
BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Professor John Latham CBE Philip Hamilton OBE David Frost CBE John Dishman Kate Quantrell
Trustees	Eileen Hartley, Chair Guy Daly, Vice Chair Lorraine Gearing Kate Quantrell Joseph Kevin Grindley Ulysses Lyons, Chief Executive Officer John Kirk (resigned 24 November 2021) Greg Langston Norman MacDonald (appointed 25 March 2021) Simon Wright (resigned 10 September 2021) Graham Parker (resigned 23 October 2020)
Company registered number	10817914
Company name	Better Futures Multi-Academy Trust
Principal and registered office	Alan Berry Building Coventry University Priory Street Coventry CV1 5FB
Company secretary	Jacqueline Twigger
Executive Team	Ulysses Lyons, Chief Executive Officer Christopher Timothy, Chief Development Officer Lee Sands, Chief Technology Officer Charlotte Allen-Neale, Chief Finance Officer Eleanor Jones, Director of Student Leadership James Bagley, Principal at Gateway College David Shaw, Principal at Bilborough College Stuart Noss, Principal at King Edward VI College
Bankers	Barclays Bank High Street Coventry CV1 1ZZ Allied Irish Bank Park View House 58 The Ropewalk Nottingham NG1 5DW

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors	Eversheds Sutherland 115 Colmore Row Birmingham B3 3AL
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BETTER FUTURES MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the Financial Statements and auditor's report of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates three 16-19 academies. King Edward VI College (Nuneaton) joined the Trust in January 2019, followed by Bilborough College (Nottingham) in November 2019 and Gateway College (Leicester) in April 2020. Collectively, the academies have circa 4,500 learners on roll for the 2021-22 academic year. The Academy Trust is sponsored by Coventry University.

Structure, governance and management

a. Constitution

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

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

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

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover their liability which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

New appointments to the Academy Trust are a matter for consideration by the Board of Trustees as a whole. The Search and Governance Committee, whose membership includes the Chair, Vice Chair and CEO, is responsible for making recommendations to the Board. Trustees are appointed by both the Members and Coventry University as the Sponsor.

Trustees are appointed for a term of office not exceeding four years. Upon expiration of their term, a Trustee can apply to be re-appointed. Re-appointments are subject to review and recommendation by the Search and Governance Committee. Whilst the Articles do not state a limit on the number of repeat terms of office that may be served, the Scheme of Delegation reflects widely recognised best practice that a maximum of 2 terms or 8 years (whichever greater) is served with the option to extend further in exceptional circumstances.

The Academy Trust has made provision within its Scheme of Delegation for there to be at least two Parent Local Governors on each of the constituent Local Governing Bodies.

e. Policies adopted for the induction and training of Trustees

A comprehensive induction framework is in place for new Trustees. Trustees are encouraged to participate in regular training and during the pandemic this has been facilitated by a programme of training webinars delivered by the Sixth Form Colleges Association. Briefings on various issues relating to the Academy Trust's operations or new/updated legislation are regularly held at Board meetings and at dedicated strategy events. These briefings have been delivered by staff members and external organisations.

f. Organisational structure

The Trustees are responsible for the governance of the company, supported by a Company Secretary. The CEO is the Accounting Officer and has delegated authority for the day to day management/running of the organisation. The CEO is supported by an Executive Team that includes a CFO.

Each of the Academies has a Principal that reports to the CEO. The Academies have powers delegated to them for operational and budgetary matters through a Scheme of Delegation which is reviewed at least annually.

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

Trustees receive recommendations from the Executive Performance and Remuneration Committee on the remuneration of Executive Post-Holders. The Committee bases its recommendations on independent research data provided by the Sixth Form Colleges Association and the advice of other industry representatives, as considered appropriate. A robust pay policy ensures that decisions regarding levels of Executive pay (including salary and any other benefits) are transparent, proportionate and justifiable.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	9	
Total pay bill	17,209	
Percentage of total pay bill spent on facility time	0.052	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.37	%
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i. Related parties and other connected charities and organisations

The Academy Trust has entered into a Sponsorship Agreement with Coventry University under which the University contributes £300k towards Academy Trust expenditure with a further £100k retained towards any Academy Trust expenditure directly incurred by the Sponsor.

The Academy Trust works with Coventry University on a number of different initiatives. These include a Franchise Agreement for teaching HE students at KEC. During the year to 31 August 2021 the Academy Trust did not procure any other services from Coventry University.

The Academy Trust works in partnership with many stakeholders. These include staff, students and parents; the Education and Skills Funding Agency; the Regional Schools Commissioner, local authorities, employers and communities; trade unions; sector representative organisations; and other FE institutions. The Academy Trust recognises the importance of these partnerships and engages in regular communication with them.

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons) (Section 172 Statement)

The Colleges have effective consultation processes in place which enable them to meet both statutory requirements for consultation, for example health and safety matters and the Colleges' economic situation, as well as recommended good practice. Employee views are regularly sought on wider issues affecting the Trust, Colleges and its employees such as new ways of working, developments in teaching and learning. Each College has a joint negotiation and consultation panel comprising managers and representatives from each recognised trade union which meets on a regular basis in accordance with the trade union recognition and procedural agreement. These formal mechanisms for consultation are supplemented by a number of informal means of consultation – regular staff surveys and staff meetings as well as specific staff focus groups on a cross-Trust and cross-College basis. Intranet bulletins, email and other electronic communication forums are also in place to support extensive staff consultation.

Employees at all levels are involved in each College's annual self-assessment review (SAR) which is an integral part of performance review in the education sector. Employees are jointly responsible with managers for formulating quality improvements plans for their area of work which are linked to the whole College plan. Employees are regularly involved in discussions about College performance – for example student outcomes, compared to national benchmarks for the sector, in-year financial performance and other performance indicators such as student recruitment and retention. Feedback and suggestions from staff are regularly sought through the consultation mechanisms highlighted above.

Employees across the organisation benefit from a comprehensive training and development programme which incorporates regular briefing on the factors affecting College performance - for example changes to the Ofsted framework, national criteria for measuring student outcomes etc. Employees are actively involved in key College activities which affect performance such as student recruitment and are briefed on performance against all key performance indicators on a regular basis such as student retention and College income/expenditure.

All Colleges are committed to meeting the requirements of the public sector equality duty which includes a requirement to advance equality of opportunity for disabled persons as well as others who have a protected characteristic under the Equality Act. All job adverts have the 'disability confident' symbol to illustrate that disabled candidates will be guaranteed an interview if they meet the basis requirements of the job. Employees who become disabled will be provided with support through the College's employee welfare processes and reasonable adjustments put in place to enable them to continue in their job role effectively in line with occupational health advice. The Colleges undertakes equality impact assessments on career progression and promotion and takes active steps to ensure equality of opportunity where possible disadvantage could arise.

