

BMAT EDUCATION
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



BMAT EDUCATION
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr D Kolinsky (resigned 31 August 2020)
Mrs J Clark
Mrs B Tyne (resigned 15 November 2019)
Mr T Elbourne
Mr A Reid (resigned 31 August 2020)
Mr N Tesseyman (joined 1 September 2020)
Mrs F Griffith (joined 1 September 2020)

Trustees

Ms H Mills CBE, Chief Executive
Mr D Kolinsky, Chair of Trustees
Prof R Sanders
Ms J Coton
Mr P Drayton, Vice Chair of Trustees/Chair of standards Committee
Mr A Bristow
Mr A Lee (resigned 31 December 2019)
Mr P Bogle
Ms K Graves (resigned 23 April 2020)
Ms H C Neo, Chair of Finance Committee
Mr M Collier
Mr J Cooke, Chair of Operational Risk & People Management Committee
Mr N Trevallion (appointed 24 February 2020)
Mr S J Crooks (appointed 1 September 2020)
Mr A Reid (appointed 1 September 2020)

Company registered number

07843166

Company name

BMAT Education

Principal and registered office

Stem Academy
Velizy Avenue
Harlow
Essex
CM20 3EZ

Company secretary

Mr R Canning

Chief executive officer

Ms H Mills CBE

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Senior management team

Helena Mills CBE, Chief Executive Officer
John Blaney, Assistant Chief Executive Officer
Stephen Hehir, Assistant Chief Executive Officer
Sophie Laing, Assistant Chief Executive Officer
Georgina Atkinson, Director of Curriculum and Assessment
Mike Ford, Chief Financial Officer
Richard Canning, Chief Information Officer
Lucia Glynn, Head of Operations

Independent auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

Lloyds TSB
East Gate
Harlow

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Trust is a charitable 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 BMAT Education are also the directors of the charitable company for the purposes of company law. The term Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

• Burnt Mill Academy converted on	1 December 2011
• Freshwaters Academy converted and joined the Trust on	1 September 2013
• Roydon Academy converted and joined the Trust on	1 September 2013
• Cooks Spinney Academy converted and joined the Trust on	1 December 2013
• Little Parndon Academy converted and joined the Trust on	1 April 2014
• Forest Hall Academy converted and joined the Trust on	1 February 2015
• Magna Carta Academy opened on	1 September 2016
• Epping St John Academy opened on	1 November 2017
• Royal Docks Academy opened on	1 January 2018
• BMAT STEM Academy opened on	1 September 2018
• Sir Frederick Gibbered opened on	1 September 2019

The operation of the Trust and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Throughout this report the Board of Trustees is referred to as the Trust Board.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1. Within this Report the term Trustee or Director refers to a member of the Trust Board and the term Governor to a member of a Local Governing Board (LGB).

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 14 to the accounts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The arrangements are as set out in the Articles and Funding agreement in 50B. 'The Members may appoint Directors through such process as they may determine'.

Trustees are appointed for a fixed term. The term of office for any Trustee shall be four years save that this time limit shall not apply to the Chief Executive Officer (if appointed). Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. The Chief Executive Officer (CEO) is an ex officio member of the Trust Board. Other Trustees are elected to office or appointed if there is insufficient candidates offering themselves for election. The Articles of Association make provision for Members to appoint the number of Trustees as determined by the Articles. Additional Trustees may also be appointed in line with the Trust Articles of Association. The CEO is also appointed in line with the said articles.

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme organised by the Trust Board. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

f. Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trust Board meets on at least 6 occasions per year and its sub committees at least 3 times per year. The Trust Board is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. Local Governing Boards (LGBs) are responsible for implementing and monitoring trust policies linked to Quality of Education, Safeguarding, Behaviour and attitudes to learning, Personal Development.

The Executive Management Team hold the leaders of academies to account, supported by local governing boards. Each Headteacher and/or Head of School is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. Headteachers in consultation with ACEOs are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Trust's Chief Executive Officer is the Accounting Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Key management personnel include those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the pay committee and ratified by the Trust Board.

h. Connected organisations, including related party relationships

Owing to the nature of the Trust's operations and the composition of the Trust Board being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Epping Forest District Council Dd
- Epping Town Council
- Essex County Council
- Essex Partnership NHS Foundation Trust
- London Borough of Newham
- Harlow Council
- Harlow Council (Dd Rates)
- Saffron Academy Trust
- Sandringham School Academy Trust
- Unity Schools Partnership
- Uttlesford District Council

The Trust does not have a former sponsor.

Objectives and activities

a. Objects and aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 18.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

During the year the Trust worked towards these goals by:

- Outstanding outcomes for all out children and young people;
- confident and responsible children and young people;
- create a centre of excellence for teaching and research; and
- a vigilant culture of safety and wellbeing.

Our strategy to achieve these aims has been to focus on developing the following key enablers:

1. Recruit, develop, support and retain teachers.
2. Curriculum and assessment development.
3. Strengthen safeguarding and welfare systems.
4. develop post 16 strategy.
5. Strengthen school leadership.
6. Drive sustainable school improvement.

Our success in fulfilling our aims can be measured by:

1. Recruitment of outstanding, permanent members of staff.
2. Each school has a broad and ambitious curriculum in place for every subject in every year group.
3. Safeguarding systems are robust, and consistency followed in all schools.
4. Post 16 provision is strong with recruitment increased.
5. Leadership in schools, including those responsible for governance is at least good in all 11 academies.
6. Clear school improvement procedures are in place and embedded in all academies.

c. Public benefit

The Trustees confirm that they have complied with the duty set out in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit:

The Trustees believe that by working towards the objects and aims of the Trust as detailed above.

Achievements and performance

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

a. Key performance indicators

Our achievements were as follows:

BMAT's curriculum was developed, ready for implementation in September 2020, in all 11 academies. Each academy has developed an ambitious curriculum which allows for all pupils to develop the skills and knowledge to be successful across all subject areas. The curriculum focuses on developing the BMAT graduate young people who know where they want to go in life, why they want to go there and how to make it happen. They know they are in control of their own journey but also how to live and work well with the rest of us, each on our own journey. They are successful because they know where they have come from and have a respect for where everyone else has come from, and why. We all have a place in a world shared with each other and with nature. BMAT graduates understand the responsibility this brings.

The curriculum ensures all pupils have access to a broad enriching curriculum. Exploring each subject fosters curiosity and gives a rich knowledge based on the best that humans have thought and said, discovered and created. So, each new BMAT student is freed to begin exploring their own creativity and talents but with the best of human knowledge as their starting point. Ready to graduate, shape and develop our world, taking humans even further.

