

Broadway Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2023

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 2023

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Reference and Administrative Details

Members	Mr J Bryan Mr J Cahill (Vice Chair) Mr G Horden Honorary Alderman A Rudge LLB (Chair) Mr R Skelton (Accounting Officer)
Trustees	Mr T Ali Mr D Belcher Mr J Bryan Mr J Cahill (Vice Chair) Dr L Gies Ms G Hembeh Mr G Horden Ms Z Hussain Mr H Khattak (Staff Trustee) Mr J Moule Honorary Alderman A Rudge LLB (Chair) Mr R Skelton (Accounting Officer) Mr B Stone Revd V Walter
Executive Leadership Team	
• Headteacher & CEO • Deputy Headteacher • Deputy Headteacher • Chief Finance Officer	Mr R Skelton Mr S Carroll Mr G Stewart Mr G Preen (Appointed March 2023)
Company name	Broadway Academy Trust
Principal and registered office	The Broadway Birmingham B20 3DP
Company registration number	08534233
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank 2 nd Floor, 125 Colmore Row Birmingham, B2 4BU
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham, B2 4BU

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Trustees' report for the year ended 31 August 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. 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 1,250 and had a roll of 1,247 in the Autumn school census October 2023.

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 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.

Vacancies for parent trustees are placed in the weekly newsletter inviting nominations which parents vote on.

Community trustees may be appointed by the board of trustees 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; or
- a person who fills a skills/knowledge gap identified by the board.

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

Vacancies for staff trustees are placed in the staff bulletin inviting nominations.

Trustees' report for the year ended 31 August 2023 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

When appointing Trustees 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 Trustees are appointed according to the skills gaps identified from the audit. The Academy is committed to ensuring that all Trustees are provided with the information and support required to fulfil their role as a governor. Trustees 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 Trustees Association and all Trustees, 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 Trustees 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.

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

All Trustees annually review and approve a Code of Conduct which they abide by and which promotes effective working practices that are mutually supportive and respectful of roles and responsibilities. Trustees 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:

- Deep Leadership
- Deep Experience/Deep Support
- Deep Academics
- HR & Salaries
- Deep Services, Finance, Audit & Premises

The Full Board meets at least three times during each academic year and each of the committees meet at least 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 Trustees meeting six times per annum.

In addition, Trustees 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.

The structure of the executive leadership team is the head teacher, two deputy head teachers and the Chief Finance Officer. The executive leadership team meets on a regular basis.

The executive leadership team is supported by the appointment of assistant head teachers and a Director of HR. This wider leadership team meets regularly.

A trustee will be on the interview panel for the appointment of Senior Leadership Roles.

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Trustees' report for the year ended 31 August 2023 (continued)

Arrangements for setting pay and remuneration of key management personnel

Trustees are unpaid but can 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 Trustees.

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
2	1.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1% - 50%	3.42
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£5,071
Total pay bill	£7,132,036
Facility time as percentage of total pay bill	0.001%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1.54%
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Related parties and other Connected Charities and Organisations

Broadway Academy has the following related parties:

- Radley College, Abingdon
- University of Birmingham

Broadway Academy also has the following close professional/commercial links to support delivery of overarching aims, although these are neither related or connected parties:

- Top Barn Trust, Worcestershire
- Atlantic College, South Wales
- Duke of Edinburgh Award Scheme
- West Midlands Police
- Sharing Panels
- Handsworth Association of Schools
- SACRE
- TISCA

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Trustees' report for the year ended 31 August 2023 (continued)

- COFE
- Pupil & Family Support Organisations
- BETEL
- Alternative Curriculum Providers
- Titan Partnership
- City of Birmingham Rockets Basketball Club
- Aston Manor Cricket Club
- Erdington Judo Club
- University of Worcester
- Aston University

Objectives and activities

Objects and aims

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

Objectives, strategies, and activities

Broadway Academy has historically been able to maintain healthy cash reserves, however, the educational sector has had to respond to considerable challenges which Broadway Academy is not immune to. These national challenges include: high levels of expenditure inflation; limited income inflation which has not kept pace with RPI inflation; post covid challenges surrounding attendance and pupil engagement; limited external mental health support; SEND funding system challenges; limited capital financing; teacher recruitment; and pressures within other public sectors.

Regardless of these challenges Broadway Academy has achieved significant success, as well as maintaining an Ofsted Grade of Good. The school has produced good exam results and excellent progress scores, all of which is underpinned by high levels of pupil and community engagement, as demonstrated by the excellent pupil attendance. However, continued success will only be possible through adequate, planned and consistent funding, which will enable Broadway Academy to continually invest in its overarching aims.