In addition to the above, the Trust has also embarked on a new People Strategy which has employee engagement at its centre. The strategy is grounded in four underlying principles, each with an associated commitment and a series of actions and measures of success. The commitments are as follows:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (Section 172 Statement) (continued)

Underlying Principles and Assumptions (and related Trust Values)	Commitment to our staff
People are systematically considered to be good; self-motivated, intelligent, trustworthy and reliable. (supportive & optimistic)	Increasing trust & developing autonomy in all our staff
People are more engaged in their work when they are clear how it contributes to a 'bigger picture' they understand and can invest in. (ambitious & Involved)	Creating a shared understanding of why we exist and how we should get there
People can only really thrive when they bring their whole selves to work. There is no success without inclusion, diversity and equality. (genuine & involved)	Creating an inclusive environment where we can be our whole selves at work
We will always believe in and promote the ability of our staff and students to further develop their skills, abilities and self-efficacy. (curious, supportive & optimistic)	Continuous and deliberate development of our staff

k. Engagement with suppliers, customers and others in a business relationship with the Academy Trust (Section 172 Statement)

Our approach with suppliers and other key stakeholders is strongly grounded in our values of being genuine, supportive and involved. This approach has ensured we have maintained and strengthened our relationships through the challenges of the past 12 months, particularly around lockdown. In particular, our relationships with our transport and catering suppliers have relied on this transparent, supportive approach to ensure a continuation of service while remaining a sustainable provision.

Our other key set of 'customers/stakeholder/beneficiaries' are our students. We pride ourselves on developing processes, systems and a culture where students feel listened to and able to help improve and shape our provision as we move forward. To further facilitate this Trustees have appointed an Executive Director of Student Leadership to oversee this work and report on its progress on a regular basis.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Objects and aims

BFMAT's objectives are specifically restricted to the advancement for the public benefit education provision, managing and developing schools and 16-19 academies offering a curriculum appropriate to the needs of its students. These Objectives are articulated through our Mission, Vision, Values and Educational Objectives

Mission: To transform the futures of young people through excellence, innovation and opportunity.

Vision: To become a national hub for excellence in 16-19 education.

Values:

Ambitious	We are committed to creating exceptional learning experiences for our students, staff and communities. We seek creative solutions to our challenges and are always striving to connect new ideas with concrete realities.
Curious	We have a love of learning and a strong desire to know more. We constantly ask questions of ourselves and others, embrace new approaches and aren't afraid to make mistakes.
Involved	We are inclusive, open and are all actively engaged to make a difference to the communities we serve. We value and celebrate our communities' diversity of thought, expertise, experience and background.
Supportive	We support each other's work and we support each other as individuals, both professionally and personally. We help each other to make decisions that improve our work and benefit our students, staff and community.
Genuine	We always tell the truth, own up when we've made mistakes and deal with the consequences of our actions. Our actions reflect the things we say and the values we believe in.
Optimistic	We view everything with a positive eye and an open mind. We strive to foster an environment of optimism, even in the toughest of situations.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Educational Objectives: Our educational objectives bring together our mission, vision and values. They help us measure our progress toward achieving our vision as set out in our strategic aims and objectives and encourage the application of our values.

Value		Educational Objectives
Ambitious & Curious	Leading to	Excellent teaching and learning experiences creating students who are engaged, curious and achieving beyond their initial expectations.
Involved	Encouraging	The holistic development of students , ready for the wider world and already active in making a positive contribution to that world.
Genuine	Resulting in	An open and reflective culture where all staff and students are willing to take risks and learn from their mistakes in order to keep improving.
Supportive & Optimistic	Co-creating	A collaborative culture of continuous improvement based on feedback that helps us thrive and move forward.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The main strategic objectives and strategies for achieving them are outlined in the strategic plan.

Aim One The Deliberately Developmental Organisation: Establish new ways of approaching 16-19 education, leading to transformative provision for students and staff	
By the end of the Plan we will have:	Midpoint milestones (September 2022)
1.1 Embedded systems which facilitate a culture of effective collaboration across the Trust	<ul style="list-style-type: none"> • Significant increase in amount of cross-college and University collaborations and 'CPD' leading to new ways of working and delivering. • Digital Platforms developed/implemented that better facilitate ongoing collaborative development between college- staff and students. • Aligned year plans and timetable slots that facilitate collaborative working
1.2 Highly developed leaders at all levels of the organisation that promote and facilitate a culture of collaboration and deliberate development	<ul style="list-style-type: none"> • Significant numbers of senior leaders enrolled on bespoke people centred MBA style course to develop understanding of how to develop the organisation in line with our values. • New system for leadership development and review implemented. • Staff and student feedback will indicate higher levels of satisfaction with leadership across the colleges and Trust
1.3 A culture of continuous and deliberate development that facilitates the finding of solutions to specific and stubborn problems faced by colleges, staff and students	<ul style="list-style-type: none"> • Pilot system for new approaches to KPIs and use of data piloted in at least one college • Series of projects developed and started exploring 'stubborn problems' common across the colleges e.g. Pastoral/Curriculum divide, lightening the assessment load, ongoing underperformance in some subjects etc.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Aim Two Students: Maximise the agency of students in improving the design, delivery, evaluation and leadership of our provision and its outcomes.	
By the end of the Plan we will have:	Midpoint milestones(September 2022)
2.1 Established ourselves as a national leader in developing student voice to improve provision	<ul style="list-style-type: none"> All member colleges to work within Learner voice framework to student leadership across the Trust. Have Student Voice leadership development programme and have designed a digital platform to support student feedback.
2.2 Implemented a framework for developing and formally recognising the broad range of skills and attributes students need in order to thrive at college, University or in the world of work.	<ul style="list-style-type: none"> Future Proof - the BFMAT Skills and Wellbeing Passport - to be co-designed with the CUG and being piloted in at least one of the member colleges.
2.3 Developed bespoke learner analytics systems that lead to effective, timely assessment and self-assessment of student progress and development needs at every step of their journey from enrolment to University or employment.	<ul style="list-style-type: none"> Co-develop a suite of learner analytics with CUG. Pilot suite in at least one founding college for roll out across the Trust by September 2022
2.4 Established a culture with students playing an active, key role in the design, planning and at times delivery of study programmes	<ul style="list-style-type: none"> Have introduced at least one pilot of student led planning/delivery of aspects of study programmes and designed mechanism to roll this out across the Trust

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Aim Three People: Create and embed an inclusive culture where all of our people can become the best they can be, to thrive, enjoy their work and better navigate the challenges of an ever changing world.	
By the end of the Plan we will have:	Midpoint milestones (September 2022)
3.1 Embedded systems, processes and ways of working built on high levels trust, distributed authority and collective intelligence and accountability	<ul style="list-style-type: none"> • Pilots in new system for professional Review and development starting to be rolled out across trust • New approaches to recruitment and onboarding of staff rolled out
3.2 Staff throughout the Trust with high levels of understanding of and engagement in why we exist, where we want to go and how we should get there.	<ul style="list-style-type: none"> • Co-creation of BFMAT behaviours framework across Trust, underpinning most of our People systems • Systems for staff and stakeholder engagement across the MAT developed • Innovation Funds and 'bottom up' project development teams resourced and rolled out
3.3 Created a highly inclusive environment where staff thrive by bringing whole selves at work, developing our understanding of and celebrating both our differences and the things that bring us together	<ul style="list-style-type: none"> • EDI training and development programme created and piloted in a t least one college • Staff and student wellbeing strategies co-developed and rolled out. • Reduction in staff turnover and applications for jobs will be increased and more diverse.
3.4 Embedded a culture of optimism that believes in and promotes the ability of our staff and students to further develop their skills, abilities and self-efficacy	<ul style="list-style-type: none"> • Staff and student surveys and other forms of feedback will indicate improved levels of belief in self and others' capacity to develop. • Team and individual based Developmental Review processes will be rolled out across Trust • Cross trust Coaching Programmes and initiatives at all levels of organisation will be embedded

