,086,642)	(59,106)	340,518
Pupil premium	-	568,132	(568,132)	-	-
Catch-up premium	-	83,720	(83,720)	-	-
Other DfE/ESFA Covid-19 funding	-	110,135	(110,135)	-	-
Coronavirus Job Retention					
Scheme grant	-	32,782	(32,782)	-	-
Other grants	-	404,990	(404,990)	-	-
	<u>161,690</u>	<u>8,524,335</u>	<u>(8,286,401)</u>	<u>(59,106)</u>	<u>340,518</u>
Restricted fixed asset funds					
Transfer on conversion	17,821,013	-	(416,055)	-	17,404,958
DfE Group capital grants	66,424	25,192	(12,759)	-	78,857
Capital expenditure from GAG	54,150	-	(11,218)	59,106	102,038
BSF Contract	113,810	-	(61,216)	-	52,594
Donations	-	53,720	(10,744)	-	42,976
	<u>18,055,397</u>	<u>78,912</u>	<u>(511,992)</u>	<u>59,106</u>	<u>17,681,423</u>
Pension reserve	<u>(5,934,000)</u>	<u>-</u>	<u>(361,000)</u>	<u>(728,000)</u>	<u>(7,023,000)</u>
Total restricted funds	<u>12,283,087</u>	<u>8,603,247</u>	<u>(9,159,393)</u>	<u>(728,000)</u>	<u>10,998,941</u>
Unrestricted funds					
Other income	718,394	33,869	(40,940)	-	711,323
Total unrestricted funds	<u>718,394</u>	<u>33,869</u>	<u>(40,940)</u>	<u>-</u>	<u>711,323</u>
Total funds	<u>13,001,481</u>	<u>8,637,116</u>	<u>(9,200,333)</u>	<u>(728,000)</u>	<u>11,710,264</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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.

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds (continued)

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Comparative information in respect of the preceding period

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	51,674	7,170,496	(7,013,835)	(46,645)	161,690
Pupil premium	-	568,654	(568,654)	-	-
Coronavirus Job Retention Scheme grant	-	16,733	(16,733)	-	-
Other grants	-	532,990	(532,990)	-	-
	<u>51,674</u>	<u>8,288,873</u>	<u>(8,132,212)</u>	<u>(46,645)</u>	<u>161,690</u>
Restricted fixed asset funds					
Transfer on conversion	18,237,068	-	(416,055)	-	17,821,013
DfE Group capital grants	97,741	25,364	(56,681)	-	66,424
Capital expenditure from GAG	20,987	-	(13,482)	46,645	54,150
Other capital grants	120	-	(120)	-	-
BSF Contract	142,262	-	(28,452)	-	113,810
	<u>18,498,178</u>	<u>25,364</u>	<u>(514,790)</u>	<u>46,645</u>	<u>18,055,397</u>
Pension reserve	<u>(3,792,000)</u>	-	<u>(213,000)</u>	<u>(1,929,000)</u>	<u>(5,934,000)</u>
Total restricted funds	<u>14,757,852</u>	<u>8,314,237</u>	<u>(8,860,002)</u>	<u>(1,929,000)</u>	<u>12,283,087</u>
Unrestricted funds					
Other income	<u>745,110</u>	<u>125,198</u>	<u>(151,914)</u>	-	<u>718,394</u>
Total unrestricted funds	<u>745,110</u>	<u>125,198</u>	<u>(151,914)</u>	-	<u>718,394</u>
Total funds	<u>15,502,962</u>	<u>8,439,435</u>	<u>(9,011,916)</u>	<u>(1,929,000)</u>	<u>13,001,481</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

15. Analysis of net assets between funds

Fund balances at 31 August 2021
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	17,681,423	17,681,423
Current assets	711,323	-	1,098,844	-	1,810,167
Current liabilities	-	-	(758,326)	-	(758,326)
	<u>711,323</u>	<u>-</u>	<u>340,518</u>	<u>17,681,423</u>	<u>18,733,264</u>
Pension scheme liability	-	(7,023,000)	-	-	(7,023,000)
Total net assets	<u>711,323</u>	<u>(7,023,000)</u>	<u>340,518</u>	<u>17,681,423</u>	<u>11,710,264</u>