1. BMAT STEM Academy's outcomes significantly above national average in Yr 11. There has been a transformation of this provision since sponsorship in September 2018.
2. Attendance across all Academies was significantly higher than national averages.
3. Mobilising the teaching work force to deliver online learning to all pupils during partial closure of schools from March until July 2020.
4. Outcomes for all pupils improved significantly at Key Stage Four with the attainment gap between FSM and Non-FSM pupils narrowing.
5. Recruitment of pupils to previously underperforming academies Royal Docks and Wpping St John's increased significantly so both schools are full in Year 7.
6. Our newest free school, Sir Frederick Gibberd College opened in September 2019, with a full cohort. It has had an excellent start with the quality of education provided being of a very high standard.
7. A twelve-month consolidation period for BMAT has enabled us to develop a strong executive team with leadership capacity for further growth in 2020-21.
8. A strengthened Trust Board and committee structure is now in place. Any previous gaps in knowledge and skills have been filled through rigorous recruitment of 5 new trustees. The Board has also adopted a clear succession plan.
9. External audits of finance and safeguarding were conducted and found our systems to be strong and secure.
10. Engagement in remote learning during partial closure was high across all groups of learners.

All secondary schools improved the % of pupils achieving Grade 4 - 9 in both English and mathematics GCSE this year. These schools were moderated several times by senior leaders of BMAT to ensure that they were based on teacher assessment, baseline data and took into consideration previous performance of schools. This meant that the results have not been inflated and reflect the true ability of the pupils. BMAT STEM academy had its first set of results which were significantly above the national average and a complete transformation to the historic results of the predecessor school.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Key Stage 4							Tracking		2020 Outcomes				2019 Outcomes		
	Date Joined Trust	2020 - Set of Results #	Year Group	No on Roll	No PP on Roll	KS2 APS	Target 9-5 E&M	PPE1 9-5 E&M	Overall %	9-5 %	9-5 E&M %	9-5 M&L %	Overall %	9-5 %	9-5 E&M %
BMAT STEM Academy	Jan-18	1	11	50	12	4.36	69%	22%	80%	67%/84%	88%	83%/89%	52.9	0%	0%
						2019 Actual			N/A		N/A		N/A	N/A	N/A
Burnt Mill Academy	Jan-13	7	11	193	59	4.82	58%	23%	50%	37%/56%	79%	76%/80%	50.6	18%	22%
						2019 Actual			40%		57%		44.6	15%	22%
Epping St. John's	Sep-17	3	11	149	27	4.84	61%	17%	50%	33%/52%	68%	44%/73%	47.2	23%	34%
						2019 Actual			39%		62%		44.0	21%	14%
Forest Hall School	Feb-15	6	11	90	21	4.44	45%	18%	39%	24%/44%	62%	52%/66%	45.7	10%	13%
						2019 Actual			25%		51%		39.4	14%	7%
Royal Docks Academy	Jan-18	3	11	158	75	4.58	59%	17%	39%	35%/43%	64%	59%/69%	46.8	11%	14%
						2019 Actual			34%		55%		40.7	14%	20%
Sir Frederick Gibberd College	Jul-19	0	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
						2019 Actual			N/A		N/A		N/A	N/A	N/A
BMAT				640	194	4.73	58%	19%	48%	36%/52%	71%	62%/74%	48.4	15%	20%
						2019 Actual			36%		57%		42.90%	16%	18%

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 they continue 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 accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

c. Promoting the success of the Trust

Section 172 Disclosure

BMAT Education is governed by its charitable objects as set out in its Articles of Association; these are also set out on pg 5 outline the purpose of the Trust. All decisions and activities of the Trust take into account how we best deliver our long-term goals and are driven by our strategic aims (see page 5). All decisions we make as a trust, from our operational teams through to the Trust Board, are made in the best interests of our pupils who are our main beneficiaries, and in the knowledge we are accountable to them, their parents, regulators and our staff.

The Board considers that they have adhered to the requirements of section 172 of the Companies Act 2006 (the "Act") and have, in good faith, acted in a way that they consider would be most likely to promote the success of the Trust for the benefit of its key stakeholders and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making. Our Trust Board consists of a broad mix of individuals from different backgrounds including educational experts plus well-established commercial successes in areas such as law, HR, property, finance and risk management. Our Trust Board and Local Governing Boards are made up of individuals who are also from the local communities where our schools are situated.

The Board has approved a number of policies that help to ensure the safety of our pupils and staff, as well as those that ensure the integrity of our business conduct.

Upon appointment, trustees and governors are briefed on their duties and responsibilities under the Companies Act and the Trust's Articles of Association and Scheme of Delegation. The Trust Board and Local Governing Boards are entitled to request from the Trust Executive Team and schools all such information they may reasonably require in order to be able to perform their duties. On-going training is provided to the governors, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties. Bespoke training is also arranged for trustees to enable them to discharge their duties as company directors and increase their knowledge of educational issues.

For all decision making at Board level, discussion takes place around employee impact and impact on other stakeholders, such as pupils, parents and the local community. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making. The Trust's Executive team and Senior Leaders ensure the Trust Board and Local Governing Boards are fully focused on the impacts to each stakeholder group.

Principal decisions

For the year ending 31 August 2020 the Trust consider that the following are examples of principal decisions that it made in the year. This is not intended to be an exhaustive list of board decisions but instead highlights areas of significant impact:

- Approving a comprehensive school improvement plan that targets its focus on improved performance within specific subject areas and cohort of pupils;
- Approving the expansion of its PMLD Post 16 Provision at Royal Docks Academy;
- Accepting a compendium of improvement areas in governance following a review of central and local governance;
- Adopting a new Scheme of Delegation which clearly sets out the Trust's governance arrangements at central and local level;
- Introduction of a Board Recruitment and Succession Plan;
- Approving the purchase of IT equipment/laptops that would facilitate remote working following the closure of

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

- schools caused by the pandemic;
- Development of the Trust's 3-5 year Strategy;
- Development of the Trust's Growth Strategy;
- Introduction of a new HR Structure;
- Approval of construction of additional teaching space at Sir Frederick Gibberd College.

Stakeholder engagement

The table below sets out our approach to stakeholder engagement during 2020:

Stakeholders	Why are they important to BMAT Education?	Our approach to stakeholder engagement and consideration in the Board's decision making
Parents	They facilitate the delivery of education provision by sending their pupils to our schools and contribute to the life of the school through active participation in various parent focused activities.	<p>The views of parents are actively sought at local academy levels on various issues within the Trust's schools. The outcome of the surveys is reported to the Local Governing Boards and where appropriate to the Trust Board. The views of parents inform the decision taken at local level and central level.</p> <p>Parents are also kept abreast of issues within the respective schools through regular newsletters and other written communication (i.e. Headteacher's letters, etc). It is a requirement for all Local Governing Boards to have no less than 2 parent governors elected by the respective school's parent body. This provision is set out in the Trust's Scheme of Delegation and the Terms of Reference approved for Local Governing Board operations.</p>
Pupils	They are the main beneficiaries of the work of the Trust.	<p>Where appropriate and necessary for the facilitation of their education provision, pupil's views are captured and inform specific requirements related to their educational needs. On schools visits, Trustees aim to speak to representatives of the pupil body about their experience.</p> <p>The Trust's schools facilitate pupil input through pupil forums, pupil surveys, one to one meetings, focus groups, etc. Through these mediums, school leaders and staff are able to develop systems that positively contribute and impact pupil welfare.</p>