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Aim Four Resources: Securing financial strength to ensure the maximisation of resources to facilitate teaching, learning and student support.	
By the end of the Plan we will have:	Mid-point milestones (September 2022)
4.1 Secured a financially sustainable provision across all academies in the Trust	<ul style="list-style-type: none"> • All colleges to have met target enrolment numbers for 2022. • All colleges to have curriculum and staffing plans that are costed and sustainable and delivering a surplus budget. • CU Recruitment and Admissions teams to have co-developed marketing and recruitment strategy with member colleges for roll out in 2023.
4.2 Developed high quality, cohesive financial and shared service systems and provision that is aligned and is well placed for Trust expansion	<ul style="list-style-type: none"> • Trust Central Team in place including CFO<CTO and leads on other aspects of Professional Services • Cross Trust systems and processes are implemented across colleges (e.g. Sage financial system, Pro-Solutions MIS etc.) • Central services offer refined with CUG as part of sponsor/grant agreement. • A menu of services developed that colleges <u>can</u> buy into as part of the central contribution to Trust. •
4.3 Equipped leaders at all levels with the skills to ensure effective financial management that enhance the student experience.	<ul style="list-style-type: none"> • Financial management training programme rolled out with senior and middle leaders across the Trust • Number of Senior Leaders enrolled on bespoke, people-centred MBA style programme to develop financial leadership skills aligned to our values.
4.4 Developed innovative models for structural relationships with other post 16 providers and Coventry University Group other than the academisation route	<ul style="list-style-type: none"> • Co-develop a model with Coventry University Group and target colleges for potential structural relationships in the future.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

Better Futures Multi Academy Trust is an exempt charity under part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Directors, who are Trustees of the charitable company, are disclosed on page 1.

In setting and reviewing the Academy Trust strategic objectives, the Trustees have had due regard to Charity Commission guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. This guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission the Academy Trust provides the following identifiable public benefits through the advancement of education:

- High quality teaching
- Widening participation and supporting students with additional learning needs
- Excellent record for student progression to higher education and employment
- Excellent pastoral support for students
- Growing links with employers, industry and commerce

Strategic report

Achievements and performance

All three Colleges exceeded their recruitment targets for students enrolling for 2020/21. This was particularly pleasing in light of the challenges posed by COVID-19. The inability to carry out face to face interviews, taster sessions or enrolments processes has led to the development of more innovative models of recruiting and inducting students to life at college and we will be developing these further in the post-lockdown context. Retention of students throughout lockdown was a key focus, ensuring we could meet their needs for education and wider support. Retention rates stayed high across the colleges and this, together with healthy recruitment, will ensure increased funding for future years.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

While all three Colleges achieved above benchmark for achievement rates and retention, the unprecedented events of 2021 make the standard KPIs around student qualification performance less meaningful than usual. There has been a real focus on adapting our provision to remote and blended provision and ensuring the ongoing wellbeing of our students. The success of this can be measured in ongoing student retention rates higher than the sector average.

Many of the other standard metrics for assessing progress/performance do not really capture the successes of the colleges during the past 12 months. As a Trust we have been working on developing new sets of indicators that better align to both our strategic aims and the current context. Key measures that stand out from last year would include the record number of students who were accepted into their first or second choice of university course and the overwhelmingly positive responses from students, staff and other stakeholders when asked if the colleges were meeting the needs of those groups of stakeholders respectively. We have also had real success in developing student leadership throughout the colleges, in spite of – or possibly because of- the inability for students to meet face to face for prolonged periods of the year. One key success has been a student led project with Coventry University to research and start designing a University accredited 'skills passport' to encourage, recognise and reward the wider skills and attributes students will need in order to be successful at college and in the next stage of their lives. This passport will become a key indicator going forward, both in terms of the number of students enrolled on it and how their achievement levels.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence in the foreseeable future. In coming to their decision, The Trustees have made use of a formal Going Concern Assessment prepared by the CFO. The Trustees have considered the basis of assumptions of income and expenditure expectations and growth in student numbers which support the financial plan and strategy of the MAT and the non-recurrent impact of COVID-19. For this reason, it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding adoption of the going concern basis can be found in the Statement of Accounting Policies.

c. Promoting the success of the company (Section 172 Statement)

Our Trustees are clear in their responsibilities to act in ways that will most likely promote the success of the Trust. Through regular review of our strategic aims, current objectives and values driven approach, we ensure we are well placed to meet the ever changing challenges successfully.

- Our People Strategy sets out how we work with our staff, our students and other stakeholders to help them become the best version of themselves, becoming exemplars of high standards of conduct and performance, and in doing so strengthening our Trust.
- We have a Developmental Strategy that explores new ways of working through collaboration both internally and externally to help transform the way we do 16-19 education.
- We have a Student Centered Provision Strategy that is focused on increasing the agency and efficacy of all our students and ensuring this is at the heart of all we do.
- We have a Resource and Finance Strategy that is focused on securing financial strength to ensure the maximisation of resources to facilitate teaching, learning and student support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

The Academy Trust receives the majority of its funding from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants paid on a monthly basis. The grants received in the year are shown as “restricted funds” in the Statement of Financial Activities. The Academy Trust is also in receipt of an allocation from the ESFA’s Devolved Formula Capital Grant and sponsorship.

There has been no movement Academies in the financial year following the joining of Gateway College (1st April 2020) and Bilborough College (1st November 2019) last year. Work continues to consolidate the financial systems and processes across the Colleges. The Trust has approved updated BFMAT Financial Regulations and Scheme of Delegation in the previous six months.

At 31 August 2021 the net book value of fixed assets was £45.8m. The closing fixed asset position across the Academy is comprised of the following: Gateway College: £25.2m, Bilborough College: £16.4m and King Edwards VI College £4.2m (2020 - £46.9m). Movements in tangible fixed assets are shown in note 14 to the Financial Statements.

The closing level of reserves is £49,452k (excluding pension reserve), this comprises of restricted general fund of £306k, restricted Fixed Asset fund of £46,715k plus unrestricted reserve reserves of £2,431k. Further details can be found in note 18 to the Financial Statements.

a. Reserves policy

The Trust Reserves Policy determines that when considering an appropriate level of reserves, the Trust board considers:

- the risk of unforeseen emergency or other unexpected need for funds;
- a fall or rise in sources of income;
- planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project;
- the ability to deliver a robust programme for renewal and replacement of academy assets e.g. IT equipment;
- the need to fund potential deficits in a cash budget, for example money may need to be spent before funding is received for increased teaching; and
- the full range of financial risks identified.

The Academy Reserves Policy determines that the minimum target level of reserves is circa 5% of annual income. For the financial period ending 31 August 2021 planned income of £21.5m determines a minimum reserves balance of £1,076k.

