

**Beacon Multi-Academy
Trust**

**Consolidated Annual Report and
Financial Statements**

Year to 31 August 2021

Company Limited by Guarantee
Registration Number
07835788 (England and Wales)

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Reference and administrative information

Members	E Sidwell CBE (Chair) M Woodcock S Gable A Sadanandan
Trustees	E Sidwell CBE (Chair) S Ratnam (Vice Chair) M Fuller P Leach B Panesar S Ramsay J Saini E Slattery M Stokes (resigned 3 September 2020) M Vadodaria (appointed 22 September 2020) A Weinberg MBE S Cahill (appointed 1 September 2021) N Thompson (appointed 1 September 2021)
Company Secretary	S Ratnam
Key Management Personnel	K Burns (Accounting Officer/CEO/BHS Executive Principal) D Bamrah (Chief Finance Officer - Appointed COO on 1 April 2021) W Mackintosh (TFA Principal appointed 1 September 2020) P Bray (BHS Co-Headteacher/NELTA Principal) Y Andress (BHS Co-Headteacher) T Button (BBIH Principal)
Registered address	Beal High School (upper site) Woodford Bridge Road Ilford Essex IG4 5LP
Company registration number	07835788 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers NatWest plc
PO Box 414
38 Strand
London
WC2N 5JB

Solicitors Eversheds
1 Wood Street
London
EC2V 7WS

INTRODUCTION

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

The Trust operates 2 secondary Academies, 1 Alternative Provision Academy and a SCITT in Redbridge. Its Academies have a combined pupil capacity of 3,880 and had a roll of 3,352 in the school census on January 2021.

The Trust incorporates: Beal High School 11-18, which includes Beacon Communication School (BCS) an Autism Spectrum Disorders (ASD) 11-18 additionally resourced provision (ARP) for 42 FTE students at steady state; Forest Academy 11-16 which also includes an ASD ARP for 42 FTE; BBIH: Beacon 14-19 Business Innovation Hub Free School and NELTA our SCITT.

The Trust has one subsidiary of which it is the sole member; Beacon Education Services Trading Ltd. (BEST Ltd).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governance

The 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 Trust. The Trustees of Beacon Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Beacon Multi-Academy Trust.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The Trust through its Articles has indemnified its Trustees and Governors to the fullest extent permissible by law.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

The Trustees are processed by a majority resolution of the Board. A similar process will be used if it becomes necessary to remove a Trustee. These are then subject to confirmation by Members. The articles of association require members of the charitable company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust.

Policies and procedures adopted for the induction and training of Trustees

New Trustees and Governors will be given a tour of the Academies and the chance to meet staff, students, CEO and the Principals with a view to ensuring the Trustee/Governor has a good understanding of the Trust's philosophy and its day-to-day operation. Trustee and Local Governor Training is taken very seriously by the Trust. The executive and leadership teams brief and Trustees and governors on governance, financial, safeguarding and other educational matters regularly. The Trust Executive provides a regular educational update on topical matters for Trustees and Governors. Members are encouraged to participate in training programmes and courses arranged by the Academies. Specific training is provided on technical issues to keep Trustees and Governors updated on all relevant developments affecting their role and responsibilities.

Organisational structure

The management structure of the Trust consists of the Board of Trustees and specific committees; The Trust Executive, the Local Governing Bodies and the Senior Leadership Teams of the schools.

The Trustees and Trust Executive fulfil a strategic role: setting general policy, approving an annual Trust plan and budget, monitoring performance against the plan and budget and making decisions about the Trustees of the charitable company, capital expenditure and the Trust Executive appointments across the Trust. Detailed decisions are delegated to the Trust Executive Team. The CEO is the Accounting Officer. The Board delegates a number of operational monitoring and evaluation functions to the Local Governing Bodies (LGBs) at each Academy.

Arrangements for setting pay and remuneration of key management personnel

Trust Executive

The key management personnel (Trust Executive) are listed on page 1.

The pay and remuneration of the Trust Executive is reviewed and agreed by the Trust Pay & Personnel Committee annually linked to performance management targets, appraisal, national pay awards and budget forecasts.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade Union Facility Time

April 2020 – March 2021

Relevant Union Officials

Number of TU Representatives	FTE Number of TU Representatives
2	2

Percentage of time spent on facility time

Percentage of Time	Number of Employees
Number of TU Representatives That Spent 0% Working Hours	0
Number of TU Representatives That Spent 1-50% Working Hours	0
Number of TU Representatives That Spent 51-99% Working Hours	0
Number of TU Representatives That Spent 100% Working Hours	0

Percentage of pay bill spent on facility time

Total Cost of Facility Time	£38.08
Total Pay Bill	£15,909,416.90
Percentage of Pay Spent on Facility Time	0.0002%
Percentage of Total Hours Spent On Paid Trade Union Activities	100%

Engagement with employees (including disabled persons)

The Trust places an important emphasis on staff communication and has active policies and procedures in place which support the effective communication of information to and from staff and also encourage and enable staff to be involved in consultation and decision making.

The Trust continues to provide membership of the 24/7 Employee Assistance Programme for all staff and their immediate families.

Applicants with a disability are given the opportunity to request any special arrangements to be made on account of a disability. Reasonable adjustments are made for disabled employees and guidance is sought from our Occupational Health Provider and Access to Work (*a publicly funded employment support programme that aims to help more disabled people start or stay in work*) if necessary. This is undertaken to ensure that employees with a disability are not disadvantaged in any aspect of their employment.

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

Our key stakeholders are our students, parents, staff and the communities in which we serve. Other key stakeholders include the suppliers from whom we purchase goods and services. Our business relationships are based on the important principles of public service and best value.

OBJECTIVES AND ACTIVITIES

Objects and aims

Beacon Multi-Academy Trust (BMAT) was established on the 1 February 2014. BMAT runs a small network of successful schools, but its pupil numbers are equivalent to that of a medium sized Trust, as Beal High School is the largest secondary school in England. Our vision for success encompasses a school led model that is driven by our high expectations inclusion model, providing all students access to an extensive range of progression routes and pathways. Put simply we have created '...a coherent approach that aligns education, training, skills and employment services' within our Trust that employs both a values added and a value added approach to schooling. Our Trust's aim is to raise standards in education for all; we believe every young person deserves to have the best education possible.