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

Employees	They are the mains drivers and deliverers of the education provision.	<p>Where appropriate the views of staff are captured on various employee related issues. Careful analysis is done and decisions (i.e. policy development, formation of structure, etc) are informed by the views garnered from staff.</p> <p>Schools hold regular meetings with staff, periodic training sessions (i.e. INSET days), one to one supervision meetings, a comprehensive appraisal and performance management system, focus groups and other forums through which staff input is capture, analysed and used to inform measures that support staff development, well-being and professional development.</p> <p>The Trust also issues a weekly staff bulletin which is shared with Trustees and Governors.</p>
Suppliers	They ensure continuity of the trust operational line through the provision of supplies need to support education deliver and operational needs.	<p>The Board's approach includes ensuring that all supply and procurement process were fair, transparent and in line with statutory provisions. This allows for suppliers to be dealt with evenly through the development of policy and processes which facilitates this approach.</p>
Community / wider society	They areas within which each of our schools are located act as the conduit through which the trust's schools foster community cohesion.	<p>The Board's considers the views of the community important to the effective operation and perpetually continuity of the Trust. The process involves periodic assessment locally and centrally. This allows for the Board to better understand the impact of the Trust to the community and the further development of any policy or process that ensures the continuity of the Trust's positive impact.</p> <p>The Board has developed a systematic process for considering each school within the trust in detail during its annual cycle of meetings. The process of collecting the relevant material to undertake this review is collaborative and involves active engagement between an assigned Trustee and the Local Governing Board Chair. This process helps ensure that the Board are relevant informed of stakeholder opinions and any relevant issues which concern its schools' communities.</p>

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

Regulators	They ensure the Trust is operating within the confines of the law in the delivery of its educational provision.	The Board's approach is that the Accounting Officer and designated staff retain direct operational responsibility for ensuring compliance and effective communication with the Trust regulators. The actions of the Accounting Officer and the designated staff are regularly monitored by the Board to ensure the effective maintenance of a strategic and operational relationship.
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

d. Covid-19 Disclosure

During COVID-19 BMAT Education schools have continued to provide an educational service to schools both to those in schools and those self-isolating in line with guidance issued by the Department of Education (DfE). Pupils who are at home have had access to online lessons through Microsoft TEAMS in all year groups except Reception and Year One (1). These pupils have had access to home learning packs. Engagement in these sessions has been high. The schools attendance has been above national averages during the pandemic and only two schools have had to close.

The safety and wellbeing of pupils both in school has been prioritised with vulnerable pupils and families supported with visits, online meetings and daily phone calls during school closures or self-isolation periods.

The period from March to August 2020 generated uncertainty with financial forecasts. The Trust incurred significant cost but this was offset by savings in educational resources and other supplies costs and furloughed staff claims. This period was also uncertain and delayed plans for staffing reviews as part of the ongoing financial planning. This was reported on monthly monitoring cycle and was taken into account with forward financial plans, along with a COVID-19 impact financial report.

The impact of COVID-19 has a continued effect on forward financial planning. However, the Trustees are confident that going concern has been fully considered and that this continues to be regularly reviewed, with the support of a COVID-19 Risk Register.

BMAT Education has had to support the operation of three schools from reserves. The following additional expenditure has been:

- The total costs we have incurred from start of lockdown on COVID-19 is £480k mainly on catering with the FSM voucher scheme that we have not been able to get funding for and equipment and supplies (i.e. hand sanitisers) and cleaning. In addition, in 20/21 have added £56k for further deep cleans during this year. We allocated in excess of £100k from reserves to fund this additional cleaning along with barriers etc. We also utilised £140k from reserves for IT devices to support virtual learning and staff working at home.
- There has been a reduction in income of around £100k across catering, extended schools and letting; however, this is offset by saving on staff on furlough and catering supplies.
- We have already claimed and been paid £100k from Her Majesty's Government (HMG) for the furloughing of staff, with a further £20k+ to claim in Jan 2021.

BMAT Education introduced a comprehensive COVID-19 Risk Management system (including a dedicated COVID-19 Risk Register) that is regularly updated and monitored by the Trust Board, its respective committees, the Local Governing Boards and Executive and School Leaders. A dedicated senior Executive has direct responsibility for the management of COVID-19 risk. Since the start of the pandemic, the following have also occurred:

- The increased workload of staff to ensure that the risks associated with the transmission of COVID-19 is appropriately managed in line with government guidelines.
- The increased and continued involvement and support of volunteers (i.e. Trustees, governors) in ensuring senior leaders and staff are supported where possible, whilst also providing effective ongoing oversight and monitoring of the Trust's COVID-19 risk management system.
- Management of the challenges associated with reopening of trust schools during the partial lockdown period and the full reopening Sept 2020. These ongoing management includes devising operable staff rostering system, issues associated pupil year groups and staff absences and the risks of closure.
- Managing and addressing the ongoing impact caused by the disruption to educational outcomes for pupils (especially vulnerable and disadvantaged pupils).

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

The Trust's reserves policy has been affected as plans for staffing reviews and integrated curriculum and financial planning, have in effect been deferred to the 2020-21 academic year onwards. The Trust has achieved an overall revenue surplus in 2019-20, however unavoidable delays and dealing with pandemic at schools continues to make financial planning difficult. An approved in year deficit is anticipated as a result of these delays and work continues to address balanced budgets by 2021-22.

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020, the Trust received £31,954,000 of GAG and other ESFA income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £30,914,000 from GAG and other ESFA funds before transfer of funds.

Unrestricted income in year was £1,100,000 from trading activities. The Trust brought forward from 2018/19, £541,000 restricted funds (excluding the Pension reserve) and £2,235,000 unrestricted funding. The carry forward for 19/20 is £1,002,000 restricted funding and £2,294,000 unrestricted funding. Total funds held at 31 August 2020 are £54,178,000. The restricted fixed asset fund represents the net book value of fixed assets owned by the Trust, as well as any unspent grants for capital purposes. At 31 August 2020 the value of this fund was £65,562,000.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £12,558,000 from the Essex Pension Fund.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £2,072,000 from Newham Pension Fund for Royal Docks Academy.

a. Reserves policy

The Trustees have determined that the appropriate level of free reserves retained as a minimum should be equivalent to four weeks average payroll costs, currently 4% of Income. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with any unexpected costs.

The Trust has exceeded this minimum level of reserves and will review the reserve levels annually and agree an appropriate use of unrestricted and designated funds for strategic development, school improvement, capital, and other operational investment on a sustainable basis. The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have designated in 20/21 a total of £400,000 as follows,

Contribution to Premises and Estates due to COVID 19	£200,000
Contribution to ICT increase in infrastructure due to COVID 19	£200,000

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TRUSTEES' REPORT (CONTINUED)
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b. Investment policy

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £5,182,000. A significant proportion of this cash is held against specific projects and is not generally available to meet normal recurring expenditure.