The level of restricted general fund reserves is a surplus position of £1,830k which exceeds the minimum reserves balance of the reserves policy. Disclosure of this fund is included in the Funds note in the financial statements (note 18).

The closing level of reserves is £49,452k (excluding pension reserve), this comprises of restricted general fund of £306k, restricted Fixed Asset fund of £46,715k plus unrestricted reserve reserves of £2,431k. The Fixed Asset fund of £46,715k, can only be realised by disposing of tangible fixed assets of £45,800k.

The Academy has reviewed the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted fund reserves at 31st August 2021. In the statements that following this would be a net surplus of £2,431k + £306k = £2,737k. Further details can be found in note 18 to the Financial Statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

b. Investment policy

The Academy holds cash balances and therefore can make investment decisions.

The Academy Investment Policy sets out the processes by which the Trustees will meet their duties, as set out under the Trust Articles of Association, the Academies Financial Handbook and the Trust Financial Regulations, to invest monies surplus to the operational requirements of the Trust and its member Academies.

The objective of the policy is to ensure that all investments shall be made in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed, whilst ensuring a consistent approach across the Trust and achieve value for money whilst ensuring the security of deposits and risk is balanced against revenue return.

c. Principal risks and uncertainties

Based on the Strategic Plan, the Executive Team undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Executive Team will also consider any risks which may arise as a result of a new area of work being undertaken by any academy.

Risk Registers are maintained at Academy Trust level, which is reviewed at regularly by the Finance and Audit Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academies and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. Each Academy also maintains a Risk Register which informs the trust register and is monitored and reviewed by Academy Local Governing Boards.

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TRUSTEES' REPORT (CONTINUED)
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Outlined below is a description of the principal risk factors that may affect the trust, with many being risks related to the ongoing pandemic. Other factors besides those listed below may also adversely affect the Trust.

Risk Description and Impact	Mitigation strategies
Risk that teaching & learning does not meet the needs of our students.	Student Centred Provision Strategy and related Quality Measures will address this with students and staff and co-create new ways of approaching quality and curriculum delivery issues.
Risk that of lack of capacity in leadership skills to navigate ongoing situation while improving the provision.	People strategy and Leadership Development Programme implemented across the Trust.
Risk of ongoing/post pandemic situation leading to deterioration of staff and students' psychological wellbeing.	Focus on developing wellbeing strategies as part of people strategy and utilise good practice from within the Colleges.
Ongoing public health situation having significant impact on Colleges' enrolments and subsequent funding.	Development and embedding of new approaches to marketing, admissions, enrolment and induction. Utilisation of expertise at Coventry University with these approaches.
Risk of lack of adequate systems and processes to ensure we meet legal compliance requirements (finance regulations, GDPR, health & safety etc.).	Resource Strategy to focus on initial identification of issues and implement improved and aligned systems and processes across Colleges to ensure compliance.

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The BFMAT UK Greenhouse gas emissions and energy use in the reporting period ending 31st August 2021 is shown in table 1. The Trust used 2,591,717 kWh of gas and 1,509,285 kWh of electricity in the period. Total gross metric tonnes CO₂e emissions is calculated as 795.

The Trust has made use of the Government Greenhouse gas reporting conversion factors 2021 in the calculation of gross metric tonnes of CO₂e, calculated from kWh gas and electricity meter readings in the reporting period.

The chosen intensity measurement ratio is pupil numbers (as per the 20/21 ESFA GAG Funding agreements), the recommended ratio for the sector.

Gross Emissions in Metric tonnes of CO₂e per pupil is 0.19.

The Trust will consider the output of the Energy and Carbon Reporting to inform the MAT energy strategy.

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	4,101,002	2,294,956
Energy consumption breakdown (kWh):		
Gas	2,591,717	1,499,424
Electricity	1,509,285	795,532
Scope 1 emissions (in tonnes of CO₂ equivalent):		
Gas consumption	475	276
Total scope 1	<u>475</u>	<u>276</u>
Scope 2 emissions (in tonnes of CO₂ equivalent):		
Purchased electricity	320	185
Total gross emissions (in tonnes of CO₂ equivalent):	<u>795</u>	<u>461</u>
Intensity ratio:		
Tonnes of CO ₂ equivalent per pupil	<u>0.19</u>	<u>0.15</u>

Plans for future periods

Over the next twelve months the focus will be on consolidating and aligning systems, processes and services to ensure a strong central offer to our Academies. Alongside this we will be focusing on navigating the ever changing environment around public health and ensuring we are best placed to meet the needs of our students and staff and wider communities. We will also start to explore growth opportunities as they arise, primarily based on the original plan to geographically align our growth with the campus locations of our sponsor, Coventry University, thus maximizing the positive impact they can have on our Trust.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as custodian trustees of any other charity.

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, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on Dec 16, 2021 and signed on its behalf by:


[Eileen M Hartley \(Dec 16, 2021 17:19 GMT\)](#)

.....
Eileen Hartley
Chair of Trustees

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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 Better Futures Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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 9 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
Eileen Hartley, Chair	9	9
Guy Daly, Vice Chair	8	9
Lorraine Gearing	8	9
Kate Quantrell	5	9
Joseph Kevin Grindley	9	9
Ulysses Lyons, Chief Executive Officer	9	9
John Kirk (resigned 24 November 2021)	9	9
Greg Langston	8	9
Norman MacDonald (appointed 25 March 2021)	2	3
Simon Wright (resigned 10 September 2021)	9	9
Graham Parker (resigned 23 October 2020)	0	1

Key changes to the composition of the Board

During the period 1 September 2020 to date of approval of the accounts, the Board of Trustees received two resignations and made one new appointment, bringing the total number of Trustees to nine. Simon Wright was appointed Chair in December 2020 and resigned in October 2021 on health grounds. To ensure the Board's continued effectiveness changes in membership, including new appointments and succession planning for the roles of Chair and Vice-Chair, are informed by a skills matrix overseen by a Search and Governance Committee. The Trustees employ a dedicated Clerk to assist with the work of the Board. She is also the Company Secretary for the Trust.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Key Coverage of Work

The work of the Board is planned for the academic year ahead and meeting dates agreed in advance. A Calendar of Business is produced at the start of the year detailing the basis of each meeting agenda. This helps to ensure effective time management in terms of setting aside sufficient time to consider major strategic issues, risks and long term objectives. The Calendar of Business is informed by the operational flow of business as it occurs throughout the academic year, incorporating the deadlines for the approval and submission of key documents and policies which require Trustee approval.

The Board has an approved Scheme of Delegation that sets out the authority for a wide range of decisions which are commonly required throughout the year. The Scheme of Delegation is reviewed at least annually. The Board is served by a number of Committees which helps to discharge its duties effectively, within the guidance of the Articles. The Scheme of Delegation sets out what authority or level of involvement the Committees have. The work of each Committee is overseen by agreed Terms of Reference, reviewed annually, and a Calendar of Business. Membership of each Committee, other than the Local Governing Bodies, contains a majority of Trustees.