Principal activities

The principal activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies within the Trust by offering a broad and balanced curriculum.

Beacon Multi-Academy Trust provides excellent education, constantly striving to meet the needs of all students regardless of socio-economic background or ability.

Beal High School (BHS) provides outstanding 11-18 secondary education to over 2,600 students, Number on Roll (NOR) (2,672); the majority are drawn from the Academies designated catchment area and Post 16 from both the Beal and Forest catchment areas and neighbouring London boroughs. Our curriculum provides breadth and rigorous pathways to different types of success.

The Forest Academy (TFA) provides good 11-16 secondary education to over 600 students, (NOR 628 with an additional 200+ co-located Post 16 students who attend the Beal Sixth Form). Every student at the Forest Academy is guaranteed progression into Beal Sixth Form (if they meet the entry requirements) serving the local community with confidence by providing a good education. The Forest Academy is aiming for an outstanding rating.

The Beacon Business Innovation Hub (BBIH) 14-19 Free School opened in September 2014 and provides an innovative high-quality alternative provision driven by different types of success and 100% progression for all. BBIH was judged 'Good' by Ofsted in December 2019. The curriculum offer and increasing roll are testament to its' sustainable success.

All three Trust schools and the SCITT are rated good or outstanding and have had a successful year in terms of attainment, progress, attendance, progression, exclusions and student recruitment as key performance indicators.

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

The primary purpose of the Beacon Multi-Academy Trust is the advancement of education within the local area. The Trust has given a high priority to providing public benefit to a cross section of the community and regardless of family background, but perhaps the greatest benefit that the Trust can offer is the provision of an education that maximises each student's potential to develop into principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Beacon Academy Trust strategic objectives 2020-23

STRATEGIC OBJECTIVES

SO1: Further improving outcomes for children and young people and the Ofsted grades of academies in the Trust

- 1.1 Raise attainment and improve progress
- 1.2 Future proof BMAT leadership succession planning and talent management
- 1.3 Staff recruitment and retention
- 1.4 Highly effective ways of Teaching and Learning

SO2: Ensuring a financially viable and sustainable multi-academy trust (MAT)

- 2.1 Continuously improve the quality of provision whilst balancing the budget
- 2.2 Financial management, business efficiencies and growth strategy
- 2.3 Central Services Efficiency and value for money (VfM)
- 2.4 Reduce carbon footprint

SO3: Risk management – strategic monitoring against key performance indicators (KPIs)

- 3.1 Strategic and education policy context
- 3.2 Build a strong, scalable MAT infrastructure
- 3.3 Key strategic risks and mitigating actions
- 3.4 Feedback from parents/carers, local community and regulators
- 3.5 Maintaining safe and secure environments for all students, staff and visitors

SO4: Ensure strong leadership and governance

- 4.1 School improvement and effectiveness strategies in place
- 4.2 Enhancing the governance at board level
- 4.3 Trust level KPIs to track Trust Executive impact and school targets

STRATEGIC OBJECTIVES (continued)

Achievements and performance

All 3 Trust schools met or exceeded their targets in relation to:

Standards & Effectiveness

- Attendance above national average
- 100% progression at KS4 and KS5
- Outcomes including a successful, fair and accurate centre assessed grades process
- Remote learning KPIs ensured all students continued to make progress across all 3 schools

Student numbers

- Student recruitment met or exceeded at Forest Academy and BBIH
- BHS continues to be oversubscribed
- BBIH significant change KS3 expansion approved for 2021-22

Staffing

- Recruitment and retention of BMAT staff above national average across all 3 schools
- Staffing as a % cost of total income below 66%

Finance & compliance

- All schools within budget with sound cumulative surpluses
- All BMAT policies and procedures compliant, particularly in relation to safeguarding and finance
- Risk register reviewed and updated, including COVID risk assessments for all 3 schools

STRATEGIC REPORT

Financial review

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The total income for the year was £23,652,000 (2020 – £22,186,000), of which £19,102,000 (2020 – £17,416,000) is General Annual Grant. The majority of the remainder is made up of other ESFA and Government Grants. The unrestricted element was generated from donation, lettings, trip and other income.

The results for the period are shown on page 28.

The surplus of income over expenditure for the year (excluding restricted fixed asset funds and the actuarial loss and other adjustments on the Local Government Pension Scheme liability) was £2,544,000 (2020 – surplus of £2,060,000). At 31 August 2021 the net book value of tangible fixed assets was £54,879,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

At 31 August 2021, the Academy had total funds of £51,950,000 (2020 – £52,724,000). This comprised of £51,873,000 (2020 – £52,724,000) of restricted funds and £77,000 (2020 – £nil) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £7,084,000 (2020 – deficit by £4,801,000) at 31 August 2021.

Catch-up Funding

The Trust has used its catch up funding in full to support its recovery strategy through its BMAT tutoring programme, summer schools, additional teachers in core subjects to support students, integrated skills for learning strategy, increased counselling capacity across all three schools and extra-curricular structured social activities and opportunities to mitigate the impact of the pandemic.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial Position

The Trust has a sound financial position including reserves of £4m.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to one month's expenditure which is circa £2m. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Revenue reserves at 31 August 2021 were £4,138,000, and are therefore broadly in line with the policy. Reserves in excess of one month's expenditure will be used to support future capital plans including the BMAT nursery provision and KS3 expansion of BBIH. In addition, they serve to mitigate the risk posed by the significant deterioration of the Beal sixth form modular building and the need to replace in the near future.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Trustees have given consideration to the effects of the coronavirus pandemic. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Promoting the success of the company

The Trust aim is to provide the very best education for all within a high expectations inclusive culture. Our strategic plan drives our sustainable model of success and continuous school improvement. We expect the highest standards of professional conduct and equality of opportunity for staff and students and promote this culture within our Trust and the wider community.

Investment Policy

No investments are made at this time.

Principal risks and uncertainties

Risk management is a key governance task for the Trust Board. The Board has delegated the task of monitoring the Trust's Strategic Risk Register to the Finance and Risk Committee, this includes financial, safeguarding, health and safety and buildings maintenance risks. Individual Local Governing Bodies have delegated operational risk management processes, including premises and Health & Safety.

