

Better Futures
Multi-Academy Trust



Better Futures Multi Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2020

Company Registration Number: 10817914 (England and Wales)

Better Futures Multi Academy Trust

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Better Futures Multi Academy Trust

Trustees' Report

Reference and Administrative Details

Members	Professor John Latham CBE Philip Hamilton OBE David Frost CBE John Dishman Kate Quantrell	
Trustees/Directors	Simon Wright, Chair Eileen Hartley, Vice-Chair (appointed 6 November 2019) Guy Daly Lorraine Gearing Kate Quantrell Joseph Kevin Grindley Ulysses Lyons, CEO John Kirk (appointed 1 April 2020) Greg Langston (appointed 1 April 2020) Graham Parker (resigned 23 October 2020) Nigel Alcock (resigned 7 November 2019)	
Company Secretary	Jacqueline Twigger	
Executive Team	Ulysses Lyons, CEO Lee Sands, Director of Professional Services and CFO (resigned as CFO on 31 August 2020) Charlotte Allen-Neale, CFO (appointed 1 September 2020) 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 (appointed 1 September 2020)	
Company Name	Better Futures Multi-Academy Trust (BFMAT)	
Principal and Registered Office	Alan Berry Building Coventry University Priory Street Coventry CV1 5FB	
Company Registration Number	10817914 (England and Wales)	
Independent Auditor	Mazars LLP Park View House 58 The Ropewalk Nottingham NG1 5DW	
Bankers	Barclays Bank High Street Coventry CV1 1ZZ	Allied Irish Bank Park View House 58 The Ropewalk Nottingham NG1 5DW
Solicitors	Eversheds Sutherland 115 Colmore Row Birmingham B3 3AL	

Better Futures Multi Academy Trust Trustees' Report (continued)

The Trustees present their annual report together with the Financial Statements and auditor's report of the charitable company for the year ended 31 August 2020. 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 4,300 learners on roll for the 2020-21 academic year. The Academy Trust is sponsored by Coventry University.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of 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.

Members' Liability

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

Trustees' Indemnities

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.

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. There is no limit to the number of repeat terms of office that may be served; however, re-appointments are subject to the review and recommendation of the Search and Governance Committee.

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.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees receive an induction pack and are provided with support from the Chair, CEO and Company Secretary. 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

Better Futures Multi Academy Trust Trustees' Report (continued)

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.

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 Management Team consisting of a CFO, Director of Professional Services and Director of Student Leadership.

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.

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.

Trade Union Facility Time

In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the tables below include information from Schedule 2 of the Regulations.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
9	6.5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	/
1%-50%	9
51%-99%	/
100%	/

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£8,645.08
Provide the total pay bill	£11,002,820.00
Provide the percentage of the total pay bill spent on facility time, calculated as:	0.079%

$(\text{total cost of facility time} + \text{total pay bill}) \times 100$

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	2.69%
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$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} + \text{total paid facility time hours}) \times 100$

Better Futures Multi Academy Trust Trustees' Report (continued)

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 2020 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.

Engagement with employees (including disabled persons)

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

Better Futures Multi Academy Trust Trustees' Report (continued)

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:

Underlying Principles and Assumptions (and related Trust Values)

People are systematically considered to be good; self-motivated, intelligent, trustworthy and reliable.
(supportive & optimistic)

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)

People can only really thrive when they bring their whole selves to work. There is no success without inclusion, diversity and equality.
(genuine & involved)

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)

Commitment to our staff

Increasing trust & developing autonomy in all our staff

Creating a shared understanding of why we exist and how we should get there

Creating an inclusive environment where we can be our whole selves at work
Continuous and deliberate development of our staff

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

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.

Objectives and Activities

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.

Better Futures Multi Academy Trust Trustees' Report (continued)

- 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.

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.

Objectives, Strategies and Activities

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

BFMAT Strategic Plan 2020-22

Aim One: Establish ourselves as a national hub of excellence for post 16 education.

By the end of the Plan we will have:

Grown the Trust to five sixth form Colleges and up to five linked secondary schools.

Provision across the Trust assessed as good or better and have one or more academies assessed as outstanding and/or accredited as a Teaching School/College.