Public service values are at the heart of acting as a Trustee and Trustees are expected to show high standards of personal and corporate conduct when in office, acting within the seven Nolan Principles.

Board Performance

The Board and its Committees met in accordance with the planned schedule for the academic year. The COVID-19 pandemic required a pragmatic approach to meetings which continued virtually with excellent attendance and engagement from Trustees. Board members were consulted on their views and arrangements put in place to ensure all Trustees were able to participate fully. A new Business Continuity Working Group was established in response to the pandemic.

Minutes are produced on a timely basis, recording key decisions and the debate behind those decisions. The existence and frequent review of key governance documents (Scheme of Delegation, Terms of Reference, Calendar of Business) ensures that there are robust processes, policies and procedures in place for key regulatory matters.

The Trust's financial position is regularly and rigorously viewed by the Board. Monthly management accounts are routinely reviewed at Trustee meetings (at least six times a year) and also circulated to the Chair on a monthly basis. A new medium term financial plan has been approved by the Board. Key performance indicators are in place to regularly monitor stakeholder feedback, recruitment, achievement, progress, destinations and financial health.

Governance Reviews

Trustees understand that regular self-assessment is an integral process to both their and the Academy Trust's performance. As a relatively new Trust, a formal self-evaluation of governance was carried out for the first time in August 2020. The review was informed by guidance in the Governance Handbook.

Findings were positive in terms of the clarity of the Trust's vision and strategy. The Board continues to hold dedicated strategy meetings and engage with key stakeholders in reviewing, developing and refining strategic priorities in light of the global pandemic and sector dynamics.

Further findings identified the relatively small size of the Board (at the time 10 members) as facilitating effective discussion, team-working and incisive challenge. Trustees were positive in terms of the skillset of the Board to deliver its remit. A new framework for the induction of Trustees has been implemented as a result of feedback.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

There remains scope to increase the ethnic diversity of membership and this is being kept under review by the Search and Governance Committee.

As part of the self-evaluation process adopted by the Board, Trustees have also met individually with the Chair to reflect on their contributions.

A rolling programme of self-evaluation has been implemented for 2021-22.

In March 2020, the ESFA undertook an external review of the Trust's financial management and governance processes. The review was very positive and did not identify any significant weaknesses or failures. In line with best practice, the commissioning of a further external review will be considered in Spring 2023. If there was to be any significant change or development of the Trust in the intervening period, consideration would be given to bringing this timeframe forward.

An audit of Corporate Governance was undertaken by the Trust's internal auditors, ICCA, in May 2021. A Substantial Assurance opinion was recorded. The three recommendations arising from the work undertaken (none of which were high risk) have all been fully implemented.

Information about the quality of the data used by the Board, and why the Board finds it acceptable

All governance reports and papers are prefaced with a standard cover sheet template. This ensures that key information is highlighted from the outset and supports clear itemising of decisions required. There exists a culture of openness and constructive challenge within governance.

The Executive Team routinely attends all governance meetings to present reports and answer questions. Their attendance ensures a conduit between Trustees and senior staff in addition to the link that exists with the CEO. There is a clear division of responsibilities in that the roles of the Chair of the Board of Trustees and the Accounting Officer are separate.

The Director of Student Leadership routinely attends Board meetings to ensure engagement of the student voice in the governance of the Trust.

The triangulation of quantitative information with qualitative information is embedded within the Schedule of Business and frequently forms the focus of discussion at meetings. For example, a detailed commentary on key risks accompanies presentation of the Risk Register to give Trustees further context and assurance on mitigating action being taken.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committee Structure

A number of key tasks are devolved to the Committees which have clear Terms of Reference that are reviewed annually. As the Trust has grown and become more established, the Committee Structure has been kept under review to ensure continued appropriate levels of scrutiny.

Finance and Audit Committee provide robust oversight and scrutiny of the Trust's finances and resources, including proper planning, monitoring, probity and value for money. It also provides a forum for reporting by our internal, regularity and financial statements auditors who routinely attend meetings. An independent member with recent and relevant audit experience forms part of the membership. Targeted training was delivered by Mazars to all Trustees in February 2020.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Greg Langston, Chair	6	6
Simon Wright (resigned 10 September 2021)	2	2
Kate Quantrell	4	6
Joseph Kevin Grindley	4	4
Norman MacDonald	2	2
Louise Tweedie (Non-Trustee Independent Member)	3	6

Search and Governance Committee keeps under review the appropriateness of current membership of the Trust Board and its Committees. It makes recommendations to the Trust Board on appointments with due consideration to the skills matrix and diversity. The Committee also co-ordinates governance reviews/evaluations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Wright (resigned 10 September 2021), Chair	2	2
Guy Daly	2	2
Eileen Hartley	1	1
Ulysses Lyons	2	2

BETTER FUTURES MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Executive Performance and Remuneration Committee is responsible for making recommendations on the performance and remuneration of Executive post holders. The Committee bases its recommendations on independent research data provided by such organisations as the Sixth Form Colleges' Association and Association of Colleges. The Committee membership comprises of only Trustees (excluding the CEO). If the CEO is invited to be in attendance as and when appropriate and necessary, meeting procedures ensure that he does not take part in discussions or decisions relating to his own remuneration.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Eileen Hartley, Chair	0	1
Simon Wright (resigned 10 September 2021)	1	1
Guy Daly	1	1
Lorraine Gearing	1	1

The Trust Board has established a Local Governing Body at each Academy. The Local Governing Bodies provide focussed governance at a local level and have delegated responsibilities for operational and budgetary matters through a Scheme of Delegation that is reviewed at least annually. As key stakeholders, the inclusion of staff, student and parent governors amongst the membership brings an important perspective to discussions.

Attendance during the year at meetings was as follows:

LGB Governors: King Edward VI College	Meetings attended	Out of a possible
Stuart Stanley, Chair	5	7
Jacqui Clements, Joint Vice-Chair	7	7
Leanne de Main, Joint Vice-Chair	7	7
William Rupp	7	7
Rebecca Khanna	6	7
Mark Crook	6	7
David Butcher	7	7
Stella-Maris Orim	3	7
Louise Harmer	6	7
Elizabeth Cutter	5	5
Paul Hickling	1	1
Sam Powell	5	5
Bradley Stevens	7	7
Alexander Wyness	7	7
Adam Dewfield (resigned 3 January 2021)	2	2
Kayan Parker (resigned 22 June 2021)	4	6

BETTER FUTURES MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

LGB Governors: Bilborough College	Meetings Attended	Out of Possible
Dr Nicky Harrold, Chair	7	7
Dr Doug Ingram, Vice Chair (resigned 15 July 2021)	5	6
Dr Rory Waterman	6	7
Dr Paula Holt (resigned 18 August 2021)	4	6
Mr Zameer Syed	6	7
Mr Scott Cowie	4	7
Mr Shiv Nand, Vice Chair – 15 November 2021	7	7
Ms Shanine Fasasi	3	7
Dr Andrew Durrant (resigned 18 January 2021)	1	1
Dr Sheilagh Resnick	6	7
Ms Sarah Whitney	7	7
Ms Karlee Wildgoose	7	7
Mr Andy Messent (resigned 11 October 2021)	6	7
Mr Billy Watson (resigned 22 June 2021)	1	1
Ms Ramina Rayati Touranposhti (resigned 21 June 2021)	4	6
Mr David Shaw, Principal	7	7
Mr Ciaron Tobin (resigned 21 June 2021)	3	4
Ms Annoushka Bold, Vice Chair – 15 November 2021	5	5
Ms Danielle Pritchard	3	4
Mr Joshua Eaton	2	2
Mr Oscar Hewitt-Richards	2	2
LGB Governors: Gateway College	Meetings Attended	Out of Possible
Steve Holderness, Chair	5	5
Harminder Bains, Vice Chair	2	5
James Bagley, Principal	5	5
Nelista Cuffy	5	5
Chris Gray	4	5
Nathan Smith	4	5
Patricia Hamer	5	5
Steven Lockwood	2	3