Feedback from the operational level informs the Strategic Risk Register through the escalation route. Each Academy and the SCITT within Beacon Academy Trust also conducts their own individual Risk Assessments, including those for safeguarding, premises and health and safety.

In response to the COVID pandemic and school lockdown the Trust has produced COVID risk assessments for all 3 schools, NELTA and central services updated in line with central government and local guidance to ensure safety for all.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

The Trust actively seeks to recognise both threats and opportunities, and decides how to respond to them, including the setting of internal controls. It takes a strategic view of risk across the Trust, factoring together all the relevant input it can reasonably use. For example, it may consider to what extent risks interact, cumulate or cancel each other out. Consideration of risk features in all the Board's significant decisions.

BMAT risk register sets out the principal risks facing the Trust, achieving the milestones and targets are paramount whilst maintaining the quality of provision in our schools and SCITT. The Trust considers the principal risks and uncertainties facing the Trust are the:

- ◆ Political and COVID uncertainty and its impact on education funding and financial planning
- ◆ Balanced budget whilst maintaining the quality of provision
- ◆ Sustainable 3 year curriculum and staffing model with % staff cost of total income below 66%
- ◆ Impact of COVID lockdown and school re-opening on attainment and progress in the short and medium term, including external performance measures

The Trust's rigorous review of teaching staff and curriculum efficiency across the Trust has formed the basis of our sustainable financial model. Our current strategic plan will focus on growth and the immediate and ongoing impact of COVID, whilst maintaining and exceeding our KPIs.

All BMAT policies are available on our Trust and school websites.

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Total Energy consumption used to calculate emissions (kWh)	5,228,228.30 kWh
Energy consumption break down totals (kWh)	
▪ Gas	3,804,252 kWh
▪ Electricity	1,422,500 kWh
▪ Transport fuel	1,476.50 kWh
Scope 1 emissions in metric tonnes CO2e totals	
▪ Gas consumption	816.05 Metric tonnes
▪ Owned transport – mini-buses	0.34 Metric tonnes
Scope 2 emissions in metric tonnes CO2e total	
▪ Purchased electricity	328.77 Metric tonnes
Scope 3 emissions in metric tonnes CO2e totals	
▪ Business travel in employee owned vehicles	N/A
Total gross emissions in metric tonnes CO2e	1,145.16 Metric tonnes
Intensity ratio	
▪ Tonnes CO2e per pupil (while at school)	0.3 Metric tonnes
Quantification and Reporting Methodology Data has been collated from actual usage from utilities bills. Intensity measurement https://www.rensmart.com/Calculators/KWH-to-CO2 Measures taken to improve energy efficiency Roofing insulation and new windows funded through the condition and improvement fund. Trust LED replacement programme	

Disabled Employees

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT (continued)

PLANS FOR FUTURE PERIODS

The Trust will expand BBIH to KS3 in 2021/22. Students between the ages of 12-19 will attend with effect from September 2021. The Trust will fund the single storey capital build to house 48FTE KS3 students at steady state in 2024/25 from its own reserves. Building completion is planned for 2023/24.

The Trust has carried out a feasibility study to open an on-site employee nursery for 0-5 year olds. This is to support employee retention and staff wellbeing as it will counter the high costs of day nursery care in London for public sector staff. Nursery opening is planned for 2022/23 on the Beacon Campus.

FUNDRAISING

The Trust does not actively solicit donations and therefore is not registered with the Fundraising Regulator or subscribe to any fundraising codes of practice. When donations from individuals are received, the Trust aims to protect personal data and never sells data or swaps data with other organisations. During 2020/21, the Trust received no complaints about fundraising activities.

AUDITOR

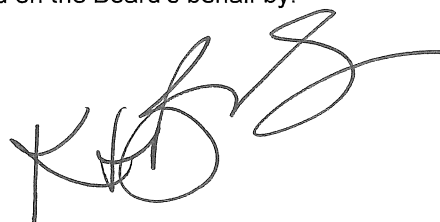
In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors and signed on the Board's behalf by:



Chair of Board of Trustees of the Trust
E Sidwell
Date: 30.11.2021



Chief Executive Officer
K Burns
Date: 30.11.2021

Governance statement Year to 31 August 2021

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Beacon Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. Governance arrangements continued throughout the pandemic and all statutory requirements were met through a blended approach of remote and in person meetings. The Board reviewed its risk and control framework to ensure all statutory obligations were met and effectively applied.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Attended	Out of a possible
E Sidwell CBE (Chair)	4	4
S Ratnam (Vice Chair)	4	4
M Fuller	2	4
P Leach	3	4
B Panesar	4	4
S Ramsay	4	4
J Saini	4	4
E Slattery	4	4
M Stokes	0	0
M. Vadodaria	3	3
A Weinberg	3	4

- ◆ The Board oversees the performance of the schools within the Trust, including the recruitment of Executive personnel and oversees the financial performance and compliance of the Trust.
- ◆ The Board has been regularly presented with reports through its committees: Standards & Effectiveness, Pay & Personnel and Finance & Risk enabling them to scrutinise performance, progress and outcomes. The committees report back to the Board alongside the CEO's report.

Governance statement Year to 31 August 2021

Governance (continued)

- ◆ The Board met fewer than 6 times in 2019/20. It has maintained effective oversight of funds with fewer meetings by delegating certain areas to its sub-committees: Finance & Risk, Standards & Effectiveness and Pay & Personnel which are described on the following pages.

Governance reviews

- ◆ The Board members regularly review the Trustees membership and skills. In light of the pandemic we conducted a governance audit to ensure we had the range of expertise required
- ◆ The clerk produced a Trustees induction pack which incorporates links to online training and resources. In addition, statutory safeguarding and Prevent training is delivered by the Executive
- ◆ Auditors conducted a risk management audit in April 2020
- ◆ The governance action plan was reviewed and approved in July 2020 in line with revised BMAT strategic plan 2020-23
- ◆ The risk register was reviewed and RAG rated in July 2021 in line with the new ATH requirements from September 2021, incorporating the COVID risk assessment addendum for schools across the Trust
- ◆ For Beacon Academy Trust, risk management is a key governance task for the Board. The Board has delegated the task of monitoring the Trust's Strategic Risk Register and Business Continuity Plan to the Finance & Risk Committee. Individual Local Governing Bodies have delegated operational risk management processes, including premises and health and safety.