Broadway Academy overarching aims are:

- 1. To deliver an Exceptional Educational Experience through a rich and diverse curriculum.**
 - Ensure attendance is outstanding.
 - Embed the 3Cs (Character Development, Curriculum Experience & Community Cohesion) into every aspect of the curriculum.
 - To further develop the extra-curricular and co-curricular experience, for all students with a particular focus on the Duke of Edinburgh Award Scheme, Drama, outdoor education at Island Pool and outdoor learning at Esperance Farm.
 - Become a Centre of Excellence for PE, Sport, LAMDA and Music.
 - To increase sixth form numbers and expand the curricular offer, in the sixth form, to include vocational courses particularly associated with Esperance Farm and Island Pool Outdoor Centre.
- 2. To deliver exceptional teaching and learning that yields excellent outcomes for students.**
 - To deliver highly effective lessons with an appropriate balance of Knowledge, Recall and Application (KRA) with a focus on formative assessment.
 - The skills and technology associated with remote learning continue to be a key priority across the Academy.
 - Continue to focus on embedding literacy skills to ensure all students, reach their expected reading age and can access all aspects of the curriculum.
 - The quality of learning will be evidenced through exceptional outcomes in all Key Stages with a focus on KS5.

Trustees' report for the year ended 31 August 2023 (continued)

- 3. To continue to develop leadership capacity and wellbeing across the academy.**
 - Maintain a sustainable, optimistic culture of hope in the school with a focus on mental, physical and spiritual health.
 - Embed high-quality training and coaching by Line Managers and a tailored programme of CPD which is supported by Performance Management for all staff.
 - To continue to reflect and review our ethos and the day-to-day life of Broadway - to further improve staff wellbeing and further improve efficiency and effectiveness.
- 4. To empower students to go beyond compliance to ensure behaviour continues to be exceptional.**
 - Continue to support all staff in effectively managing students' behaviour.
 - Build exceptional relationships between all staff and between staff and students.
 - Embed the Broadway values into all aspects of Academy life so that students take responsibility for: their own learning; their own behaviours, thus preparing them for life.
 - Build on the exceptional safeguarding response to gangs, drugs and youth violence and ensure safeguarding goes beyond compliance across all areas of the Academy.
 - Ensure that all 9 aspects of the Equality Act 2010 are embedded across all areas of the Academy.
 - Further develop our community cohesion work; such as the Broadway community Centre, Police, faith, business leaders, Radley College, other schools, international links and to explore opportunities for further development and Academy expansion.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Broadway Academy 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.

Broadway Academy has a thriving community, where multiple external agencies make use of the facilities.

Strategic Report

Achievements and Performance

- Excellent levels of governance; strategic oversight, challenge and support continues to be excellent, so enduring the Headteacher and other leaders are held to account.
- Highly effective safeguarding permeates the organisation at all levels.
- Highly effective governance and leaders of the academy is demonstrated by the continued development and expansion of the sixth form.
- High levels of pupil engagement, delivering above national average pupil attendance, in direct contrast to the significant challenges nationally
- Through a character, values and inclusive education delivering exceptional progress 8 scores, being a lead school across Birmingham and England
- Development of Outdoor Education Centre and Farm.
- Development of a Centre of Excellence for sport and music.
- Continue to be the lead school across the city for Duke of Edinburgh and LAMDA qualifications.
- Increased capacity through the development of the executive, leadership and middle management team, supporting continued development, statutory compliance, growth and continued achievement.
- Ofsted survey stated 97% staff engagement and wellbeing.
- Successfully appointing to all key vacancies, in direct contrast to the significant national recruitment and retention challenges.
- Appointment of a CFO.
- Through the various Deep Committees and working groups a continued focus on adding value, which includes a review of the requirements, need and performance of bought in services.

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Trustees' report for the year ended 31 August 2023 (continued)

- The Academy runs a Community Centre which makes a small profit each year which is put back into community activities or supports other academy aims.
- Effective allocation of resources, with a continued focus on adding value, as demonstrated by Ofsted Grading, high levels of pupil engagement and overall financial position.
- Exceptional ongoing work with the communities, including faith communities.
- Exceptional partnership with students, staff, Governor relationships with Radley College.

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 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 Academy Trust Handbook 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.

Reserves Policy

The trustees operate in a prudent approach to financial planning, given the uncertainty surrounding revenue funding, as well as the pressure on capital funds.

It is the board of trustees' general policy to ensure an appropriate risk-based level of reserves are held. This balances financial sustainability with the need to invest strategically for growth and improvement to further the academy's educational purpose. The trustees ensure sufficient reserves, equivalent to one months expected salary expenditure out flow is maintained, to ensure there is sufficient cushion in the event of any cashflow difficulties.

As at 31 August 2023 the total funds comprised:

Unrestricted:		£816,460
Restricted:	Fixed Asset Funds	£16,946,418
	Pension Reserve	(£1,554,000)
	Other	£1,035
Total		£16,209,913

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

Broadway Academy utilises a range of risk management techniques to identify and manage material risks to the Academy. The principal risks can be summarised as:

- Reputational Risk – mitigated by consistent adherence to sound policies and procedures, effective management of pupil behaviour, staff management, effective management of H&S and safeguarding, continuous development in academic performance.
- Performance Risk – mitigated by careful target setting, close monitoring of progress, targeted, timely and reasonable intervention strategies.
- Financial Risks, which include reduction in pupil numbers, unbudgeted increases in teaching and support staff costs, unfunded pay increases, unbudgeted capital costs, insufficient increases in per

Trustees' report for the year ended 31 August 2023 (continued)

- pupil funding – mitigated by prudent budgeting, three-year financial planning, external accounting support
- Personnel Risks – mitigated by performance management processes, absence management, comprehensive policies and procedures, external specialist support, awareness of national issues and trends.
- Political Risks, include changes in government or change in priority, both at local and national level – mitigated by continuous dialogue with relevant stakeholders and awareness of national trends and priorities.
- Legal and Regulatory Risks – mitigated by monitoring potential changes in legislation and regulations, ensuring all areas of compliance are considered, internal and external independent reviews.