The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow. During the year the Trust has invested £1 million of surplus funds into a fixed term deposit for one year, with a return of 1.15%.

c. Principal risks and uncertainties

The Trust works with the Trustees in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trust Board via the Operational Risk and People Management Committee (ORMC), with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each ORMC meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other control. The Trust and each Academy have continued to strengthen its risk management process throughout the year. All risks are assessed at the appropriate TB committees. Each risk owner within the Executive identifies the top three risks on a termly basis and report these to the Trust Board, via the ORMC.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored, and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assessed the top 3 principal risks facing the Trust as follows:

1. COVID-19 outbreak in one or all schools, Disadvantaged, SEND and vulnerable pupils fall further behind as a result of school closures.
2. Lack of suitable or experienced Executive/Senior/Middle leaders for succession.
3. Inability to retain/attract teaching staff to be able to lead and deliver the new curriculum in core subjects.

d. Fundraising activities / income generation

The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of the fundraising events.

BMAT EDUCATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

e. Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period: 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	6,735,198
Energy consumption breakdown (kWh) (optional)	
<ul style="list-style-type: none"> • gas, • electricity, • transport fuel. 	
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas consumption	845.99
Owned transport - mini-buses	2.29
<u>Total scope 1</u>	848.28
<u>Scope 2 emissions in metric tonnes CO₂e</u>	
Purchased electricity	495.81
<u>Scope 3 emissions in metric tonnes CO₂e</u>	
Business travel in employee owned vehicles	1.12
<u>Total gross emissions in metric tonnes CO₂e</u>	1,344.09
<u>Intensity ratio</u>	
Tonnes CO ₂ e per pupil	0.27

BMAT EDUCATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

<p><u>Quantification and Reporting Methodology:-</u></p> <p>We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p><u>Intensity Measurement</u></p> <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p><u>Measures taken to improve energy efficiency</u></p> <ol style="list-style-type: none">1. We are looking to ensure we have smart meters across all sites to improve our understanding of energy consumption;2. We have analysed our energy data and identified over 50% of our energy spend is when no students are in the academy and are working to address this;3. We plan to install solar thermal panels on the roof of the Trusts academies in the next 12 months;4. We are looking to move all our servers to the cloud by September 2021;5. We plan to undertake an energy audit in our academy and understand the actions we need to take to reduce our carbon footprint;6. We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our Carbon Footprint; and7. We have a five year plan to upgrade all our boilers saving over 15% on our gas bill.	
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Reporting and monitoring

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Chief Finance Officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of unrestricted free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,294,000. This has been built up largely from a mixture of locally raised income and balances transferred from predecessor schools in prior years.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £5,181,630. A significant proportion of this cash is held against specific projects and is not generally available to meet normal recurring expenditure.

The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

BMAT EDUCATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Future developments

BMAT Education is now considering growth opportunities which are consistent with its growth strategy subject to an assessment of the long-term financial sustainability of any such opportunity and the capacity to deliver its educational objectives.

A growth strategy is in place with three objectives:

- Ensuring all current academies are full to capacity.
- Growth in Northern Essex Hub.
- Growth in East London Hub.

As part of this strategy BMAT Education took control of Mark Hall Academy, based in Harlow, on 1 January 2021. The title to the land and all other assets were transferred as at this date.

Trade Unions

BMAT continues to work closely with trade unions, holding JCC meetings at least twice a year.

There were no trade union representatives or associated costs in the year.

Employee involvement and employment of the disabled

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings. During COVID-19 partial reclosure and opening all staff have been consulted with and have been involved in assessing risks.

Equal Opportunities Policy

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students, and other stakeholders. Training, career development and promotion opportunities are available to all employees.

Disabled Persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Funds held as Custodian Trustee on behalf of others

No funds were held as Custodian Trustee on behalf of others.

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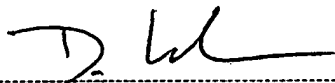
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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 was approved by order of the Board of Trustees, as the company directors, on 14 January 2021 and signed on its behalf by:



Mr D Kolinsky
Chair of Trustees

BMAT EDUCATION
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 BMAT Education 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.

BMAT EDUCATION
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Ms H Mills CBE, Chief Executive	7	7
Mr D Kolinsky, Chair of Trustees	7	7
Prof R Sanders	7	7
Ms J Coton	6	7
Mr P Drayton, Vice Chair of Trustees/Chair of standards Committee	5	7
Mr R Bristow	5	7
Mr A Lee	1	3
Mr P Bogle	4	7
Ms K Graves	4	4
Ms H C Neo, Chair of Finance Committee	7	7
Mr M Collier	5	7
Mr J Cooke, Chair of Operational Risk & People Management Committee	7	7
Mr N Trevallion	3	3

Finance Committee

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor and have oversight responsibility for all financial matters and procedures within the Trust. Its wider remit is set out in its Terms of Reference.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Hwee Ching Neo	3	3
Helena Mills CBE	2	3
Nigel Trevallion	2	3
Andrew Lee	1	1
Dan Kolinsky	2	2
Jamie Cooke	3	3
Sam Crooks	3	3
David South	2	3

Operational Risk & People Management Committee

The Operational Risk Committee was established in summer 2019 with the specific responsibilities of monitoring risks, audit and internal scrutiny. The wider remit of the committee is set out in its Terms of Reference.

The committee was renamed in summer 2020 as the Operational Risk & People Management Committee to include monitoring and oversight of the Trust's HR/People Management strategy and function. Its governing instrument was updated to reflect this additional oversight responsibility.

Attendance during the year at meetings was as follows:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
Karen Graves	2	2
Helena Mills CBE	3	3
Jamie Cooke	1	3
Dan Kolinsky	2	2
Andrew Lee	1	1
Paul Bogle	1	3
Tim Harrison	2	3

Standards Committee

The Standards Committee met 3 times during 2019/20.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Paul Drayton	3	3
Helena Mills CBE	3	3
Dan Kolinsky	2	3
Rod Bristow	2	3
Martin Collier	2	3
Jo Coton	3	3
Andrew Overton	2	3

Review of value for money

As accounting officer, the CEO 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 appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Trust wide procurement being achieved and new preferred supplier contracts in place for Energy, Cleaning, ICT, Printing Solutions, Waste Disposal and Telecommunications, Mobile Phones now in place and printing solutions.
- Continued Trust wide work on establishing preferred suppliers for facilities and estates, catering provision and supplies and office and educational supplies is well underway.
- A shared trust wide managed service structure being put in place for Finance, ICT and Facilities and Estates, with HR underway.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 BMAT Education for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

This has been with reference to the ESFA guidance on the areas of Internal Scrutiny identified and published and this process is regularly reviewed by the Trust Board.