Finance and Risk Committee

The Finance and Risk Committee is responsible to the Board of Trustees. The main purpose of the Committee is to advise the Board of Trustees on the Trust's assurance framework and the provision of the opinion in the annual accounts. The Committee will deal with such other financial, audit and risk matters as may from time to time be referred to the Committee for consideration or approval. The Finance and Risk Committee has the authority to investigate any activity within its terms of reference. The Finance and Risk Committee has the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit and all officers of the Trust shall be directed to co-operate with any request made. The Committee will also review its own effectiveness and these terms of reference on an annual basis and report the outcome and make recommendations to the Trust Board.

Governance statement Year to 31 August 2021

Finance and Risk Committee (continued)

Attendance at meetings in the year was as follows:

Members	Meetings attended	Out of a possible
S Ratnam (Chair)	4	4
E Sidwell CBE	4	4
B Panesar	3	4
J Saini	4	4
E Slattery	3	4
K Burns - CEO/Accounting Officer (in attendance)	4	4
D Bamrah – Chief Finance Officer (in attendance)	4	4

Review of value for money

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

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

The Accounting Officer for the Trust has delivered improved value for money during the year by:

- ◆ Consolidating curriculum efficiency and staffing across the Trust
- ◆ Consolidating systems and infrastructure efficiency
- ◆ Consolidating cost benefit analysis of contracts and services
- ◆ Revising the summer 2020/21 budget in response to school lockdowns and the financial impact of exam cancellations
- ◆ Revising the 2021/22 budget in response to identified COVID risks against income and expenditure
- ◆ We supported SME suppliers by paying invoices with 7 days of receipt instead of the standard 30 days
- ◆ No payments were made throughout the pandemic to ensure continuous service to any supplier
- ◆ There was no adverse impact on achieving value for money throughout the pandemic
- ◆ Increasing capacity at BBIH by submitting a KS3 significant change application which was approved for implementation in September 2021

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which The 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 Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process at the Finance and Risk Committee and the COVID risk assessment.

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. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beacon Multi-Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

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

In line with the newly revised FRC Ethical Standard the Members and Board of Trustees has decided to appoint Bishop Fleming as internal auditors for academic year 2020/21. Buzzacott acted as internal audit during the financial year 2019/20.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on The Trust's financial systems. No remedial actions were required as no significant control issues were identified during the internal audit process.

Governance statement Year to 31 August 2021

The risk and control framework (continued)

In particular, the checks carried out in the current period included:

- ◆ review of budgets and financial monitoring, compliance, governance and regularity, and a strategic and operational review
- ◆ review of income, expenditure, bank and petty cash, credit card, payroll, information technology, and fixed assets

On a termly basis, the internal auditor reports to the Board of Trustees, through the Finance Director and Finance and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned; no material control issues have arisen as a result of the internal auditor's work.

Review of effectiveness

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

- ◆ the work of the internal auditor;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Trust Executive within The Trust who have responsibility for the development and maintenance of the internal control framework.

The Finance and Risk Committee have advised the Accounting Officer of the implications of the result of their review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 30 November 2021 and signed on its behalf by:



E Sidwell
(BMAT Chair)



K Burns
(Accounting Officer)

Statement on regularity, propriety and compliance Year to 31 August 2021

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

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

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

A handwritten signature in black ink, appearing to read 'K Burns', with a long horizontal flourish extending to the right.

Accounting Officer

K Burns

Date: 30 November 2021

Statement of Trustees' responsibilities Year to 31 August 2021

The Trustees (who act as governors of Beacon Multi-Academy Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards (FRS 102) 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 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 30 November 2021 and signed on its behalf by:



E Sidwell
BMAT Chair

Independent auditor's report on the financial statements Year to 31 August 2021

Independent auditor's report to the members of Beacon Multi Academy Trust

Opinion

We have audited the financial statements of Beacon Multi Academy Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the group statement of financial activities, the group and charitable parent company's balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2021 and of 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; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 group's or the charitable parent company'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.

Independent auditor's report on the financial statements Year to 31 August 2021

Conclusions relating to going concern (continued)

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

Other information (covers the reference and administrative details, the report of the Trustees, the strategic report and the governance statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

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

Independent auditor's report on the financial statements Year to 31 August 2021

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the charitable parent 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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group and the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the Academy Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Independent auditor's report on the financial statements Year to 31 August 2021

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

- ◆ we understood how the group and the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and papers provided to the Trustees;
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's and the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Independent auditor's report on the financial statements Year to 31 August 2021

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the charitable company'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 group and the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



15.12.2021

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's report Year to 31 August 2021

Independent reporting accountant's assurance report on regularity to Beacon Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 10 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beacon Multi Academy Trust during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Beacon Multi Academy Trust Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Beacon Multi Academy Trusts funding agreement with the Secretary of State for Education dated 20 August 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Independent reporting accountant's report Year to 31 August 2021

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of The Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects:

- a) the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament; and
- b) the financial transactions do not conform to the authorities which govern them.



Hugh Swainson - 15.12.2021

Statutory Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities Year to 31 August 2021
(including an income and expenditure account)

	Notes	Restricted funds			Total funds 2021 £'000	Total funds 2020 £'000
		Un-restricted general funds £'000	Restricted general funds £'000	Fixed assets funds £'000		
Income from:						
Donations and capital grants	1	3	—	210	213	331
Charitable activities						
. Funding for The Trust's educational operations	2	—	22,693	—	22,693	20,473
. Teaching schools	2,26	—	373	—	373	380
Other trading activities	3	179	192	—	371	998
Investments		2	—	—	2	4
Total income		184	23,258	210	23,652	22,186
Expenditure on:						
Charitable activities						
. Academy's educational operations	5	107	21,116	1,612	22,835	21,625
. Teaching schools	4,26	—	241	—	241	348
Total expenditure	4	107	21,357	1,612	23,076	21,973
Net income (expenditure) before transfers		77	1,901	(1,402)	576	213
Transfer between funds	18	—	(367)	367	—	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pensions schemes	22	—	(1,350)	—	(1,350)	1,739
Net movement in funds		77	184	(1,035)	(774)	1,952
Reconciliation of funds						
Fund balances brought forward at 1 September 2020		—	(3,207)	55,931	52,724	50,772
Fund balances carried forward at 31 August 2021	18	77	(3,023)	54,896	51,950	52,724

All of The Trust's activities derive from continuing operations in the above two financial periods.