Midpoint milestones (August 2021)

The Trust will comprise of at least three SFCs and be in discussions with at least two more SFCs and/or schools linked to current SFC members.

All members to self-assess as at least good for 2019/20 and have agreed action plan on reaching outstanding by end of plan.

Better Futures Multi Academy Trust Trustees' Report (continued)

Established BFMAT as playing a leading role in post 16 system leadership for improving provision across the sector e.g. leading regional SFC consortia.

Developed innovative models for structural relationships with other post 16 providers and Coventry University Group other than the academisation route.

Established ourselves as a national leader in developing student voice to improve provision.

Aim Two: Developing a curriculum offer that meets the needs and interests of students through excellent learning experiences.

By the end of the Plan we will have:

Implemented a framework for developing and formally recognising the broad range of skills and attributes students need in order to be successful at University or in the world of work.

Developed bespoke learner analytics systems that lead to effective, timely support and interventions with students at every step of their journey from enrolment to University or employment.

A wide range of study programmes which give students access to work experience, valuable advice and guidance from experts and industry related experiences that help them make informed decisions on their future pathway into higher education and employment.

Established a reputation with schools, HEIs and employers for providing a solution to the skills needs of the region(s).

Developed a range of online courses at Levels two and three e.g. MFL A Levels.

Aim Three

Creating a thriving learning culture that results in high levels of engagement, development and continuous improvement.

By the end of the Plan we will have:

Established high levels of staff and student satisfaction demonstrating they feel valued, supported, empowered and are engaged in change to move themselves and the organisation forward.

BFMAT Colleges to be making regular contributions to national and regional networks. Be lead improvement partner in SCIF (or similar) projects with target Colleges. Re-establish regional improvement consortia based on founding members of Trust.

Co-develop a model with Coventry University Group and target Colleges for potential structural relationships in the future.

All member Colleges to work within Learner voice framework to student leadership across the Trust. Have Student Voice leadership development programme in place.

Student Leadership to make contributions at regional and national level on how to develop student voice (e.g. SFCA conference).

Midpoint milestones (August 2021)

Future Proof(the BFMAT Skills Passport) to be co-designed with the CUG and being piloted in at least one of the member Colleges.

Co-develop a suite of learner analytics with CUG. Pilot suite in at least one founding College for roll out across the Trust by 2021.

Established agreement with CUG employability teams to facilitate projects and placements with employers A range of pilot projects across each College extending links with employers through partnership with CUG.

Future Proof launched with employers and HEI (CUG) Have engaged with key schools to start development of future proof for 14-16 year olds.

Have pilot courses currently being designed by CU Online adapted for use with SFC students. Have identified a number of courses (3-6) to develop as online courses. Secured external funding to help development work with CU Online.

Midpoint milestones (August 2021)

Have developed and established new methods of capturing stakeholder satisfaction. Feedback with have been utilised to devise stakeholder satisfaction plans as part of overall improvement work to ensure satisfaction levels reach above 90% before end of plan.

Better Futures Multi Academy Trust Trustees' Report (continued)

Reflective processes and feedback mechanisms that engage all stakeholders with the student journey to enable the best outcomes for students.

Developed a broad range of staff development and progression opportunities maximising the relationship with Coventry University Group.

Embedded student leadership in all aspects of our provision, enabling high levels of engagement and improvement.

Established Initial Teacher Training provision with Coventry University Group to develop our own pipeline of talent for the Trust and the wider sector.

Aim Four: Securing financial strength to ensure the best resources are available to facilitate teaching, learning and student support.

By the end of the Plan we will have:

Secured a financially sustainable provision across all academies in the Trust.

Maintained healthy cash balances and secured capital funding in order to re-invest in the MAT estate.

Developed a central shared services model that saves money and improves provision across all academies.

Equipped leaders at all levels with the skills to ensure effective financial management that enhance the student experience.

Developed a marketing & partnership strategy to ensure ESFA-funded student recruitment is growing and building toward capacity across all academies.

Colleges to have piloted a range of reflection and feedback mechanisms (e.g. student led observations, 'balanced scorecard' development, Clear Review).

Have established MA in Sixth Form Education with staff enrolled on or delivering on.