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 finance committee and the Trust Board;
- Regular reviews by the Finance Committee and Trust Board of report 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;
- Review and update of the Scheme of Delegation and Sub-Committee Terms of Reference;
- Implementation of an Operational Risk Committee, covering the areas of Internal Scrutiny for all operational matters, identification and management of risks.
- The Trust Board has considered the need for a specific Operational Risk Committee and internal audit function. Independent internal audit has been carried out for the Trust and academies in the year, giving advice on financial matters and performing a range of checks including the Trust's financial systems and compliance, HR Systems and Compliance, Health and Safety and Premises Compliance, Information and GDPR Compliance.

Through the schedule of internal audit work, no material control issues were identified.

BMAT EDUCATION
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GOVERNANCE STATEMENT (CONTINUED)

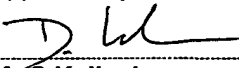
Review of effectiveness

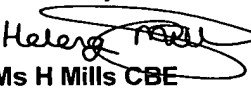
As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework; and
- the work of the sub-committees to the Trust Board.

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

Approved by order of the members of the Board of Trustees on 14 January 2021 and signed on their behalf by:


Mr D Kolinsky
Chair of Trustees


Ms H Mills CBE
Accounting Officer

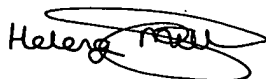
BMAT EDUCATION
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of BMAT Education 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 terms and conditions of all funding received by the Trust, 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 2019.

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 2019.

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.



Ms H Mills CBE
Accounting Officer
Date: 14 January 2021

BMAT EDUCATION
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 14 January 2021 and signed on its behalf by:



Mr D Kolinsky
Chair of Trustees

BMAT EDUCATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BMAT EDUCATION

Opinion

We have audited the financial statements of BMAT Education (the 'Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BMAT EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BMAT
EDUCATION (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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
- we have not received all the information and explanations we require for our audit.

BMAT EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BMAT
EDUCATION (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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.

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 Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust'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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Thomas (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

18 January 2021

BMAT EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BMAT
EDUCATION AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by BMAT Education during the year 1 September 2019 to 31 August 2020 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 BMAT Education and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to BMAT Education and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than BMAT Education and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of BMAT Education's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of BMAT Education's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

BMAT EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BMAT
EDUCATION AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date:

BMAT EDUCATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants:	3					
Transfer of assets		-	-	-	-	13,621
Donations		-	522	-	522	522
Capital grants		-	-	1,571	1,571	1,275
Charitable activities:						
Funding for the academy trust's educational operations		-	33,329	-	33,329	30,173
Teaching schools		-	122	-	122	87
Other trading activities		1,086	-	-	1,086	1,596
Investments	6	14	-	-	14	3
Total income		1,100	33,973	1,571	36,644	47,277
Expenditure on:						
Raising funds		1,041	-	-	1,041	1,507
Charitable activities:	8					
Academy trust educational operations		-	34,001	2,399	36,400	35,177
Teaching schools		-	157	-	157	136
Total expenditure		1,041	34,158	2,399	37,598	36,820
Net income/(expenditure)		59	(185)	(828)	(954)	10,457
Transfers between funds	21	-	(579)	579	-	-
Net movement in funds before other recognised gains/(losses)		59	(764)	(249)	(954)	10,457
Other recognised gains/(losses):						

BMAT EDUCATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Actuarial losses on defined benefit pension schemes	28	-	(461)	-	(461)	(2,034)
Net movement in funds		59	(1,225)	(249)	(1,415)	8,423
Reconciliation of funds:						
Total funds brought forward		2,235	(12,453)	65,811	55,593	47,170
Net movement in funds		59	(1,225)	(249)	(1,415)	8,423
Total funds carried forward		2,294	(13,678)	65,562	54,178	55,593

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

The notes on pages 37 to 72 form part of these financial statements.

BMAT EDUCATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07843166

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	16	64,818	65,133
		<u>64,818</u>	<u>65,133</u>
Current assets			
Debtors	17	3,100	2,899
Investments	18	-	1,000
Cash at bank and in hand		5,182	3,467
		<u>8,282</u>	<u>7,366</u>
Creditors: amounts falling due within one year	19	(2,529)	(2,168)
Net current assets		<u>5,753</u>	<u>5,198</u>
Total assets less current liabilities		<u>70,571</u>	<u>70,331</u>
Creditors: amounts falling due after more than one year	20	(1,713)	(1,744)
Net assets excluding pension liability		<u>68,858</u>	<u>68,587</u>
Defined benefit pension scheme liability	28	(14,680)	(12,994)
Total net assets		<u><u>54,178</u></u>	<u><u>55,593</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	21	65,562	65,811
Restricted income funds	21	1,002	541
		<u>66,564</u>	<u>66,352</u>
Restricted funds excluding pension asset	21	66,564	66,352
Pension reserve	21	(14,680)	(12,994)
Total restricted funds	21	<u>51,884</u>	<u>53,358</u>
Unrestricted income funds	21	2,294	2,235
Total funds		<u><u>54,178</u></u>	<u><u>55,593</u></u>

BMAT EDUCATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07843166

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 32 to 72 were approved by the Trustees, and authorised for issue on 14 January 2021 and are signed on their behalf, by:


Ms H Mills CBE

The notes on pages 37 to 72 form part of these financial statements.

BMAT EDUCATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	1,094	(310)
Cash flows from investing activities	24	(379)	(600)
Change in cash and cash equivalents in the year		715	(910)
Cash and cash equivalents at the beginning of the year		4,467	5,377
Cash and cash equivalents at the end of the year	25, 26	<u>5,182</u>	<u>4,467</u>

The notes on pages 37 to 72 form part of these financial statements

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

The Trust is a private company limited by guarantee, incorporated in England (company number: 07843166). The address of the registered office and principal place of operation are detailed on page 1. The Members of the company are the Trustees as named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

On 17 October 2019 the Trust changed its name from Burnt Mill Academy Trust to BMAT Education.

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. Having considered the impact of the current pandemic on the Trust's operations, the Trustees have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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**

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

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.6 Tangible fixed assets

The Trust occupies land and the buildings at Epping St John's Church of England School provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a three year notice period. Having considered the fact that the Trust occupies the land and buildings by a license that transfers to it no rights or control over the site, save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Trust will not be recognised or valued within the fixed assets.

The deemed expenditure of renting the premises for a year is put through the accounts and an equal and opposite donation from the Diocese is included in income.

All assets costing more than £2,000 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- 22-38 years straight line
Long term leasehold buildings	- 22-38 years straight line
Long term leasehold land	- over the term of the lease
Furniture and fixtures	- 5 - 10 years straight line
Motor vehicles	- 10 years 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.