All gains and losses are included in the statement of financial activities.

Balance sheets As at 31 August 2021

	Notes	2021		2020	
		Group £'000	Academy £'000	Group £'000	Academy £'000
Fixed assets					
Intangible fixed assets	13	—	—	4	4
Tangible fixed assets	14	54,879	54,879	55,833	55,833
		54,879	54,879	55,837	55,837
Current assets					
Debtors	15	581	560	502	527
Cash at bank and in hand		5,654	5,627	2,842	2,813
		6,235	6,187	3,344	3,340
Creditors: amounts falling due within one year	16	(1,830)	(1,782)	(1,281)	(1,277)
Net current assets		4,405	4,405	2,063	2,063
Total assets less current liabilities		59,284	59,284	57,900	57,900
Creditors: Amounts falling due after more than one year	17	(250)	(250)	(375)	(375)
Net assets excluding pension scheme liability		59,034	59,034	57,525	57,525
Defined benefit pension scheme liability	22	(7,084)	(7,084)	(4,801)	(4,801)
Net assets including pension scheme liabilities		51,950	51,950	52,724	52,724
Funds of the Trust					
Restricted income funds:					
. Restricted income funds	18	4,061	4,061	1,594	1,594
. Restricted fixed assets fund	18	54,896	54,896	55,931	55,931
Restricted income funds excluding pension liability		58,957	58,957	57,525	57,525
. Pension reserve		(7,084)	(7,084)	(4,801)	(4,801)
Total restricted income funds		51,873	51,873	52,724	52,724
Unrestricted income funds	18	77	77	—	—
Total funds	20	51,950	51,950	52,724	52,724

The financial statements on page 28 to 57 were approved by the Trustees, and authorised for issue on 30 November 2021 and are signed on their behalf by:

Chair  E Sidwell

Beacon Multi-Academy Trust
Company Limited by Guarantee
Registration Number: 07835788 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2021

		2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	3,252	1,954
Cash flows from investing activities			
Net cash used in investing activities	B	(440)	(58)
Change in cash and cash equivalents in the year		2,812	1,896
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2020		2,842	946
Cash and cash equivalents at 31 August 2021	C	5,654	2,842

A Reconciliation of net income to net cash provided by operating activities

		2021 £'000	2020 £'000
Net income for the year (as per the statement of financial activities)			
		576	213
Adjusted for:			
Depreciation (note 14)		1,607	1,502
Amortisation (note 13)		4	4
Capital grants from DfE and other capital income		(210)	(319)
Interest receivable		(2)	(4)
Defined benefit pension scheme cost less contributions payable (note 22)		845	750
Defined benefit pension scheme finance cost (note 22)		87	110
(Increase) decrease in debtors		(79)	140
Increase (decrease) in creditors		424	(442)
Net cash provided by operating activities		3,252	1,954

B Cash flows from investing activities

		2021 £'000	2020 £'000
Dividends, interest and rents from investments		2	4
Purchase of tangible fixed assets		(652)	(381)
Capital grants from DfE/EFSA		210	319
Net cash used in investing activities		(440)	(58)

C Analysis of cash and cash equivalents

		2021 £'000	2020 £'000
Cash at bank and in hand		5,654	2,842

Consolidated statement of cash flows Year to 31 August 2021

D Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2021 £'000
Cash	2,842	2,812	—	5,654
Loans falling due within one year	(125)	—	—	(125)
Loans falling due after more than one year	(375)	125	—	(250)
Total	2,342	2,937	—	5,279

Principal accounting policies Year to 31 August 2021

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared for the year to 31 August 2021 with comparative information provided in respect to the year to 31 August 2020.

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

The financial statements are presented in sterling and rounded to the nearest thousand.

Consolidation

The statement of financial activities and balance sheet consolidate the financial statements of The Trust and its subsidiary undertaking, Beacon Education Services Trading Ltd, made up to the Balance Sheet date. Intragroup transactions are eliminated in full. The results of the trading subsidiary are set out in note 11.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that The 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. The Trustees have made this assessment whilst considering the impact of the Covid-19 pandemic on the day-to-day activities of The Trust. Further details regarding the adoption of the going concern basis can be found in the Trustees' report on page 10.

Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Principal accounting policies Year to 31 August 2021

Income (continued)

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

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

All expenditure is inclusive of irrecoverable VAT.

Intangible fixed assets and amortisation

Intangible assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Principal accounting policies Year to 31 August 2021

Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Forest Academy

The valuation for the leasehold property is taken from the Drivers Jonas Deloitte desktop valuation completed for the ESFA. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

Beal High School and Beacon Business Innovation Hub

The valuation for the leasehold property on conversion is taken from 75% of the insurance valuation placed on the property. This is based on depreciated replacement cost. In addition to this subsequent buildings constructed post conversion have been included based on build cost provided by the London Borough of Redbridge or costs paid by the Academy. No value for land had been included.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- 2% Straight line
Plant and machinery	- 10% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 10% Straight line
Computer equipment	- 20% Straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating an income and expenditure account.

Principal accounting policies Year to 31 August 2021

Liabilities

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

Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use a small percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

Principal accounting policies Year to 31 August 2021

Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of The Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating an income and expenditure account 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.

Fund accounting

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

Principal accounting policies Year to 31 August 2021

Fund accounting (continued)

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- ◆ Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property, plant and equipment.

Notes to the financial statements Year to 31 August 2021

1 Income from donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds 2021 £'000
Other donations	3	—	—	3
Capital grants	—	—	210	210
	3	—	210	213

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds 2020 £'000
Donations	12	—	—	12
Capital grants	—	—	319	319
	12	—	319	331

2 Funding for The Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000
DfE/ESFA grants			
General Annual Grant (GAG)	—	19,102	19,102
Other DfE/ESFA grants			
. Teaching School	—	373	373
. Pupil Premium	—	574	574
. Others	—	1,251	1,251
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	—	218	218
Other DfE/ESFA COVID-19 funding	—	74	74
Other government grants			
Local Authority Grants	—	1,474	1,474
	—	23,066	23,066

The trust received £218,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £218,000.