BETTER FUTURES MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Ensuring that the lockdown and ongoing COVID-19 context has not interrupted provision of education and support for our students and staff. While entailing some additional expenditure at times, such as operating transport at more of a loss, this still ensures value for money through retention of students in education and retention of staff.
- Improving educational provision across the academies. This is supported by internal and external reviews of our performance and therefore represents better value for money for taxpayers.
- Condition Improvement Funds have been granted for the older part of the estate which will lead to a much more efficient use of space and resources for students and staff.
- Benchmarking of leadership costs across the academies to ensure best use of resource to improve provision and creation of a high impact central leadership and improvement team, utilising funding through sponsorship agreement to ensure value for money for taxpayers.

The purpose of the system of internal control

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

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks
- A Business Continuity Working Group to identify and manage emerging risks and challenges related to and arising from the COVID-19 situation

The Board of Trustees has employed ICCA as internal auditor. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems.

Eight audits completed across the three constituent Colleges during 2020/21 covered a range of systems, business areas and systems of internal control. The ongoing COVID situation did mean that most of this work was carried out remotely which did raise some logistical challenges for the team, but did not impact on the robustness or quality of the work carried out. As a result of work undertaken, ICCA provided the Board of Trustees with 'Reasonable Assurance' that the Academy Trust's systems of internal control were operating adequately and effectively, and that there were no instances where any breakdown of control resulted in a material discrepancy. This was the best possible opinion that could be awarded to the Academy Trust as audits undertaken had looked at a small sub-set of operations within each of the respective Colleges. ICCA are, however, required to give an overall opinion that covered the entirety of the Academy Trust's operations.

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

BETTER FUTURES MULTI-ACADEMY TRUST
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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 Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee 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 and signed on their behalf by:


Eileen M Hartley (Dec 16, 2021 17:19 GMT)

.....
Eileen Hartley
Chair of Trustees

Date: Dec 16, 2021



.....
Ulysses Lyons
Accounting Officer

Date: Dec 16, 2021

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Ulysses Lyons
Accounting Officer

Date: Dec 16, 2021

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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


Eileen M Hartley (Dec 16, 2021 17:19 GMT)

.....
Eileen Hartley
Chair of Trustees

Date: Dec 16, 2021

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BETTER
FUTURES MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of Better Futures Multi-Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BETTER FUTURES MULTI-ACADEMY TRUST

Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report including the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated Strategic Report.

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

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

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BETTER
FUTURES MULTI-ACADEMY TRUST**

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 31, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BETTER
FUTURES MULTI-ACADEMY TRUST**

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

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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



David Hoose (Dec 16, 2021 17:24 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 16, 2021

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BETTER
FUTURES MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 October 2021 and further to the requirements of the Education and Skills Funding Agency (the ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Better Futures Multi-Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Better Futures Multi-Academy Trust's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Better Futures Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BETTER
FUTURES MULTI-ACADEMY TRUST 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars (Dec 16, 2021 17:26 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 16, 2021

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants:	3					
Transfer on conversion		-	-	-	-	35,713
Other donations and capital grants		302	-	1,041	1,343	581
Other trading activities	5	618	141	-	759	582
Investments	6	2	-	-	2	3
Charitable activities	4	-	21,450	-	21,450	13,882
Total income		922	21,591	1,041	23,554	50,761
Expenditure on:						
Raising funds	7	581	23	-	604	427
Charitable activities	8	-	20,389	1,649	22,038	14,519
Total expenditure		581	20,412	1,649	22,642	14,946
Net income carried forward		341	1,179	(608)	912	35,815

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Note					
Net income brought forward	341	1,179	(608)	912	35,815
Transfers between funds	-	(246)	246	-	-
Net movement in funds before other recognised gains/(losses)	341	933	(362)	912	35,815
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	-	(1,464)	-	(1,464)	(3,053)
Net movement in funds	341	(531)	(362)	(552)	32,762
Reconciliation of funds:					
Total funds brought forward	2,090	(13,266)	47,077	35,901	3,139
Net movement in funds	341	(531)	(362)	(552)	32,762
Total funds carried forward	2,431	(13,797)	46,715	35,349	35,901

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10817914

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	45,800	46,901
		45,800	46,901
Current assets			
Debtors	15	1,395	623
Cash at bank and in hand	23	6,227	3,519
		7,622	4,142
Creditors: Amounts falling due within one year	16	(2,471)	(1,911)
		5,151	2,231
Net current assets		5,151	2,231
Total assets less current liabilities		50,951	49,132
Creditors: Amounts falling due after more than one year	17	(1,499)	(1,575)
		49,452	47,557
Net assets excluding pension liability		49,452	47,557
Defined benefit pension scheme liability	25	(14,103)	(11,656)
		35,349	35,901
Total net assets		35,349	35,901
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	46,715	47,077
Restricted income funds	18	1,830	36
Other reserve	18	(1,524)	(1,646)
Pension reserve	18	(14,103)	(11,656)
		32,918	33,811
Total restricted funds	18	32,918	33,811
Unrestricted income funds	18	2,431	2,090
		35,349	35,901
Total funds		35,349	35,901

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 38 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Eileen M Hartley (Dec 16, 2021 17:19 GMT)

.....
Eileen Hartley
Chair of Trustees

Date: Dec 16, 2021

The notes on pages 43 to 68 form part of these financial statements.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	2,765	2,013
Cash flows from investing activities	22	23	783
Cash flows from financing activities	21	(80)	(70)
Change in cash and cash equivalents in the year		2,708	2,726
Cash and cash equivalents at the beginning of the year		3,519	793
Cash and cash equivalents at the end of the year	23, 24	<u>6,227</u>	<u>3,519</u>

The notes on pages 43 to 68 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Better Futures Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

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 Academy 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 and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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:

Leasehold buildings	- 10 - 50 years
Freehold buildings	- 20 - 50 years
Furniture and equipment	- 3 - 20 years
Computer equipment	- 3 - 10 years
Electrical installation	- 30 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased assets

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

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.9 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

1.10 Taxation

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

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

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Investment income, gains and losses are allocated to the appropriate fund.