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Investments

Investments represents cash held on deposits that are available on demand, these are included on the balance sheet as a current asset.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 Pensions

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

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions (continued)

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

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

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

1.14 Fund accounting

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

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

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

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

BMAT EDUCATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Right to occupy	-	522	-	522
Donations	-	-	-	-
Capital grants	-	-	1,571	1,571
Subtotal	-	-	1,571	1,571
	-	522	1,571	2,093

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations				
Transfer from Local Authority on conversion	(72)	(88)	13,781	13,621
Right to occupy	-	522	-	522
Transfer from Local Authority on conversion	-	-	-	-
Capital grants	-	-	1,275	1,275
Subtotal	-	-	1,275	1,275
	(72)	434	15,056	15,418

BMAT EDUCATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Trust's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	27,612	27,612
Other DfE Group grants	3,509	3,509
Start Up Grants	633	633
Local Authority Grants	1,375	1,375
Special educational projects	200	200
Teaching School Grants	122	122
	<u>33,451</u>	<u>33,451</u>

	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
DfE/ESFA grants		
General Annual Grant (GAG)	25,903	25,903
Other DfE Group grants	2,234	2,234
Start Up Grants	338	338
Local Authority grants	1,588	1,588
Special educational projects	197	197
	<u>30,260</u>	<u>30,260</u>

BMAT EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Rental income	171	171
Catering income	636	636
Other income	167	167
Trip income	112	112
	<u>1,086</u>	<u>1,086</u>
	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Rental income	214	214
Catering income	930	930
Other income	132	132
Trip income	320	320
	<u>1,596</u>	<u>1,596</u>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Bank interest	<u>14</u>	<u>14</u>

BMAT EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Investment income (continued)

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Bank interest	3	3

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on fundraising trading activities:				
Direct costs	51	14	976	1,041
Academy's educational operations:				
Direct costs	21,970	-	-	21,970
Allocated support costs	5,581	2,893	5,956	14,430
Teaching school				
Direct costs	97	-	60	157
Total 2020	27,699	2,907	6,992	37,598

	<i>Staff Costs 2019 £000</i>	<i>Premises 2019 £000</i>	<i>Other 2019 £000</i>	<i>Total 2019 £000</i>
Expenditure on fundraising trading activities:				
Direct costs	143	17	1,347	1,507
Academy's educational operations:				
Direct costs	20,447	-	-	20,447
Allocated support costs	5,507	1,855	7,368	14,730
Teaching school	25	-	111	136
Total 2019	26,122	1,872	8,826	36,820

BMAT EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £000	Total funds 2020 £000
Academy's educational operations	36,400	36,400
Teaching school	157	157
	<u>36,557</u>	<u>36,557</u>

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Academy's educational operations	230	34,947	35,177
Teaching School	-	136	136
	<u>230</u>	<u>35,083</u>	<u>35,313</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Direct costs - educational operations	21,970	14,430	36,400
Teaching School	157	-	157
	<u>22,127</u>	<u>14,430</u>	<u>36,557</u>

BMAT EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £000</i>	<i>Support costs 2019 £000</i>	<i>Total funds 2019 £000</i>
Direct costs - educational operations	20,447	14,730	35,177
Teaching School	136	-	136
	<u>20,583</u>	<u>14,730</u>	<u>35,313</u>

Analysis of support costs

	Total funds 2020 £000
Pension finance costs	-
Staff costs	5,343
Depreciation	2,275
Governance costs	33
Technology costs	470
Premises costs	2,470
Other support costs	3,839
	<u>14,430</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	96	84
Depreciation of tangible fixed assets	2,279	3,229
Fees paid to auditor for:		
- audit	29	24
- other services	5	7
	<u>2,304</u>	<u>3,340</u>

BMAT EDUCATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	19,605	18,780
Social security costs	1,931	1,847
Pension costs	5,025	3,864
	<u>26,561</u>	<u>24,491</u>
Agency staff costs	1,065	1,590
Staff restructuring costs	73	41
	<u>27,699</u>	<u>26,122</u>

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	73	41
	<u>73</u>	<u>41</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are redundancy payments totalling £73,000 (2019: £41,000). Individually the payments were £12,100, £11,500, £6,500 and £42,800. At year end no amounts remained outstanding (2019: £7,000)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	306	339
Administration and support	334	310
Management	8	8
	<u>648</u>	<u>657</u>

BMAT EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff (continued)

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	29	29
In the band £70,001 - £80,000	6	4
In the band £80,001 - £90,000	5	7
In the band £90,001 - £100,000	4	4
In the band £100,001 - £110,000	2	1
In the band £140,001 - £150,000	1	1
	<hr/>	<hr/>

e. Key management personnel

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 contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,062,440 (2019 £899,338). The number of staff that formed the key management personnel was 8 (2019: 10). Included in the above are employer pension contributions of £159,246 (2019: £84,034) and employer national insurance contributions of £100,782 (2019 - £64,168).

BMAT EDUCATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Central services

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

- Educational Leadership Support
- Human Resources Management
- Financial Management
- Facilities Management
- ICT Management
- Legal and Governance
- Marketing

The Trust charges for these services on the following basis:

Flat percentage of recurring GAG income at 4.8%.

The actual amounts charged during the year were as follows:

	2020	2019
	£000	£000
Burnt Mill Academy	329	391
Cooks Spinney Academy	103	120
Freshwater Academy	92	105
Little Parndon Academy	85	110
Roydon Academy	42	55
Forest Hall Academy	153	180
Magna Carta Academy	30	31
Epping St John's	242	271
Royal Docks Academy	328	392
STEM	45	26
Sir Frederick Gibberd	45	26
Total	1,494	1,707

BMAT EDUCATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
Ms H Mills CBE, Chief Executive	Remuneration	145 - 150	140 - 145
	Pension contributions paid	30 - 35	20 - 25

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed or paid directly (2019 - £53 to 1 Trustee).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £128,111 (2019 - £136,747). The cost of this insurance is included in the total insurance cost.

15. Other finance income

	2020	2019
	£000	£000
Interest income on pension scheme assets	187	220
Interest on pension scheme liabilities	(416)	(467)
	(229)	(247)

BMAT EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2019	36,534	35,257	1,726	1,292	22	74,831
Additions	464	1,050	257	193	-	1,964
At 31 August 2020	<u>36,998</u>	<u>36,307</u>	<u>1,983</u>	<u>1,485</u>	<u>22</u>	<u>76,795</u>
Depreciation						
At 1 September 2019	2,398	5,877	599	802	22	9,698
Charge for the year	917	951	223	188	-	2,279
At 31 August 2020	<u>3,315</u>	<u>6,828</u>	<u>822</u>	<u>990</u>	<u>22</u>	<u>11,977</u>
Net book value						
At 31 August 2020	<u>33,683</u>	<u>29,479</u>	<u>1,161</u>	<u>495</u>	<u>-</u>	<u>64,818</u>
At 31 August 2019	<u>34,136</u>	<u>29,380</u>	<u>1,127</u>	<u>490</u>	<u>-</u>	<u>65,133</u>