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

Notes to the financial statements Year to 31 August 2021

2 Funding for The Trust's educational operations (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2020 £'000</i>
<i>DfE/ESFA grants</i>			
<i>General Annual Grant (GAG)</i>	—	17,416	17,416
<i>Other DfE/ESFA grants</i>			
<i>. Teaching School</i>	—	380	380
<i>. Pupil Premium</i>	—	561	561
<i>. Others</i>	—	1,152	1,152
<i>Other government grants</i>			
<i>Local Authority Grants</i>	—	1,344	1,344
	—	20,853	20,853

3 Other trading activities

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	Total funds 2021 £'000
Hire of facilities	22	—	22
Catering income	—	179	179
Income from other charitable activities			
<i>. Trip income</i>	21	—	21
<i>. Other income</i>	136	13	149
	179	192	371

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2020 £'000</i>
<i>Hire of facilities</i>	51	—	51
<i>Catering income</i>	—	574	574
<i>Income from other charitable activities</i>			
<i>. Trip income</i>	102	—	102
<i>. Other income</i>	203	68	271
	356	642	998

Notes to the financial statements Year to 31 August 2021

4 Expenditure

Net expenditure				Total funds 2021	Total funds 2020
This is stated after charging				£'000	£'000
Depreciation				1,607	1,502
Amortisation				4	4
Operating lease rentals				158	173
Fees payable to auditor					
. Statutory audit (parent charity and consolidation)				17	17
. Statutory audit (trading subsidiary)				2	2
. Other services				8	13
Non pay expenditure					
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds 2021 £'000	
Educational operations:					
. Direct costs	13,466	1,608	1,036	16,110	
. Support costs	4,069	1,634	1,022	6,725	
Teaching schools	209	—	32	241	
	17,744	3,242	2,090	23,076	
Non pay expenditure					
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds 2020 £'000	
Educational operations:					
. Direct costs	12,792	1,502	879	15,173	
. Support costs	3,847	1,289	1,316	6,452	
Teaching schools	253	—	95	348	
	16,892	2,791	2,290	21,973	

5 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000
Direct costs – educational operations	—	16,110	16,110
Support costs – educational operations	107	6,618	6,725
	107	22,728	22,835

Notes to the financial statements Year to 31 August 2021

5 Charitable activities (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2020 £'000</i>
<i>Direct costs – educational operations</i>	—	15,173	15,173
<i>Support costs – educational operations</i>	266	6,186	6,452
	<u>266</u>	<u>21,359</u>	<u>21,625</u>

6 Support costs

Analysis of support costs	Total funds 2021 £'000	Total funds 2020 £'000
Support staff costs	4,069	3,847
Technology costs	416	460
Premises costs	1,634	1,289
Other support costs	528	786
Legal fees	40	25
Other governance costs	38	45
Total support costs	<u>6,725</u>	<u>6,452</u>

Notes to the financial statements Year to 31 August 2021

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Notes	Un-restricted general funds £'000	Restricted funds		Total funds 2020 £'000
			Restricted general funds £'000	Fixed assets funds £'000	
Income from:					
Donations and capital grants	1	12	—	319	331
Charitable activities					
. Funding for The Trust's educational operations	2	—	20,473	—	20,473
. Teaching schools	2,26	—	380	—	380
Other trading activities	3	356	642	—	998
Investments		4	—	—	4
Total income		372	21,495	319	22,186
Expenditure on:					
Charitable activities					
. Academy's educational operations	5	266	19,853	1,506	21,625
. Teaching schools	4,26	—	348	—	348
Total expenditure	4	266	20,201	1,506	21,973
Net income (expenditure) before transfers					
		106	1,294	(1,187)	213
Transfer between funds					
	18	360	(559)	199	—
Other recognised gains and losses					
Actuarial gains on defined benefit pensions schemes	22	—	1,739	—	1,739
Net movement in funds					
		466	2,474	(988)	1,952
Reconciliation of funds					
Fund balances brought forward at 1 September 2019		(466)	(5,681)	56,919	50,772
Fund balances carried forward at 31 August 2020	18	—	(3,207)	55,931	52,724

Notes to the financial statements Year to 31 August 2021

8 Staff costs

Staff costs were as follows:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	12,737	12,266
Social security costs	1,272	1,208
Pension costs	3,445	3,176
Apprenticeship levy	47	44
	17,501	16,694
Supply teacher costs	243	174
Staff restructuring costs	—	24
	17,744	16,892

	2021 Total funds £'000	2020 Total funds £'000
Staff restructuring costs comprise:		
Severance payments	—	24
	—	24

	2021 Total funds £'000	2020 Total funds £'000
Non statutory/non-contractual staff severance payments		
Total non-contractual severance payments	—	24

Individually the payments for 2020/21 were: £nil.

Individually the payments for 2019/20 were: £19,944 and £3,664.

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

	2021 No.	2020 No.
Teaching	237	227
Administration and support	220	229
Management	6	6
	463	462

Notes to the financial statements Year to 31 August 2021

8 Staff costs (continued)

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

Higher paid staff	2021 No.	2020 No.
£60,001 - £70,000	6	2
£70,001 - £80,000	4	6
£80,001 - £90,000	1	1
£90,001 - £100,000	3	2
£100,001 - £110,000	1	1
£160,001 - £170,000	1	1

The key management personnel of The Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to The Trust was £856,846 (2020 – £824,796).

9 Trustees' remuneration and expenses

There were no staff Trustees in the year (2020 – none).

During the year ended 31 August 2021, travel and subsistence expenses totalling £nil were reimbursed to Trustees (2020 – £nil).

Other related party transactions are set out in note 24.

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 £2,000,000 on any one claim and the cost for year is included in the total insurance cost.

Notes to the financial statements Year to 31 August 2021

11 Commercial trading operations

The share capital of Beacon Educational Services Trading Ltd, a company registered in England and Wales (company number 10877387), was issued to the Trust on 21 July 2017. The company is used for the provision of cleaning services to the Trust.