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Transfer on conversion	-	-	-	-	35,713
Other donations	302	-	-	302	300
Capital Grants	-	-	1,041	1,041	281
Subtotal	302	-	1,041	1,343	581
Total 2021	302	-	1,041	1,343	36,294
Total 2020	1,571	(8,588)	43,311	36,294	

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant (GAG)	19,636	19,636	12,830
Other DfE/ESFA grants			
Teachers' Pay/Pension Grants	1,100	1,100	720
Other	277	277	195
	<u>21,013</u>	<u>21,013</u>	<u>13,745</u>
Other Government grants			
Local Authority Grants	352	352	124
Other income	-	-	13
	<u>352</u>	<u>352</u>	<u>137</u>
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	85	85	-
	<u>85</u>	<u>85</u>	<u>-</u>
Total 2021	<u><u>21,450</u></u>	<u><u>21,450</u></u>	<u><u>13,882</u></u>
Total 2020	<u><u>13,882</u></u>	<u><u>13,882</u></u>	

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

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	52	-	52	2
Income from other charitable activities	-	141	141	197
Income from ancillary trading activities	566	-	566	383
Total 2021	618	141	759	582
Total 2020	492	90	582	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Interest from short term deposits	2	2	3
Total 2020	3	3	

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2021	2021	2021	2021	2020
	£000	£000	£000	£000	£000
Expenditure on fundraising trading activities:					
Allocated support costs	-	-	604	604	427
Academy Trust's educational operations:					
Direct costs	13,674	1,113	1,296	16,083	10,229
Allocated support costs	3,535	1,040	1,380	5,955	4,290
Total 2021	<u>17,209</u>	<u>2,153</u>	<u>3,280</u>	<u>22,642</u>	<u>14,946</u>
Total 2020	<u>11,508</u>	<u>1,329</u>	<u>2,109</u>	<u>14,946</u>	

8. Charitable activities

	2021	2020
	£000	£000
Direct costs - educational operations	16,083	10,229
Support costs - educational operations	5,955	4,290
	<u>22,038</u>	<u>14,519</u>
	2021	2020
	£000	£000
Support staff costs	3,535	2,546
Depreciation	269	227
Technology costs	392	304
Premises costs	1,040	642
Legal costs - other	26	6
Other support costs	629	516
Governance costs	64	49
	<u>5,955</u>	<u>4,290</u>

BETTER FUTURES MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Net income

Net income for the year includes:

	2021	2020
	£000	£000
Operating lease rentals	46	67
Depreciation of tangible fixed assets	1,382	914
Fees paid to auditor for:		
- audit	21	21
- other services	4	2
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	12,113	8,358
Social security costs	1,154	781
Pension costs	3,543	2,266
	<u> </u>	<u> </u>
	16,810	11,405
Agency staff costs	377	73
Staff restructuring costs	22	30
	<u> </u>	<u> </u>
	17,209	11,508
	<u> </u>	<u> </u>

Staff restructuring costs comprise:

	2021	2020
	£000	£000
Redundancy payments	-	3
Severance payments	22	27
	<u> </u>	<u> </u>
	22	30
	<u> </u>	<u> </u>

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

Included in staff restructuring costs are non-contractual settlement payments of £7k (2020 - £27k). Individually, the payment was for £7k.

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	250	237
Administration and Support	212	195
Management	20	19
	<u>482</u>	<u>451</u>

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £812k (2020 - £447k).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central services

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

- HR, Payroll and Finance

The Academy Trust charges for these services on the following basis:

All central overheads are charged out to schools which amounted to the equivalent of 1.5% of GAG income.

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Bilborough Sixth Form College	120	-
Gateway Sixth Form College	95	-
King Edwards College	82	-
Total	297	-

12. Trustees' remuneration and expenses

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

		2021	2020
		£000	£000
U Lyons	Remuneration	130 - 135	120 - 125
	Pension contributions paid	30 - 35	30 - 35

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy 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 £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2020	42,254	4,509	757	457	5	47,982
Additions	-	-	140	141	-	281
At 31 August 2021	<u>42,254</u>	<u>4,509</u>	<u>897</u>	<u>598</u>	<u>5</u>	<u>48,263</u>
Depreciation						
At 1 September 2020	505	304	125	145	2	1,081
Charge for the year	931	182	112	155	2	1,382
At 31 August 2021	<u>1,436</u>	<u>486</u>	<u>237</u>	<u>300</u>	<u>4</u>	<u>2,463</u>
Net book value						
At 31 August 2021	<u>40,818</u>	<u>4,023</u>	<u>660</u>	<u>298</u>	<u>1</u>	<u>45,800</u>
At 31 August 2020	<u>41,749</u>	<u>4,205</u>	<u>632</u>	<u>312</u>	<u>3</u>	<u>46,901</u>

15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	71	58
VAT recoverable	168	68
Other debtors	1	-
Prepayments and accrued income	1,155	497
	<u>1,395</u>	<u>623</u>

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16. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Bank loans	100	100
Other loans	4	8
Trade creditors	214	126
Corporation tax	31	-
Other taxation and social security	336	276
Other creditors	295	270
Accruals and deferred income	1,491	1,131
	<u>2,471</u>	<u>1,911</u>
	2021	2020
	£000	£000
Deferred income		
Deferred income as at 1 September 2020	873	268
Released from previous years	(873)	(268)
Resources deferred in the year	1,052	873
	<u>1,052</u>	<u>873</u>

At the Balance Sheet date the Academy Trust was holding funds of £419k Bursary and free school meal income, £59k trip income and £574k of other income.

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

	2021	2020
	£000	£000
Bank loans	1,423	1,546
Other loans	76	29
	<u>1,499</u>	<u>1,575</u>

Loans include a bank loan of £1,523k with AIB (Allied Irish Bank), which is repayable quarterly over 60 months from 1st November 2019, maturing 31st October 2024, interest is payable at 3 months LIBOR plus margin of 2.7% annum. The Academy Trust has provided security in respect of its AIB borrowings over the freehold property and land at Bilborough College, Bilborough Road, Nottingham, NG8 4DQ.

Loans include £80k in relation to an approved ESFA loans, via the salix loan programme for capital projects. The loan is interest free, unsecured with bi-annual repayments.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	2,090	922	(581)	-	-	2,431
Restricted general funds						
General Annual Grant (GAG)	36	19,637	(17,431)	(412)	-	1,830
Teachers' Pay/Pension Grant	-	1,100	(1,100)	-	-	-
Other COVID funding	-	85	(85)	-	-	-
Other grants	-	769	(769)	-	-	-
Other reserve	(1,646)	-	(44)	166	-	(1,524)
Pension reserve	(11,656)	-	(983)	-	(1,464)	(14,103)
	(13,266)	21,591	(20,412)	(246)	(1,464)	(13,797)
Restricted fixed asset funds						
Transfer on conversion	46,820	-	(1,345)	-	-	45,475
DfE/ESFA capital grants	257	1,041	(304)	246	-	1,240
	47,077	1,041	(1,649)	246	-	46,715
Total Restricted funds	33,811	22,632	(22,061)	-	(1,464)	32,918
Total funds	35,901	23,554	(22,642)	-	(1,464)	35,349

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

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

Restricted general funds

The General Annual Grant is the recurrent funding to be used for the educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE. The pension reserve of £14,103k (overdrawn) represents the Academy Trust's share of the deficit in the Staffordshire Pension Fund and the Warwickshire Pension Fund.