Broadway Academy accepts management of risk as an inevitable part of its operations but seek to avoid unacceptable levels of risk in any area. The subjective nature of this process requires major organisational risks to be considered by the full body, whereas the sub committees and executives will consider and manage the minor risks.

Fundraising

Fundraising activities involving parental contributions within the Academy are limited as we are mindful of the local community it serves.

The community has access to school facilities, which is very active and results in a small annual profit which is reinvested into the community facility or supports other academy aims.

The Academy does not engage the services of professional fundraisers or companies to carry out fundraising on our behalf.

Plans for Future Periods

As per the overarching aims, the plans for future periods can be further summarised as follows:

- To deliver an Exceptional Educational Experience through a rich and diverse curriculum.
- To deliver exceptional teaching and learning that yields excellent outcomes for students.
- To continue to develop leadership capacity and wellbeing across the academy.
- To empower students to go beyond compliance to ensure behaviour continues to be exceptional.

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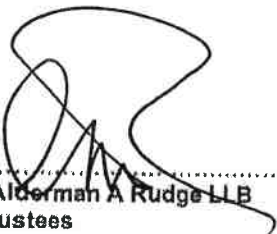
Trustees' report for the year ended 31 August 2023 (continued)

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 6 December 2023 and signed on the board's behalf by:



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

Governance statement for the year ended 31 August 2023

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Broadway Academy 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 and CEO, 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 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.

Governance review

Trustees have a thorough and deep understanding of the school which enables them to effectively to challenge and support others.

The board undertakes internal review and self-evaluation throughout the year, ensuring that trustees appointed have the appropriate skills required.

The Safeguarding Lead has undertaken additional safeguarding training.

The trust intends to conduct its next self-evaluation/external review over the next two academic years.

The review ensured that the board is highly effective with a broad range of skills. The overall purpose of the board, and the various committees, is to ensure hold the Headteacher/CEO and wider leadership team to account.

Conflicts of interest

All trustees complete a declaration of business and personal interests form at the beginning of the academic year. These are recorded on a register published on the Academy website. Updates to declarations of business interests is a standing agenda item at all full board and committee meetings.

Meetings

The full board meet at least three time during the year and further oversight is maintained through the five committees. Each of these committees meet at least three times a year and report back to the full board.

During each meeting the board / committees are presented with a wide range of reports and statistical data across all areas of management including Ofsted, performance, assessment, attendance, behaviour and financial performance and risk.

Full Board

The board of trustees has formally met four times during the year.

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Governance statement for the year ended 31 August 2023 (continued)

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

Name	Sept 22	Dec 22	Mar 23	Jun 23
Honorary Alderman Alan Rudge Chair of Trustees	Yes	Yes	Yes	Yes
Mr Ron Skelton	Yes	Yes	Yes	Yes
Mr Tasir Ali	Yes	No	No	No
Dr Daniel Belcher	Yes	Yes	Yes	Yes
Mr John Bryan	Yes	Yes	Yes	Yes
Mr Joe Cahill	Yes	Yes	Yes	Yes
Dr Lieve Gies	No	Yes	Yes	No
Ms Gloria Hembah	No	No	No	Yes
Mr Guy Hordern	Yes	Yes	Yes	Yes
Ms Zahida Hussain	Yes	Yes	No	No
Mr Hassan Iqba Khattak	Yes	Yes	No	No
Mr John Moule	Yes	Yes	No	Yes
Mr Ben Stone	Yes	Yes	Yes	No
Revd Victor Walter	Yes	Yes	No	Yes

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.

	Oct 22	Dec 22	Mar 23	Jun 23
Ben Stone	Yes	Yes	Yes	Yes
Dr Lieve Gies	Yes	Yes	No	No
Mr Ron Skelton	Yes	Yes	Yes	Yes
Mr Joe Cahill	No	No	Yes	No

The other sub-committees met as follows:

Deep Academics	Nov 22	Jan 23	Apr 23
Mr John Bryan	Yes	Yes	Yes
Mr Tasir Ali	No	No	No
Dr Lieve Gies	No	Yes	No
Ms Gloria Hembah	No	No	No
Mr Hassan Iqba Khattak	Yes	Yes	Yes

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Governance statement for the year ended 31 August 2023 (continued)