	2021 £'000	2020 £'000
Turnover	453	445
Cost of sales	(448)	(441)
Gross profit	5	4
Administration expenses	(1)	—
Operating costs	4	4
Other interest receivable	—	—
Profit before tax	4	4
Profit for the financial period	4	4

The assets and liabilities of the subsidiary were:

	2021 £'000	2020 £'000
Current assets	31	29
Creditors: amounts falling due within one year	(28)	(27)
Total assets less current liabilities	3	2

12 Central services

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

- ◆ HR;
- ◆ Finance;
- ◆ IT;
- ◆ Insurance;
- ◆ Trust executive: support QA including VfM and school improvement;
- ◆ Trust and LGB constitution, delegation, management and clerk services;
- ◆ S2SS (school to school support);
- ◆ ITT recruitment, selection and training;
- ◆ Contracts, procurement and tendering;
- ◆ Legal services; and
- ◆ Audit services.

Notes to the financial statements Year to 31 August 2021

12 Central services (continued)

The Academy charges for these services proportionate to income per school recognised in the year.

The actual amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Beal High School	1,235	1,400
The Forest Academy	701	487
Beacon Business Innovation Hub	157	74
SCITT	65	45
Total	2,158	2,006

13 Intangible fixed assets

Group and Academy	Software Licences £'000	Total Funds £'000
Cost		
At 1 September 2020 and at 31 August 2021	98	98
Amortisation		
At 1 September 2020	94	94
Charge for the year	4	4
At 31 August 2021	98	98
Carrying amount		
At 31 August 2021	—	—
At 31 August 2020	4	4

Notes to the financial statements Year to 31 August 2021

14 Tangible fixed assets

Group and Academy	Leasehold land and buildings £'000	Motor vehicles £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost/valuation					
At 1 September 2020	63,970	3	1,698	1,900	67,571
Additions	276	—	80	296	652
At 31 August 2021	64,246	3	1,778	2,196	68,223
Depreciation					
At 1 September 2020	8,908	3	1,083	1,743	11,737
Charge in year	1,360	—	174	73	1,607
At 31 August 2021	10,268	3	1,257	1,816	13,344
Net book value					
At 31 August 2021	53,978	—	521	380	54,879
At 1 September 2020	55,061	—	615	157	55,833

15 Debtors

Group and Academy	Group		Academy	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	65	41	10	41
VAT recoverable	35	22	65	43
Prepayments and accrued income	478	434	478	434
Amounts owed from subsidiary	—	—	4	4
Other debtors	3	5	3	5
	581	502	560	527

16 Creditors: amounts falling due within one year

Group and Academy	Group		Academy	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	298	187	254	187
Other taxations and social security	314	320	310	317
Loans (note 17)	125	125	125	125
Other creditors	319	271	319	270
Accruals and deferred income	774	378	774	378
Totals	1,830	1,281	1,782	1,277

Notes to the financial statements Year to 31 August 2021

16 Creditors: amounts falling due within one year (continued)

<i>Deferred income</i>	Group		Academy	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Group and Academy				
Deferred income				
Deferred income at 1 September 2020	112	252	112	252
Resources deferred during the year	249	(252)	249	(252)
Amounts released from previous years	(112)	112	(112)	112
Deferred income at 31 August 2021	249	112	249	112

At the balance sheet date the Trust was holding funds received in advance for the reimbursements of rates and insurance, student bursaries and the sixth-form fund, in respect of the following financial year.

17 Creditors: Amounts falling due in greater than one year

Group and Academy	2021 £'000	2020 £'000
Loans	250	375
	250	375

A loan of £250,000 was received from the ESFA in 2017/18, and a further £250,000 was received in 2018/19. The loan is provided on the following terms;

- ◆ No interest is payable.
- ◆ The first repayment was due on 1 September 2020
- ◆ Repayments will be made of £10,417 each month for 24 months, then of £20,833 for the following 12 months.

Notes to the financial statements Year to 31 August 2021

18 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Unrestricted funds					
Unrestricted funds	—	184	(107)	—	77
	—	184	(107)	—	77
Restricted funds					
. General Annual Grant (GAG)	1,594	19,102	(16,268)	(367)	4,061
. Teaching schools	—	373	(373)	—	—
. Pupil premium	—	574	(574)	—	—
. Other DfE/ESFA grant	—	1,251	(1,251)	—	—
. Catch-up premium	—	218	(218)	—	—
. Other DfE/ESFA COVID-19 funding	—	74	(74)	—	—
Local authority grants	—	1,474	(1,474)	—	—
Other restricted funds	—	192	(192)	—	—
Pension reserve	(4,801)	—	(933)	(1,350)	(7,084)
Total restricted funds	(3,207)	23,258	(21,357)	(1,717)	(3,023)
Restricted fixed asset funds					
Assets held for depreciation	55,837	—	(1,612)	654	54,879
DfE/ESFA capital grants	94	210	—	(287)	17
	55,931	210	(1,612)	367	54,896
Total funds	52,724	23,652	(23,076)	(1,350)	51,950

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

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

Transfers from GAG to unrestricted funds are reimbursements for previous overspends temporarily covered by unrestricted funds.

Other restricted funds

Other restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by The Trust.

Fixed asset fund

These grants relate to funding received from the ESFA and Local Authority to carry out works of a capital nature.

Pension reserve

The pension reserve relates to the Academy's Local Government Pension Scheme liability for support staff.

Notes to the financial statements Year to 31 August 2021

18 Funds (continued)

Comparative information

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Unrestricted funds					
Unrestricted funds	(466)	372	(266)	360	—
	(466)	372	(266)	360	—
Restricted funds					
. General Annual Grant (GAG)	—	17,416	(15,250)	(572)	1,594
. Teaching schools	—	380	(393)	13	—
. Pupil premium	—	561	(561)	—	—
. Other DfE/ESFA grant	—	1,152	(1,152)	—	—
Local authority grants	—	1,344	(1,344)	—	—
Other restricted funds	—	642	(642)	—	—
Pension reserve	(5,681)	—	(859)	1,739	(4,801)
Total restricted funds	(5,681)	21,495	(20,201)	1,180	(3,207)
Restricted fixed asset funds					
Assets held for depreciation	56,963	—	(1,506)	381	55,838
DfE/ESFA capital grants	(44)	319	—	(182)	93
	56,919	319	(1,506)	199	55,931
Total funds	50,772	22,186	(21,973)	1,739	52,724

Analysis of fund balance by Academy

	2021 £'000	2020 £'000
Fund balances at 31 August 2021 were as follows:		
Beal High School inc. NELTA and SCITT	2,905	692
The Forest Academy	550	472
Beacon Innovation Hub	641	376
Central Trust	42	54
Total before fixed assets and pension reserve	4,138	1,594
Restricted fixed asset fund	54,896	55,931
Pension reserve	(7,084)	(4,801)
Total	51,950	52,724