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	18,055,397	18,055,397
Current assets	718,394	-	764,715	-	1,483,109
Current liabilities	-	-	(603,025)	-	(603,025)
	<u>718,394</u>	<u>-</u>	<u>161,690</u>	<u>18,055,397</u>	<u>18,935,481</u>
Creditors due after one year	-	-	-	-	-
Pension scheme liability	-	(5,934,000)	-	-	(5,934,000)
Total net assets	<u>718,394</u>	<u>(5,934,000)</u>	<u>161,690</u>	<u>18,055,397</u>	<u>13,001,481</u>

16. Capital commitments

	2021 £	2020 £
Contracted for but not provided in the financial statements	-	93,750

17. Commitments under operating leases

At 31 August 2021 the total of the Academy
Trust's future minimum lease payments under non-
cancellable operating leases was:

	Land and buildings		Other	
	Total 2021 £	Total 2020 £	Total 2021 £	Total 2020 £
Amounts due within one year	5,438	4,063	44,389	13,458
Amounts due between one and five years	<u>47,250</u>	<u>52,688</u>	<u>79,212</u>	<u>13,931</u>
	<u>52,688</u>	<u>56,751</u>	<u>123,601</u>	<u>27,389</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020/21 Total £	2019/20 Total £
Net income/(expenditure) for reporting period (as per the SoFA)	(563,217)	(572,481)
Adjusted for :		
Depreciation (note 11)	511,992	514,790
Capital grants from DfE and other capital income	(78,912)	(25,364)
Interest receivable (note 5)	(116)	(571)
Defined benefit pension scheme cost less contributions payable (note 22)	270,000	144,000
Defined benefit pension scheme finance cost/(income) (note 22)	91,000	69,000
Decrease / (increase) in debtors	45,993	248,308
Increase / (decrease) in creditors	155,301	(433,594)
Net cash provided by / (used in) operating activities	432,041	(55,912)

19. Cash flows from investing activities	2020/21 Total £	2019/20 Total £
Interest received	116	571
Purchase of tangible fixed assets	(84,298)	(133,489)
Capital grants from DfE Group	25,192	25,364
Net cash provided by / (used in) investing activities	(58,990)	(107,554)

20. Analysis of cash and cash equivalents	At 31 August 2021 £	At 31 August 2020 £
Cash at bank and in hand	1,574,721	1,201,670
	1,574,721	1,201,670

21. Members' liability

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

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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

The employer's pension costs paid to TPS in the year amounted to £662,164 (2020 : £628,390).

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.

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £556,000 (2020 : £485,000), of which employer's contributions totalled £466,000 (2020 : £402,000) and employees' contributions totalled £90,000 (2020 : £83,000). The agreed contribution rates for future years are 21.7% for employers and between 5.5% and 10.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 26 years.

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.70%
Rate of increase for pensions in payment / inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.90%
Inflation assumption (CPI)	2.90%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	11,033	10,754	11,273	11,519
Projected service cost	867	840	895	908
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	11,033	11,319	10,800	10,568
Projected service cost	867	895	840	828

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2021 £	31 August 2020 £
Equities	2,443,000	1,646,000
Government bonds	331,000	318,000
Other bonds	245,000	114,000
Property	282,000	221,000
Cash/liquidity	148,000	194,000
Other	561,000	437,000
Total market value of assets	4,010,000	2,930,000

The actual return on scheme assets was £563,000 (2020 : £202,000).

	2020/21 £	2019/20 £
Amount recognised in the statement of financial activities		
Current service cost	736,000	545,000
Net interest cost	91,000	69,000
Administration expenses	-	1,000
Total amount recognised in the SoFA	827,000	615,000

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

	2020/21 £	2019/20 £
At 1 September 2020	8,864,000	5,688,000
Current service cost	736,000	545,000
Interest cost	142,000	109,000
Employee contributions	90,000	83,000
Actuarial gains/(losses) - financial assumptions	1,515,000	598,000
Actuarial gains/(losses) - demographic assumptions	(135,000)	172,000
Actuarial gains/(losses) - experience gains/losses	(140,000)	1,698,000
Benefits paid	(39,000)	(29,000)
At 31 August 2021	11,033,000	8,864,000

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2020/21	2019/20
	£	£
At 1 September 2020	2,930,000	1,896,000
Interest income	51,000	40,000
Actuarial gain/(loss)	-	377,000
Employer contributions	466,000	402,000
Employee contributions	90,000	83,000
Benefits paid net of transfers in	(39,000)	(29,000)
Administration costs	-	(1,000)
Return on assets less interest	512,000	162,000
At 31 August 2021	4,010,000	2,930,000
Net pension scheme liability	(7,023,000)	(5,934,000)

23. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.