Mr John Moule	Yes	Yes	Yes
Mr Ron Skelton	Yes	Yes	Yes
Deep Leadership	Sept 22	Nov 22	Feb 23
Honorary Alderman Alan Rudge Chair of Trustees	Yes	Yes	Yes
Mr Joe Cahill	Yes	No	No
Dr Daniel Belcher	Yes	Yes	Yes
John Moule	Yes	Yes	Yes
Ron Skelton	Yes	Yes	Yes
Deep Experience/Support	Oct 22	Mar 22	May 23
Mr John Bryan	Yes	Yes	Yes
Ms Zahida Hussain	Yes	Yes	Yes
Ron Skelton	Yes	Yes	Yes
Joe Cahill	No	Yes	Yes
HR and Salaries	Nov 22	Mar 22	
Mr John Bryan	Yes	Yes	
Mr Joe Cahill	Yes	Yes	
Guy Hodern	Yes	Yes	
Ron Skelton	Yes	Yes	

Review of value for money

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

The 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.

The staffing structure supports both the academic curriculum, enrichment opportunities, well-being, and pastoral care of all students.

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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year.

Governance statement for the year ended 31 August 2023 (continued)

- Targeted support and intervention for students through the curriculum and after school and weekend classes to support academic achievement and catch-up priorities.
- Targeted and whole school pastoral, emotional and well-being support for students through an effective pastoral team, supported further with external agencies and organisations.
- Further investment and development of the academy's outdoor education site, with a view to expanding the outdoor education provision and curriculum offer for all students.
- Planning to explore further business opportunities and potential to generate additional income through our current community centre offer and operations.
- Review of contracts and educational resource costs are ongoing but reducing costs in these areas is presenting a challenge in the current economic climate.

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 2022 to 31 August 2023 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 2022 to 31 August 2023 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.

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 Trustees have commissioned an external provider to undertake Internal Scrutiny to provide an internal auditor function.

The role of the internal reviewer includes giving advice on financial and non-financial matters and performing a range of checks on the financial systems.

The internal reviewer has delivered their schedule of work as planned and no significant issues were identified.

Governance statement for the year ended 31 August 2023 (continued)

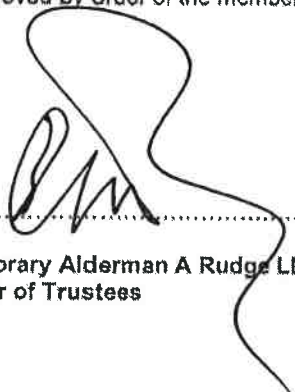
Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 6 December 2023 and signed on its behalf by:



.....

Honorary Alderman A Rudge LLB
Chair of Trustees



.....

Mr R J Skelton
Accounting Officer

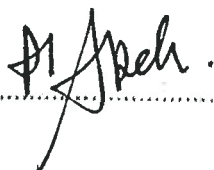
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Statement of regularity, propriety and compliance
for the period ended 31 August 2023

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, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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

6 December 2023

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Statement of Trustees' responsibilities
for the period ended 31 August 2023

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:

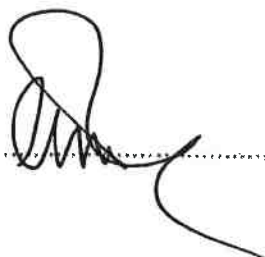
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 6 December 2023 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 (the 'academy trust') for the year ended 31 August 2023 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 2022 to 2023 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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2022 to 2023 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 for issue.
- 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 trustees' 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 16], 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

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Broadway Academy Trust
(A Company Limited by Guarantee)

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

(continued)

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

- 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

Date : 7 December 2023

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 22 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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, 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 2022 to 31 August 2023 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

Date : 7 December 2023

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2023
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2022/23 £	Total 2021/22 £
Income from :							
Donations and capital grants	2	-	-	-	73,792	73,792	27,799
Charitable activities :	3						
Funding for the academy trust's educational operations		120,997	-	9,377,258	-	9,498,255	8,792,055
Other trading activities	4	210,900	-	-	-	210,900	164,560
Investments	5	8,133	-	-	-	8,133	644
Total		340,030	-	9,377,258	73,792	9,791,080	8,985,058
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6	382,120	121,000	9,277,988	538,947	10,320,055	10,090,434
Total		382,120	121,000	9,277,988	538,947	10,320,055	10,090,434
Net income/(expenditure) before transfers		(42,090)	(121,000)	99,270	(465,155)	(528,975)	(1,105,376)
Transfers between funds	14	-	-	(166,636)	166,636	-	-
Net income/(expenditure) after transfers		(42,090)	(121,000)	(67,366)	(298,519)	(528,975)	(1,105,376)
Other recognised gains/(losses)							
Actuarial gains on defined benefit pension schemes	14, 22	-	1,045,000	-	-	1,045,000	5,089,000
Net movement in funds		(42,090)	924,000	(67,366)	(298,519)	516,025	3,983,624
Reconciliation of funds							
Total funds brought forward	14	858,550	(2,478,000)	68,401	17,244,937	15,693,888	11,710,264
Total funds carried forward		816,460	(1,554,000)	1,035	16,946,418	16,209,913	15,693,888

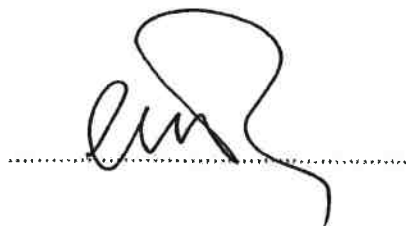
The statement of financial activities includes all gains and losses recognised in the year.
All of the Academy's activities derive from continuing operations during the above two financial periods.