Notes to the financial statements Year to 31 August 2021

18 Funds (continued)

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2021 £'000
Beal High School (inc. NELTA and SCITT)	9,033	1,380	731	1,367	12,511
The Forest Academy	3,369	544	230	831	4,974
Beacon Innovation Hub	696	97	45	49	887
Central services	319	1,860	27	886	3,092
Total expenditure	13,417	3,881	1,033	3,133	21,464

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2020 £'000
Beal High School (inc. NELTA and SCITT)	8,711	1,432	645	1,499	12,287
The Forest Academy	3,190	477	185	707	4,559
Beacon Innovation Hub	665	14	33	46	758
Central services	286	2,117	12	450	2,865
Total expenditure	12,852	3,601	875	3,141	20,469

19 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	54,879	54,879
Current assets	77	6,141	17	6,235
Current liabilities	—	(1,830)	—	(1,830)
Non-current liabilities	—	(250)	—	(250)
Pension scheme liability	—	(7,084)	—	(7,084)
Total net assets	77	(3,023)	54,896	51,950

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	—	4	—	4
Tangible fixed assets	—	—	55,833	55,833
Current assets	—	3,246	98	3,344
Current liabilities	—	(1,281)	—	(1,281)
Non-current liabilities	—	(375)	—	(375)
Pension scheme liability	—	(4,801)	—	(4,801)
Total net assets	—	(3,207)	55,931	52,724

Notes to the financial statements Year to 31 August 2021

19 Analysis of net assets between funds (continued)

Academy	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	54,879	54,879
Current assets	77	6,093	17	6,187
Current liabilities	—	(1,782)	—	(1,782)
Non-current liabilities	—	(250)	—	(250)
Pension scheme liability	—	(7,084)	—	(7,084)
Total net assets	77	(3,023)	54,896	51,950

Academy	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2020 £'000
<i>Fund balances at 31 August 2020 are represented by:</i>				
<i>Intangible fixed assets</i>	—	4	—	4
<i>Tangible fixed assets</i>	—	—	55,833	55,833
<i>Current assets</i>	—	3,242	98	3,340
<i>Current liabilities</i>	—	(1,277)	—	(1,277)
<i>Non-current liabilities</i>	—	(375)	—	(375)
<i>Pension scheme liability</i>	—	(4,801)	—	(4,801)
<i>Total net assets</i>	<i>—</i>	<i>(3,207)</i>	<i>55,931</i>	<i>52,724</i>

20 Capital commitments

	2021 £'000	2020 £'000
Contracted for, but not provided in the financial statements	193	242

21 Commitments under operating leases

Operating leases

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

Other operating leases	2021 £'000	2020 £'000
Amounts due within one year	157	123
Amounts due between one and five years	153	112
	310	235

Notes to the financial statements Year to 31 August 2021

22 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The London Borough of Redbridge. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £283,069 were payable to the schemes at 31 August 2021 (2020 – £269,856) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £2,611,000 (2020 – £2,404,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Notes to the financial statements Year to 31 August 2021

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £833,000 (2020 – £759,000), of which employer's contributions totalled £658,000 (2020 – £602,000) and employees' contributions totalled £175,000 (2020 – £157,000). The agreed contribution rates for future years are 23.1% for employers and variable percentages for employees.

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

Principal actuarial assumptions:

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Discount rate for scheme liabilities	1.7%	1.7%
Rate of increase in salaries	2.9%	2.2%
Rate of increase for pensions in payment/inflation	2.9%	2.2%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.8	21.6
Females	24.2	23.7
<i>Retiring in 20 years</i>		
Males	23.0	22.5
Females	26.0	25.3

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	8,200	6,400
Bonds	1,685	1,689
Property	1,236	711
Cash	112	89
Total market value of assets	11,233	8,889
Present value of scheme liabilities		
. Funded	(18,317)	(13,690)
Deficit in the scheme	(7,084)	(4,801)

Notes to the financial statements Year to 31 August 2021

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

Amounts recognised in statement of financial activities	2021 £'000	2020 £'000
Current service cost	1,503	1,352
Interest income	157	152
Interest cost	(88)	(261)
Total amount recognised in the SOFA	1,572	1,243

Movements in the present value of the defined benefit obligation were as follows:

	2021 £'000	2020 £'000
Opening defined benefit obligation	13,690	13,825
Current service cost	1,503	1,352
Interest cost	245	261
Employee contributions	175	157
Remeasurements: Change in assumptions	2,878	(1,734)
Benefits paid	(174)	(171)
Closing defined benefit obligation	18,317	13,690

Movements in the fair value of the Trust's share of scheme assets:

	2021 £'000	2020 £'000
Opening fair value of scheme assets	8,889	8,144
Interest income	157	152
Actuarial gains	1,528	5
Employer contributions	658	602
Employee contributions	175	157
Benefits paid	(174)	(171)
Closing fair value of scheme assets	11,233	8,889

23 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.

24 Related party transactions

Owing to the nature of the Academy's operations 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 Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with The Trust's financial regulations and normal procurement procedures.

Notes to the financial statements Year to 31 August 2021

24 Related party transactions (continued)

The son of the CEO is a director of a company BB5. This company provided the Trust with no legal services in the year (2020 – services at a total cost of £1,600). In entering into the transaction in 2019/20, the Trust complied with the requirements of the ESFA's Academies Financial Handbook.

Other than those disclosed in note 9, there were no further related party transactions.

25 Agency Arrangements

The Trust distributes 16-19 bursary funds and SCITT bursaries to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the Trust received £75,000 (2020 – £94,000) and disbursed £84,000 (2020 – £105,000) from the fund. £15,000 remained undistributed at the 31 August 2021 and is included in deferred income (2020 – £24,000).

26 Teaching School Trading Account

	2021 £'000	2020 £'000
Income		
Direct income – Teaching School Grants	373	380
Total income	373	380
Expenditure		
Direct expenditure	32	95
Staff costs	209	253
Other direct costs	65	45
Total expenditure	(306)	(393)
Surplus (deficit) from all sources	67	(13)
Teaching school balances at 1 September	365	298