Have established a range of professional development opportunities through CUG Organisation Development team e.g. coaching/mentoring/leadership development.

Trust Central team structure will have facilitated progression opportunities for staff across the Trust. Staff at Trust Colleges will be developing models for HE delivery with faculty teams across CUG.

All member Colleges to work within Learner voice framework to student leadership across the Trust. Have Student Voice leadership development programme in place.

Student Leadership to make contributions at regional and national level on how to develop student voice (e.g. SFCA conference).

Course outline for PGCE in Sixth Form Teaching to have been developed and approved alongside other ITT developments.

Mid-point milestones (August 2021)

All Colleges to have curriculum and staffing plans that are costed and sustainable.

At least one College to have successful College Improvement Fund bid to support estates development.

To have healthy operating surplus forecast for 2021/22.

Central services offer refined with CUG as part of sponsor/grant agreement.

DPS to have worked with Colleges to identify services and projects that provide good value in each context. A menu of services developed that Colleges can buy into as part of the 3% top slice.

A Trust CFO will be leading financial management training programme with senior and middle leaders across the Trust.

All Colleges to have met target enrolment numbers for 2020/21.

CUG Marketing team to have co-developed marketing strategy with member Colleges for roll out in 2021/22.

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 3.

Better Futures Multi Academy Trust Trustees' Report (continued)

In setting and reviewing the Academy Trust strategic objectives, the Trustees have had due regard for the Charity Commission's 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 hit their recruitment targets for students enrolling for 2019/20. The recruitment in September 2020 has increased by an average of c35 students in each College, and together with strong retention across the three Colleges above national benchmarks for post 16, this will ensure increased funding for 2021/22.

Key Performance Indicators

While all three Colleges achieved above benchmark for achievement rates and retention, the unprecedented events of 2020 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.

During 2019/20 two of the three Colleges also had Ofsted inspections. Gateway was inspected in October 2019 and Bilborough in January 2020. Gateway received a full inspection as it had been judged as requiring improvement in the previous inspection. Inspectors judged it to now have improved to good, stating that Leaders "have created a more aspirational culture in the College since the previous inspection. They have improved the curriculum so that students study coherent programmes. They have increased the expectations all staff have of what students can achieve...as a result of the much improved planning and teaching, students pass their qualifications and gain better grades than might be expected given their starting points."

Bilborough had a short inspection which confirmed Inspector's previous judgement of 'Good' provision. The Inspection report comments that "Students are proud of their College, enjoy attending and are enthusiastic about their experiences. Teachers have high expectations of what students can achieve. They create a vibrant atmosphere in lessons in which students work hard and thrive. Students' behavior and conduct are exemplary. They attend well, arrive on time and are ready to learn."

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 income 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.

Better Futures Multi Academy Trust Trustees' Report (continued)

Promoting the Success of the Company

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.

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.

Two Colleges have joined the Academy Trust in the period ending 31st August 2020. Gateway College joined on 1st April 2020 and Bilborough College on 1st November 2019. Work is underway to consolidate the financial systems and processes across the Colleges. The Trust has approved updated BFMAT Financial Regulations, Scheme of Delegation, Reserves and Investment Policies in the previous six months.

At 31 August 2020 the net book value of fixed assets was £46.9m. The closing fixed asset position across the Academy is comprised of the following: Gateway College: £25.8m, Bilborough College: £16.6m and King Edwards VI College £4.5m (2019: £4.7m). Movements in tangible fixed assets are shown in note 12 to the Financial Statements.

The closing level of reserves is £47,557k (excluding pension reserve), this comprises of restricted general fund of (£1,609k), restricted Fixed Asset fund of £47,077k plus unrestricted reserve reserves of £2,090k. Further details can be found in note 17 to the Financial Statements.

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 2020 planned income of £14.6m determines a minimum reserves balance of £733k.

Better Futures Multi Academy Trust Trustees' Report (continued)

The level of restricted general fund reserves is a deficit position of £1,609k, this is driven by the acquisition on conversion of a bank loan. Disclosure of this fund is included in the Funds note in the financial statements (note 17).