Broadway Academy Trust
(A Company Limited by Guarantee)

Company number : 08534233
Balance sheet as at 31 August 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		16,946,419		17,236,926
Current assets					
Debtors	12	218,144		236,635	
Cash at bank and in hand		<u>1,639,705</u>		<u>3,356,589</u>	
		1,857,849		3,593,224	
Liabilities					
Creditors: amounts falling due within one year	13	<u>1,040,355</u>		<u>2,658,262</u>	
Net current assets			817,494		934,962
Total assets less current liabilities			<u>17,763,913</u>		<u>18,171,888</u>
Defined benefit pension scheme liability	22		(1,554,000)		(2,478,000)
Total net assets			<u>16,209,913</u>		<u>15,693,888</u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	16,946,418		17,244,937	
Restricted income fund	14	1,035		68,401	
Pension reserve	14	<u>(1,554,000)</u>		<u>(2,478,000)</u>	
Total restricted funds			15,393,453		14,835,338
Unrestricted Income funds	14		816,460		858,550
Total funds			<u>16,209,913</u>		<u>15,693,888</u>

The financial statements on pages 23 to 44 were approved by the trustees, and authorised for issue on 6 December 2023 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 2023

	Notes	2022/23 £	2021/22 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	17	(1,550,369)	1,832,319
Cash flows from investing activities	18	(166,515)	(50,451)
Change in cash and cash equivalents in the reporting period		(1,716,884)	1,781,868
Cash and cash equivalents at 1 September 2022		3,356,589	1,574,721
Cash and cash equivalents at 31 August 2023	19	1,639,705	3,356,589

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023

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.

1.1 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 Income

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

- **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.

- **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.

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.3 Income (continued)

- **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. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.
- **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.

1.4 Expenditure

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

- **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 2023 (continued)

1. Accounting policies (continued)

1.5 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
Motor vehicles	- 25% reducing balance

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.

1.6 Debtors

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

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 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.

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.9 Leased assets

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

1.10 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.

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.

1.11 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.

1.12 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.

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.12 Pension benefits (continued)

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.

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

1.13 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.

1.14 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 2023 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2022/23 Total £	2021/22 Total £
Capital grants	-	-	73,792	73,792	25,299
Donated fixed assets	-	-	-	-	2,500
	-	-	73,792	73,792	27,799
2022 total	-	-	27,799	27,799	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2022/23 Total £	2021/22 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	8,129,027	-	8,129,027	7,756,980
Other DfE/ESFA grants					
Pupil premium	-	601,828	-	601,828	590,022
Supplementary grant		237,245		237,245	98,348
National tutoring programme		113,387		113,387	91,733
Others	-	104,368	-	104,368	38,719
	-	9,185,855	-	9,185,855	8,575,802
Other government grants					
Local authority grants	-	26,148	-	26,148	24,471
	-	26,148	-	26,148	24,471
Other income from the academy trust's educational operations	120,997	-	-	120,997	104,637
Covid-19 additional funding (DfE/ESFA)					
Recovery premium	-	165,255	-	165,255	87,145
	120,997	191,403	-	312,400	216,253
	120,997	9,377,258	-	9,498,255	8,792,055
2022 total	104,637	8,687,418	-	8,792,055	

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Notes to the financial statements for the year ended 31 August 2023 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Community Centre income	70,266	-	70,266	164,560
Miscellaneous	140,634	-	140,634	-
	<u>210,900</u>	<u>-</u>	<u>210,900</u>	<u>164,560</u>
2022 total	<u>164,560</u>		<u>164,560</u>	

5. Investment income

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Short term deposits	8,133	-	8,133	644
2022 total	<u>644</u>	<u>-</u>	<u>644</u>	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2022/23 Total £	2021/22 Total £
Academy's educational operations					
Direct costs	5,853,956	266,840	632,217	6,753,013	6,741,620
Allocated support costs	1,710,949	1,082,893	773,200	3,567,042	3,348,814
	<u>7,564,905</u>	<u>1,349,733</u>	<u>1,405,417</u>	<u>10,320,055</u>	<u>10,090,434</u>
2022 total	<u>7,604,992</u>	<u>1,186,015</u>	<u>1,299,427</u>	<u>10,090,434</u>	

Net income/(expenditure) for the period includes :