Payments are being made in line with those required by the tri annual valuation in order to reduce the Trust's share of the deficit.

Restricted other funds

From time to time, additional fund are applied for as set out above or specific purposes laid down by the grant provider and to be used for educational purposes.

Fixed asset funds

This fund represents the net book value of fixed assets that the Academy Trust has purchased out of grants and donations received or were transferred on conversion. It also includes unspent capital monies at the year end.

Unrestricted funds

The unrestricted funds represent funds available to the Trustees to apply for for the general purposes of the Academy Trust.

Transfers relate to GAG funds used for capital expenditure.

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

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

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

	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						
General Funds	354	2,067	(331)	-	-	2,090
Restricted general funds						
General Annual Grant (GAG)	-	12,830	(12,664)	(130)	-	36
Other grants	-	463	(463)	-	-	-
Other reserve	-	(1,731)	(45)	130	-	(1,646)
Pension reserve	(1,919)	(6,178)	(506)	-	(3,053)	(11,656)
	(1,919)	5,384	(13,678)	-	(3,053)	(13,266)
Restricted fixed asset funds						
Transfer on conversion	4,704	43,030	(914)	-	-	46,820
DfE/ESFA capital grants	-	281	(24)	-	-	257
	4,704	43,311	(938)	-	-	47,077
Total Restricted funds	2,785	48,695	(14,616)	-	(3,053)	33,811
Total funds	3,139	50,762	(14,947)	-	(3,053)	35,901

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
Bilborough Sixth Form College - revenue funds	1,660	790
Bilborough Sixth Form College - loan funds	(1,523)	(1,646)
Gateway Sixth Form College	1,306	625
King Edwards VI College	1,294	711
Better Futures MAT	-	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,737	480
Restricted fixed asset fund	46,715	47,077
Pension reserve	(14,103)	(11,656)
	<hr/>	<hr/>
Total	35,349	35,901
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000
Bilborough Sixth Form College	5,395	1,207	460	1,164	8,226	6,195
Gateway Sixth Form College	5,205	266	600	512	6,583	2,391
King Edwards VI College	3,073	2,062	236	1,080	6,451	5,446
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	13,673	3,535	1,296	2,756	21,260	14,032
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	45,800	45,800
Current assets	2,431	4,276	915	7,622
Creditors due within one year	-	(2,471)	-	(2,471)
Creditors due in more than one year	-	(1,499)	-	(1,499)
Provisions for liabilities and charges	-	(14,103)	-	(14,103)
Total	2,431	(13,797)	46,715	35,349

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	46,901	46,901
Current assets	2,090	1,876	176	4,142
Creditors due within one year	-	(1,911)	-	(1,911)
Creditors due in more than one year	-	(1,575)	-	(1,575)
Provisions for liabilities and charges	-	(11,656)	-	(11,656)
Total	2,090	(13,266)	47,077	35,901

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£000	£000
Net income for the year (as per Statement of Financial Activities)	912	35,815
Adjustments for:		
Transfer on conversion	-	(35,713)
Depreciation charges	1,382	914
Capital grants from DfE and other capital income	(1,041)	(281)
Investment income	(2)	(3)
Defined benefit pension scheme cost less contributions payable	788	384
Defined benefit pension scheme finance cost	195	122
Increase in debtors	(33)	(504)
Increase in creditors	564	1,279
Net cash provided by operating activities	2,765	2,013

21. Cash flows from financing activities

	2021	2020
	£000	£000
Repayments of borrowing	(80)	(70)

22. Cash flows from investing activities

	2021	2020
	£000	£000
Investment income	2	3
Purchase of tangible fixed assets	(281)	(49)
Loan transferred on conversion	-	(1,738)
Cash on conversion	-	2,286
Capital grants from DfE Group	302	281
Net cash provided by investing activities	23	783

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	6,227	3,519

24. Analysis of changes in net debt

	At 1		At 31
	September	Cash flows	August 2021
	2020	£000	£000
	£000		
Cash at bank and in hand	3,519	2,708	6,227
Debt due within 1 year	(108)	4	(104)
Debt due after 1 year	(1,575)	76	(1,499)
	<u>1,836</u>	<u>2,788</u>	<u>4,624</u>

25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire 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 2019.

Contributions amounting to £295k were payable to the schemes at 31 August 2021 (2020 - £270k) 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.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- 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.

The employer's pension costs paid to TPS in the year amounted to £1,948k (2020 - £1,340k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £791k (2020 - £551k), of which employer's contributions totalled £612k (2020 - £398k) and employees' contributions totalled £ 179k (2020 - £113k). The agreed contribution rates for future years are 14 - 18 per cent for employers and 5.5 - 12 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.40 - 3.90	2.70 - 4.00
Rate of increase for pensions in payment/inflation	2.90	2.20 - 2.30
Discount rate for scheme liabilities	1.65	1.60 - 1.70

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25. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	21.6 - 21.8	21.5 - 21.8
Females	24.2 - 24.3	23.8 - 24.4
Retiring in 20 years		
Males	22.6 - 23.0	22.2 - 23.2
Females	25.7 - 26.1	25.2 - 25.9

Sensitivity analysis on defined benefit obligations

	2021 £000	2020 £000
Discount rate -0.1%	803	669
CPI rate +0.1%	454	588
Pay rate +0.1%	337	72

Share of scheme assets

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

	2021 £000	2020 £000
Equities	11,728	9,242
Gilts	232	-
Corporate bonds	3,692	3,351
Property	1,747	1,732
Cash and other liquid assets	1,662	1,199
Total market value of assets	19,061	15,524

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25. Pension commitments (continued)

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

	2021 £000	2020 £000
Current service cost	(1,397)	(782)
Interest income	261	212
Interest cost	(456)	(332)
Admin expenses	(3)	-
Total amount recognised in the Statement of Financial Activities	(1,595)	(902)

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

	2021 £000	2020 £000
At 1 September	27,180	5,437
Conversion of Academy Trusts	-	17,475
Current service cost	1,397	782
Interest cost	456	332
Employee contributions	179	113
Actuarial losses	4,295	3,328
Benefits paid	(343)	(287)
At 31 August	33,164	27,180

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

	2021 £000	2020 £000
At 1 September	15,524	3,516
Conversion of Academy Trusts	-	11,297
Interest income	261	212
Actuarial gains	2,831	275
Employer contributions	612	398
Employee contributions	179	113
Benefits paid	(343)	(287)
Admin expenses	(3)	-
At 31 August	19,061	15,524

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26. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Within 1 year	43	40
Between 1 and 5 years	67	65
	<hr/>	<hr/>
	110	105
	<hr/> <hr/>	<hr/> <hr/>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. 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 Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

The spouse of D Shaw, a member of the key management personnel, is employed by the Academy Trust. Their appointment was made in open competition and D Shaw was not involved in the decision-making process regarding the appointment. They were paid within the normal pay scales for their role and receive no special treatment as a result of their relationship to D Shaw.

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the Academy Trust received £663k (2020 - £319k) and disbursed £642k (2020 - £271k) from the fund. An amount of £419k (2020 - £398k) is included in other creditors relating to undistributed funds that are repayable to the ESFA.