17. Debtors

	2020 £000	2019 £000
Due after more than one year		
Right to occupy	1,565	1,565
	<u>1,565</u>	<u>1,565</u>
Due within one year		
Trade debtors	30	18
Other debtors	242	45
Prepayments and accrued income	1,066	756
Tax recoverable	197	515
	<u>3,100</u>	<u>2,899</u>

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18. Current asset investments

	2020 £000	2019 £000
Unlisted investments (liquid)	-	1,000

19. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Salix loan	40	30
Trade creditors	534	617
Other taxation and social security	594	472
Other creditors	364	140
Accruals and deferred income	997	909
	<u>2,529</u>	<u>2,168</u>
	2020 £000	2019 £000
Deferred income at 1 September 2019	516	468
Resources deferred during the year	389	516
Amounts released from previous periods	(516)	(468)
	<u>389</u>	<u>516</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Salix loan	148	179
Accruals and deferred income	1,565	1,565
	<u>1,713</u>	<u>1,744</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £000	2019 £000
Salix loan	-	15
	<u>-</u>	<u>15</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds - general	1,735	1,100	(541)	-	-	2,294
Curriculum Directorate	265	-	(265)	-	-	-
Teaching School	70	-	(70)	-	-	-
Extension/Development Costs	26	-	(26)	-	-	-
Curriculum Plans/P16	26	-	(26)	-	-	-
Recruitment and Retention	13	-	(13)	-	-	-
Premises (Contingency)	50	-	(50)	-	-	-
IT (Contingency)	50	-	(50)	-	-	-
	<u>2,235</u>	<u>1,100</u>	<u>(1,041)</u>	<u>-</u>	<u>-</u>	<u>2,294</u>
Restricted general funds						
General Annual Grant (GAG)	541	27,621	(26,581)	(579)	-	1,002
Other DfE/ESFA	-	4,333	(4,333)	-	-	-
Local Authority Grants	-	1,375	(1,375)	-	-	-
Right to Occupy	-	522	(522)	-	-	-
Teaching School	-	122	(122)	-	-	-
Pension reserve	(12,994)	-	(1,225)	-	(461)	(14,680)
	<u>(12,453)</u>	<u>33,973</u>	<u>(34,158)</u>	<u>(579)</u>	<u>(461)</u>	<u>(13,678)</u>
Restricted fixed asset funds						
Fixed Asset Funds (including capital grants)	65,811	-	(2,280)	1,087	-	64,618
Capital Grants	-	1,571	(119)	(508)	-	944

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
	65,811	1,571	(2,399)	579	-	65,562
Total Restricted funds	53,358	35,544	(36,557)	-	(461)	51,884
Total funds	55,593	36,644	(37,598)	-	(461)	54,178

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

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21. Statement of funds (continued)

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Start Up Grant

This represents a grant to aid with start up costs for new member Schools to the Trust.

Other DfE/ESFA grants

Other ESFA/DfE grants represent funding from Government agencies to be used for specific purposes.

Local Authority grants

Local Authority grants represent funding from the Local Authority to be used for specific purposes.

Special educational projects

This includes schools direct, absence insurance and Sure Start income.

Other restricted funds

Other restricted funds balance relates to cyclical maintenance funding.

Right to Occupy

This fund represents the rent free occupation of the land and buildings from the Diocese of Chelmsford.

Pension reserve

This fund represents the Trust's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from being a Local Authority school.

Unrestricted - designated

Unrestricted designated funds relate to future fixed asset improvements. The expected timing of expenditure is during 2019/20 academic year.

Restricted fixed asset fund

The restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased through GAG funding.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
BMAT	3,296	2,776
Restricted fixed asset fund	65,562	65,811
Pension reserve	(14,680)	(12,994)
Total	54,178	55,593

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Total cost analysis by academy

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 2020 £000
Burnt Mill Academy	4,064	456	258	605	5,383
Burnt Mill Teaching School	97	-	2	59	158
Cooks Spinnet Academy	1,331	206	33	217	1,787
Epping St John's	3,120	276	292	494	4,182
Forest Hall School	2,075	202	190	286	2,753
Freshwaters Academy	1,177	129	51	180	1,537
Little Parndon Academy	1,190	156	48	161	1,555
Central Seviles	632	1,106	544	671	2,953
Magna Carta Primary	388	61	14	42	505
Royal Docks School	4,674	533	144	788	6,139
Roydon Academy	554	103	24	49	730
Sir Frederick Gibberd	519	49	60	69	697
BMAT STEM	502	70	114	79	765
Burnt Mill Provision	94	-	(124)	32	2
Cooks Spinney Provision	39	-	4	77	120
Magna Carta Provision	76	-	3	2	81
PE grant	-	36	32	5	73
Premises and Estates	-	661	30	2,460	3,151
ICT Services	-	435	-	405	840
Curriculum Directorate	634	29	1	23	687
Trust	21,166	4,508	1,720	6,704	34,098

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £000</i>	<i>Other support staff costs £000</i>	<i>Educational supplies £000</i>	<i>Other costs excluding depreciation £000</i>	<i>Total 2019 £000</i>
Burnt Mill Academy	4,334	863	451	1,175	6,823
Burnt Mill Teaching School	25	-	1	110	136
Cooks Spinnet Academy	1,243	332	63	383	2,021
Epping St John's	3,071	615	253	1,429	5,368
Forest Hall School	1,952	399	173	597	3,121
Freshwaters Academy	1,084	260	60	395	1,799
Little Parndon Academy	1,128	289	60	296	1,773
Central Services	640	460	313	648	2,061
Magna Carta Primary	256	115	33	225	629
Royal Docks School	4,484	866	230	1,425	7,005
Roydon Academy	519	200	36	192	947
Sir Frederick Gibberd	37	37	18	47	139
BMAT STEM	335	51	23	220	629
Trust	19,108	4,487	1,714	7,142	32,451

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds - general	2,083	1,527	(1,507)	(368)	-	1,735
Curriculum Directorate	-	-	-	265	-	265
Teaching School	-	-	-	70	-	70
Extension/Development Costs	-	-	-	26	-	26
Curriculum Plans/P16	-	-	-	26	-	26
Recruitment and Retention	-	-	-	13	-	13
Premises (Contingency)	-	-	-	50	-	50
IT (Contingency)	-	-	-	50	-	50
Fixed Asset Improvements	250	-	-	(250)	-	-
	<u>2,333</u>	<u>1,527</u>	<u>(1,507)</u>	<u>(118)</u>	<u>-</u>	<u>2,235</u>
Restricted general funds						
General Annual Grant (GAG)	903	25,903	(26,015)	(250)	-	541
Other DfE/ESFA	-	2,147	(2,147)	-	-	-
Start Up Grants	-	338	(338)	-	-	-
Local Authority Grants	-	1,585	(1,585)	-	-	-
Special Educational Grants	-	200	(200)	-	-	-
Right to Occupy	-	522	(522)	-	-	-
Teaching School	-	87	(136)	49	-	-
Pension reserve	(9,731)	(88)	(1,141)	-	(2,034)	(12,994)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Statement of funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
	(8,828)	30,694	(32,084)	(201)	(2,034)	(12,453)
Restricted fixed asset funds						
Fixed Asset Funds (including capital grants)	53,665	15,056	(3,229)	319	-	65,811
Total Restricted funds	44,837	45,750	(35,313)	118	(2,034)	53,358
Total funds	47,170	47,277	(36,820)	-	(2,034)	55,593