		2022/23 £	2021/22 £
Operating leases	- plant and machinery	22,608	22,677
Depreciation		538,947	523,391
Fees payable to auditor	- audit	10,450	9,550
	- other services	<u>550</u>	<u>315</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2022/23 Total £	2021/22 Total £
Educational operations					
Direct costs					
Educational operations	120,745	-	6,632,268	6,753,013	6,741,620
Support costs					
Educational operations	261,375	121,000	3,184,667	3,567,042	3,348,814
	<u>382,120</u>	<u>121,000</u>	<u>9,816,935</u>	<u>10,320,055</u>	<u>10,090,434</u>
2022 total	<u>122,614</u>	<u>544,000</u>	<u>9,423,820</u>	<u>10,090,434</u>	
			Educational operations £	2022/23 Total £	2021/22 Total £
Analysis of support costs					
Support staff costs			1,710,949	1,710,949	1,764,886
Depreciation			272,107	272,107	148,583
Technology costs			121,082	121,082	148,436
Premises costs			806,243	806,243	656,924
Legal services - other			12,250	12,250	47,414
Other support costs			632,886	632,886	582,144
Governance costs			11,525	11,525	427
Total support costs			<u>3,567,042</u>	<u>3,567,042</u>	<u>3,348,814</u>
2022 total			<u>3,348,814</u>	<u>3,348,814</u>	

8. Staff

a) Staff costs

Staff costs during the period were:

	2022/23 £	2021/22 £
Wages and salaries	5,430,275	5,117,314
Social security costs	572,982	561,271
Pension costs	<u>1,249,780</u>	<u>1,709,826</u>
	<u>7,253,037</u>	<u>7,388,411</u>
Agency staff costs	311,868	167,031
Staff restructuring costs	-	49,550
	<u>7,564,905</u>	<u>7,604,992</u>
Staff restructuring costs comprise :		
Severance payments	-	49,550
	<u>-</u>	<u>49,550</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

8. Staff (continued)

b) Severance payments

The academy trust paid no severance payments in the year. The prior year payments were disclosed in the following bands:

	2022/23 Number	2021/22 Number
£25,001 - £50,000	-	1

c) Special staff severance payments

There were no staff restructuring costs paid during the year (2022: £49,550).

d) Staff numbers

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

	2022/23 Number	2021/22 Number
Teachers	70	73
Administration and support	72	76
Management	13	14
	<u>155</u>	<u>163</u>

e) Higher paid staff

	2022/23 Number	2021/22 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	8	5
£70,001 - £80,000	8	2
£80,001 - £90,000	2	-
£140,001 - £150,000	<u>1</u>	<u>1</u>

f) 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 £1,104,819 (2022: £1,297,098).

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Notes to the financial statements for the year ended 31 August 2023 (continued)

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	£130,000 - £135,000 (2022 : £125,000 - £130,000)
Employer's pension contributions paid	£30,000 - £40,000 (2022 : £25,000 - £30,000)
H Khattak (staff trustee)	
Remuneration	£50,000 - £55,000 (2022 : £55,000 - £60,000)
Employer's pension contributions paid	£nil (2022 : £nil)
R Harper (staff trustee) - resigned 31.08.2022	
Remuneration	£nil (2022 : £20,000 - £25,000)
Employer's pension contributions paid	£nil (2022 : £nil)

During the year ended 31 August 2023, travel and subsistence expenses totalling £48 (2022 : £1,257) were reimbursed or paid directly to 1 (2022 : 2) trustee.

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 £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

11. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	20,802,740	465,231	349,418	-	21,617,389
Additions	139,962	29,862	44,116	34,500	248,440
At 31 August 2023	<u>20,942,702</u>	<u>495,093</u>	<u>393,534</u>	<u>34,500</u>	<u>21,865,829</u>
Depreciation					
At 1 September 2022	3,813,837	366,644	199,982	-	4,380,463
Charge for the year	418,854	43,763	67,705	8,625	538,947
At 31 August 2023	<u>4,232,691</u>	<u>410,407</u>	<u>267,687</u>	<u>8,625</u>	<u>4,919,410</u>
Net book values					
At 31 August 2023	<u>16,710,011</u>	<u>84,686</u>	<u>125,847</u>	<u>25,875</u>	<u>16,946,419</u>
At 31 August 2022	<u>16,988,903</u>	<u>98,587</u>	<u>149,436</u>	<u>-</u>	<u>17,236,926</u>

12. Debtors

	2023 £	2022 £
Debtors from operations	5,472	5,000
VAT recoverable	32,889	19,145
Prepayments and accrued income	179,783	212,490
	<u>218,144</u>	<u>236,635</u>

13. Creditors

	2023 £	2022 £
Amounts falling due within one year :		
Creditors from operations	113,753	231,810
Accruals	273,699	167,696
Other creditors	652,903	2,258,756
	<u>1,040,355</u>	<u>2,658,262</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2023 (continued)

14. Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	68,401	8,129,027	(8,029,757)	(166,636)	1,035
Pupil premium	-	601,828	(601,828)	-	-
Recovery premium	-	165,255	(165,255)	-	-
Other grants	-	481,148	(481,148)	-	-
	<u>68,401</u>	<u>9,377,258</u>	<u>(9,277,988)</u>	<u>(166,636)</u>	<u>1,035</u>
Restricted fixed asset funds					
Transfer on conversion	16,957,687	-	(372,473)	-	16,585,214
DfE Group capital grants	33,879	73,792	(63,835)	-	43,836
Capital expenditure from GAG	158,127	-	(93,460)	166,636	231,303
BSF Contract	51,039	-	-	-	51,039
Donations	44,205	-	(9,179)	-	35,026
	<u>17,244,937</u>	<u>73,792</u>	<u>(538,947)</u>	<u>166,636</u>	<u>16,946,418</u>
Pension reserve	<u>(2,478,000)</u>	<u>-</u>	<u>(121,000)</u>	<u>1,045,000</u>	<u>(1,554,000)</u>
Total restricted funds	<u>14,835,338</u>	<u>9,451,050</u>	<u>(9,937,935)</u>	<u>1,045,000</u>	<u>15,393,453</u>
Unrestricted funds					
Other income	<u>858,550</u>	<u>340,030</u>	<u>(382,120)</u>	<u>-</u>	<u>816,460</u>
Total unrestricted funds	<u>858,550</u>	<u>340,030</u>	<u>(382,120)</u>	<u>-</u>	<u>816,460</u>
Total funds	<u>15,693,888</u>	<u>9,791,080</u>	<u>(10,320,055)</u>	<u>1,045,000</u>	<u>16,209,913</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 2023.

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.

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2023 (continued)

14. Funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	340,518	7,756,980	(7,969,991)	(59,106)	68,401
Pupil premium	-	590,022	(590,022)	-	-
Other grants	-	340,416	(340,416)	-	-
	<u>340,518</u>	<u>8,687,418</u>	<u>(8,900,429)</u>	<u>(59,106)</u>	<u>68,401</u>
Restricted fixed asset funds					
Transfer on conversion	17,404,958	-	(447,271)	-	16,957,687
DfE Group capital grants	78,857	25,299	(70,277)	-	33,879
Capital expenditure from GAG	102,038	-	(3,017)	59,106	158,127
BSF contract	52,594	-	(1,555)	-	51,039
Donations	42,976	2,500	(1,271)	-	44,205
	<u>17,681,423</u>	<u>27,799</u>	<u>(523,391)</u>	<u>59,106</u>	<u>17,244,937</u>
Pension reserve	<u>(7,023,000)</u>	<u>-</u>	<u>(544,000)</u>	<u>5,089,000</u>	<u>(2,478,000)</u>
Total restricted funds	<u>10,998,941</u>	<u>8,715,217</u>	<u>(9,967,820)</u>	<u>5,089,000</u>	<u>14,835,338</u>
Unrestricted funds					
Other income	711,323	269,841	(122,614)	-	858,550
Total unrestricted funds	<u>711,323</u>	<u>269,841</u>	<u>(122,614)</u>	<u>-</u>	<u>858,550</u>
Total funds	<u>11,710,264</u>	<u>8,985,058</u>	<u>(10,090,434)</u>	<u>5,089,000</u>	<u>15,693,888</u>

15. Analysis of net assets between funds

Fund balances at 31 August 2023
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	16,946,419	16,946,419
Current assets	816,460	-	1,041,389	-	1,857,849
Current liabilities	-	-	(1,040,354)	(1)	(1,040,355)
	<u>816,460</u>	<u>-</u>	<u>1,035</u>	<u>16,946,418</u>	<u>17,763,913</u>
Pension scheme liability	-	(1,554,000)	-	-	(1,554,000)
Total net assets	<u>816,460</u>	<u>(1,554,000)</u>	<u>1,035</u>	<u>16,946,418</u>	<u>16,209,913</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2023 (continued)

15. Analysis of net assets between funds (continued)

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	-	-	-	17,236,926	17,236,926
Current assets	858,550	-	2,726,663	8,011	3,593,224
Current liabilities	-	-	(2,658,262)	-	(2,658,262)
	<u>858,550</u>	<u>-</u>	<u>68,401</u>	<u>17,244,937</u>	<u>18,171,888</u>
Pension scheme liability	-	(2,478,000)	-	-	(2,478,000)
Total net assets	<u>858,550</u>	<u>(2,478,000)</u>	<u>68,401</u>	<u>17,244,937</u>	<u>15,693,888</u>

16. Commitments under operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2023	Total 2022
	£	£
Amounts due within one year	65,517	52,930
Amounts due between one and five years	<u>28,055</u>	<u>49,058</u>
	<u>93,572</u>	<u>101,988</u>

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022/23	2021/22
	Total	Total
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	(528,975)	(1,105,376)
Adjusted for :		
Depreciation (note 11)	538,947	523,391
Capital grants from DfE and other capital income	(73,792)	(27,799)
Interest receivable (note 5)	(8,133)	(644)
Defined benefit pension scheme cost less contributions payable (note 24)	15,000	424,000
Defined benefit pension scheme finance cost/(income) (note 24)	106,000	120,000
Decrease / (increase) in debtors	18,491	(1,189)
(Decrease) / increase in creditors	<u>(1,617,907)</u>	<u>1,899,936</u>
Net cash (used in) / provided by operating activities	<u>(1,550,369)</u>	<u>1,832,319</u>