The closing level of reserves is £47,557k (excluding pension reserve), this comprises of restricted general fund of (£1,609k), restricted Fixed Asset fund of £47,077k plus unrestricted reserve reserves of £2,090k. The Fixed Asset fund of £47,077k, can only be realised by disposing of tangible fixed assets of £46,901k.

The Academy has reviewed the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted fund reserves at 31st August 2020. In the statements that following this would be a net surplus of £2,090k - £1,609k = £482k. The Financial Plan of the Academy determines a surplus position and continued student growth will ensure that the reserves balance is restored to £733k. Further details can be found in note 17 to the Financial Statements.

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.

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.

A risk register is 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.

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.

Better Futures Multi Academy Trust Trustees' Report (continued)

Risk Description and Impact

Risk that teaching & learning does not meet the needs of our students.

Risk that of lack of capacity in leadership skills to navigate current situation while improving the provision.

Risk of ongoing pandemic leading to deterioration of staff and students' psychological wellbeing.

Risk of pandemic situation having significant impact on Colleges' enrolments and subsequent funding.

Risk of lack of adequate systems and processes to ensure we meet legal compliance requirements (finance regulations, GDPR, health & safety etc).

Mitigation strategies

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.

People strategy and Leadership Development Programme implemented across the Trust.

Focus on developing wellbeing strategies as part of people strategy and utilise good practice from within the Colleges.

Development and embedding of new approaches to marketing, admissions, enrolment and induction. Utilisation of expertise at Coventry University with these approaches.

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.

Streamlined Energy and Carbon Reporting

The BFMAT UK Greenhouse gas emissions and energy use in the reporting period ending 31st August 2020 is shown in table 1. The Trust used 1,499,424 kWh of gas and 795,532 kWh of electricity in the period. Total gross metric tonnes CO₂e emissions is calculated as 461.

The Trust has made use of the Government Greenhouse gas reporting conversion factors 2020 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 19/20 ESFA GAG Funding agreements), the recommended ratio for the sector.

As the 2019/20 Financial period has seen the addition of two Colleges to the Trust during the year, pupil numbers have been prorated for the number of months each College has in the reporting period. Gross Emissions in Metric tonnes of CO₂e per pupil is 0.15.

As this is a first-year reporting requirement, the Trust will consider the output of the Energy and Carbon Reporting work across the Colleges. This work will inform the MAT energy strategy.

Better Futures Multi Academy Trust Trustees' Report (continued)

TABLE 1: UK Greenhouse gas emissions and energy use data for the period 1st September 2019 - 31st August 2020

Energy Consumption in kWh in the period

Gas	1,499,423.80
Electricity	795,532.00
TOTAL Energy Consumption (kWh) used to calculate emissions	2,294,955.80

Calculated Carbon Dioxide Emissions in Metric tonnes

Gas	275.70
Electricity	185.47
TOTAL Gross Emissions in Metric tonnes of CO ₂ e	461.17

Intensity Ratio

TOTAL Gross Emissions in Metric tonnes of CO ₂ e per pupil	0.15
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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.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

In so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- we have taken all steps that we ought to have taken to make ourselves 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 14 January 2021 and signed on the Boards behalf by:



.....
Simon Wright
Chair of Trustees
14 January 2021

Better Futures Multi Academy Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the 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 the Academy Trust and the Secretary of State for Education. The CEO is 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 met nine times during the 2019-20 academic year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of Possible
Graham Parker, Chair	9	9
Simon Wright, Vice-Chair	7	9
Guy Daly	7	9
Lorraine Gearing	9	9
Kate Quantrell	7	9
Kevin Grindley	6	9
Ulysses Lyons, CEO	9	9
Eileen Hartley	5	7
John Kirk	2	2
Greg Langston	2	2
Nigel Alcock (resigned 7.11.2019)	2	2

Key changes to the composition of the Board

During the period 1 September 2019 to 31 August 2020, the Board of Trustees had one resignation and 3 appointments, bringing the total number of Trustees to 10. Appointments were informed by a skills matrix that is 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.