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	64,818	64,818
Debtors due after more than one year	-	1,565	-	1,565
Current assets	2,482	3,296	939	6,717
Creditors due within one year	(40)	(2,294)	(195)	(2,529)
Creditors due in more than one year	(148)	(1,565)	-	(1,713)
Provisions for liabilities and charges	-	(14,680)	-	(14,680)
Total	2,294	(13,678)	65,562	54,178

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	65,133	65,133
Debtors due after more than one year	-	1,565	-	1,565
Current assets	4,582	541	678	5,800
Creditors due within one year	(2,168)	-	-	(2,168)
Creditors due in more than one year	(179)	(1,565)	-	(1,744)
Provisions for liabilities and charges	-	(12,994)	-	(12,994)
Total	2,235	(12,453)	65,811	55,593

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

	2020 £000	2019 £000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(954)	10,457
Adjustments for:		
Depreciation	2,279	3,229
Interest receivable	(14)	(3)
Defined benefit pension scheme obligation inherited	-	88
Defined benefit pension scheme cost less contributions payable	991	892
Defined benefit pension scheme finance cost	234	249
Increase in debtors	(201)	(820)
Increase in creditors	330	278
Capital grants from DfE and other capital income	(1,571)	(1,276)
Net (loss) on assets and liabilities from local authority on conversion	-	(13,404)
Net cash provided by/(used in) operating activities	1,094	(310)

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24. Cash flows from investing activities

	2020 £000	2019 £000
Interest received	14	3
Purchase of tangible fixed assets	(1,964)	(1,878)
Capital grants from DfE Group	1,571	1,275
Net cash used in investing activities	(379)	(600)

25. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	5,182	3,467
Current asset investments	-	1,000
Total cash and cash equivalents	5,182	4,467

26. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	3,467	1,715	5,182
Liquid investments	1,000	(1,000)	-
	4,467	715	5,182

27. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	234	-

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

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

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

Contributions amounting to £217,365 were payable to the schemes at 31 August 2020 (2019 - £ -) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,920,056 (2019 - £1,950,085).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,385,000 (2019 - £1,303,000), of which employer's contributions totalled £1,103,000 (2019 - £1,027,000) and employees' contributions totalled £ 282,000 (2019 - £276,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5-12.5 per cent for employees.

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

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

Principal actuarial assumptions

Essex County Council

	2020	2019
	%	%
Rate of increase in salaries	3.26	3.69
Rate of increase for pensions in payment/inflation	2.26	2.19
Discount rate for scheme liabilities	1.62	1.86
Inflation assumption (CPI)	2.20	2.19

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

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28. Pension commitments (continued)

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	21.4
Females	23.8	23.8
<i>Retiring in 20 years</i>		
Males	23.2	23.2
Females	25.2	25.6

London Borough of Newham

	2020 %	2019 %
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.19

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.3	22.8
Females	23.9	25.3
<i>Retiring in 20 years</i>		
Males	22.8	25.0
Females	25.5	27.6

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(645)	(554)
Discount rate -0.1%	661	570
Mortality assumption - 1 year increase	979	887
Mortality assumption - 1 year decrease	(942)	(854)
CPI rate +0.1%	611	506
CPI rate -0.1%	(599)	(493)

Share of scheme assets

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

	2020 £000	2019 £000
Equities	6,977	5,865
Gilts	505	491
Corporate bonds	724	608
Property	926	790
Cash and other liquid assets	398	360
Other managed funds	575	401
Alternative assets	1,423	966
Total market value of assets	11,528	9,481

The actual return on scheme assets was £000(28,000) (2019 - £667,000).

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

	2020 £000	2019 £000
Current service cost	(2,094)	(1,689)
Past service cost	-	(230)
Interest income	187	220
Interest cost	(416)	(467)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(2)
Total amount recognised in the Statement of Financial Activities	(2,323)	(2,168)

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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

	2020	2019
	£000	£000
At 1 September	22,475	17,261
Conversion of academy trusts	-	257
Change in financial assumption	1,915	3,382
Change in demographic assumptions	(647)	(901)
Interest cost	416	467
Employee contributions	282	276
Benefits paid	(327)	(186)
Past service costs	-	230
Current service cost	2,094	1,689
At 31 August	26,208	22,475

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

	2020	2019
	£000	£000
At 1 September	9,481	7,530
Conversion of academy trusts	-	169
Actuarial gain / (loss)	835	-
Interest income	187	220
Return on assets	(28)	447
Employer contributions	1,103	1,027
Employee contributions	282	276
Benefits paid	(327)	(186)
Admin costs	(5)	(2)
At 31 August	11,528	9,481

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

29. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	111	106
Later than 1 year and not later than 5 years	158	164
	<u>269</u>	<u>270</u>

30. Related party transactions

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

The daughter of CEO Helena Mills CBE is employed by the Trust on a contract approved by Trustees. Her remuneration is in line with the standard payscales for the role undertaken and her employment contract is subject to normal terms and conditions.

In addition to this, the partner of the daughter of Helena Mills CBE is a director of Convergent Technology Limited. Expenditure in the year with Convergent Technology Limited was £83,400 and the amount outstanding at the year end was £Nil.

Roderick Bristow, a Trustee is also the President of Pearson. Expenditure in the year with Pearson was £153,000 and the amount outstanding at the year end was £1,954.

There were no other related party transactions in the year.

31. Post balance sheet events

BMAT Education took control of Mark Hall Academy, based in Harlow, on 1 January 2021. The title to the land and all other assets were transferred as at this date.

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**NOTES TO THE FINANCIAL STATEMENTS
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32. Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2020 the trust received £10,513.44 (2019: £10,370.40) and disbursed £9,683.41 (2019: £1,827.76) from the fund. An amount of 9,372.67 (2019: £8,542.64) is included in other creditors relating to undistributed funds that is repayable to EFA.

33. Teaching school trading account

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Other income	115		56	
Fundraising and other trading activities	7		31	
Total income		122		87
Expenditure				
Direct staff costs	97		25	
Staff development	55		107	
Total direct expenditure	152		132	
Other support costs	4		4	
Recruitment and support	2		-	
Total other expenditure	6		4	
Total expenditure		158		136
Deficit from all sources		(36)		(49)
Teaching school balances at 1 September 2019		(49)		-
Teaching school balances at 31 August 2020		(85)		(49)