18. Cash flows from investing activities

	2022/23	2021/22
	Total	Total
	£	£
Interest received	8,133	644
Purchase of tangible fixed assets	(248,440)	(78,894)
Capital grants from DfE Group	73,792	25,299
Capital grants from others	-	2,500
Net cash used in investing activities	<u>(166,515)</u>	<u>(50,451)</u>

Broadway Academy Trust
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Notes to the financial statements for the year ended 31 August 2023 (continued)

19. Analysis of cash and cash equivalents

	At 31 August 2023 £	At 31 August 2022 £
Cash at bank and in hand	1,639,705	3,356,589
	<u>1,639,705</u>	<u>3,356,589</u>

20. Analysis of changes in net debt

	At 31 August 2022 £	Cash flows £	Other non-cash changes £	At 31 August 2023 £
Cash at bank and in hand	3,356,589	(1,716,884)	-	1,639,705
	<u>3,356,589</u>	<u>(1,716,884)</u>	<u>-</u>	<u>1,639,705</u>

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.

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 Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

There were no outstanding or prepaid contributions at either the beginning of the financial year. Contributions amounting to £144,412 were payable to the schemes at 31 August 2023 and are included within creditors.

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.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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 2024.

The employer's pension costs paid to TPS in the year amounted to £695,557 (2022 : £681,269).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £543,000 (2022 : £577,000), of which employer's contributions totalled £426,000 (2022 : £482,000 and employees' contributions totalled £117,000 (2022 : £95,000). The agreed contribution rates for future years are 30.6% for employers and between 5.5% and 8.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 22 years.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

	At 31	At 31
	August 2023	August 2022
Rate of increase in salaries	4.00%	4.05%
Rate of increase for pensions in payment / inflation	3.00%	3.05%
Discount rate for scheme liabilities	5.20%	4.25%
Inflation assumption (CPI)	3.00%	3.05%

Sensitivity analysis

	At 31	At 31
	August 2023	August 2022
	£'000s	£'000s
Discount rate +0.1%	(141)	(156)
Discount rate -0.1%	141	156
Mortality assumption 1 year increase	250	276
Mortality assumption 1 year decrease	(250)	(276)
CPI rate +0.1%	119	127
CPI rate -0.1%	(119)	(127)

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

	At 31	At 31
	August 2023	August 2022
Retiring today		
Males	19.3	21.3
Females	23.8	23.6
Retiring in 20 years		
Males	21.3	22.9
Females	24.7	25.4

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

	31 August	31 August
	2023	2022
	£	£
Equities	3,197,000	2,959,400
Bonds	987,000	927,500
Property	329,000	353,400
Cash and other liquid assets	188,000	176,700
Total market value of assets	4,701,000	4,417,000

The actual negative return on scheme assets was 1.2% (2022 : negative 2.5%).

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Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2022/23 £	2021/22 £
Amount recognised in the statement of financial activities		
Current service cost	441,000	906,000
Interest income	(197,000)	(70,000)
Interest cost	303,000	190,000
Total amount recognised in the SoFA	547,000	1,026,000

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

	2022/23 £	2021/22 £
At 1 September 2022	6,895,000	11,033,000
Current service cost	441,000	906,000
Interest cost	303,000	190,000
Employee contributions	117,000	95,000
Actuarial gains/(losses) - financial assumptions	(1,606,000)	(5,242,000)
Actuarial gains/(losses) - demographic assumptions	(328,000)	(37,000)
Actuarial gains/(losses) - experience gains/losses	518,000	14,000
Benefits paid	(85,000)	(64,000)
At 31 August 2023	6,255,000	6,895,000

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

	2022/23 £	2021/22 £
At 1 September 2022	4,417,000	4,010,000
Interest income	197,000	70,000
Actuarial gains/(losses)	(371,000)	(176,000)
Employer contributions	426,000	482,000
Employee contributions	117,000	95,000
Benefits paid net of transfers in	(85,000)	(64,000)
At 31 August 2023	4,701,000	4,417,000
Net pension scheme liability	(1,554,000)	(2,478,000)

Broadway Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

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. Although there has been no related party transactions, there are however related party activities. Two of our Directors currently operate as Governors/Directors at Radley College, Abingdon and University of Birmingham.

24. Contingent Liabilities

Following the recent decision in the Harpur Trust vs Brazel case. The trust is considering the potential liability in respect of this. At this time it is not possible to quantify the liability, if any, and no provision has been made in these accounts.

Following the recent Department for Education press releases Broadway Academy considers it prudent to consider the potential liability in the event of RAAC being discovered on site. Although the current government stance is that they will do whatever it takes this is caveated with "reasonable costs", there is potential other associated costs, or income from loss of community use which would not form part of any compensation, however, at this moment in time it is not possible to quantify any potential liability or opportunity loss, therefore no provision has been made.