Key Coverage of Work

The work of the Board is planned for the academic year ahead, with all 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

Better Futures Multi Academy Trust

Governance Statement

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 have met frequently throughout the year and meetings have been well attended. The COVID-19 pandemic has required a pragmatic approach to meetings which have continued virtually with excellent engagement from Trustees. 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 regular and rigorous review of the Trust's financial performance, as monitored and approved by the Board via the Financial Plan, also acts as a useful assessment of Board performance. 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. Key performance indicators around student recruitment, achievement, progress, destinations and stakeholder engagement are regularly monitored by the Board.

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 internal review 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. In 2019-20, the Trust held two dedicated strategy meetings. A further strategy meeting was held in November 2020 for Trustees and key stakeholders to engage 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. There remains scope to increase the ethnic diversity of membership to reflect the 'BFMAT Community' and promote inclusivity. Guidance from the National Governance Association on how to recruit diverse governors as part of their 'Everyone on Board' campaign, as referenced in the Governance Handbook 2020, will support taking this action forward.

The self-evaluation process adopted by the Board also involves Trustees meeting on a 1-2-1 basis with the Chair to reflect on their contributions. These meetings are due to take place in early 2021.

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.

Better Futures Multi Academy Trust

Governance Statement

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.

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 relevant audit experience has recently been appointed to the Committee and targeted training delivered by Mazars to all Trustees.

Attendance at meetings during 2019-20 was as follows:

Trustee	Meetings Attended	Out of Possible
Simon Wright, Chair	3	3
Kate Quantrell	3	3
Greg Langston	1	1
Louise Tweedie (Independent Member)	2	2
Richard Greenway (LGB Governor, resigned 17.12.2019)	1	1

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.

Trustee	Meetings Attended	Out of Possible
Graham Parker, Chair	2	2
Simon Wright	2	2
Guy Daly	2	2
Ulysses Lyons	2	2

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

Better Futures Multi Academy Trust Governance Statement

and necessary, meeting procedures ensure that neither the CEO or Company Secretary take part in discussions or decisions relating to their own remuneration.

Trustee	Meetings Attended	Out of Possible
Simon Wright, Chair	2	2
Graham Parker	1	2
Guy Daly	2	2
Lorraine Gearing	2	2

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.

LGB Governors: King Edward VI College	Meetings Attended	Out of Possible
Stuart Stanley, Chair	5	6
Jacqui Clements, Joint Vice-Chair	5	6
Leanne de Main, Joint Vice-Chair	5	6
William Rupp	4	6
Rebecca Khanna	4	4
Louise Harmer	4	4
Qamar Khan	0	1
Adam Dewfield	5	6
Paul Hickling	6	6
Jacob Peace	4	6
Ebenezer Chatawe	1	6
Tim Rogers, Interim Principal	6	6
Sylvia Coulson (resigned 28.07.2020)	1	4
Richard Greenway, (resigned 17.12.2019)	1	2

LGB Governors: Bilborough College	Meetings Attended	Out of Possible
Dr Nicky Harrold (Chair)	8	8
Dr Doug Ingram (Vice Chair)	7	8
Dr Rory Waterman	5	8
Dr Paula Holt	7	8
Mr Zameer Syed	6	8
Mr Scott Cowie	2	4
Mr Shiv Nand	2	4
Ms Shanine Fasasi	3	3
Dr Andrew Durrant	5	8
Dr Sheilagh Resnick	1	1
Ms Anne Thompson (resigned 14/9/2020)	8	8
Mrs Lisa Lewis (resigned 22/6/2020)	3	7
Ms Karlee Wildgoose	1	1
Mr Andy Messent	4	5
Mrs Lyn Sugden (resigned 22/6/2020)	6	8
Mr Louis Smith (resigned 9/6/2020)	4	5
Ms Isobel Wallbank (resigned 9/6/2020)	2	5
Mr Billy Watson	1	1
Ms Ramina Rayati Touranposhti	1	1
Mr David Shaw (Principal)	8	8

Better Futures Multi Academy Trust

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LGB Governors: Gateway College (joined BFMAT on 1 April 2020)

Governor	Meetings Attended	Out of Possible
Patsy Hamer (Acting Chair)	1	1
Harminder Bains	1	1
Nelista Cuffy	1	1
Christopher Gray	0	1
Steve Holderness	0	1
Nathan Smith	0	1
James Bagley (Principal)	1	1

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:

- Improving educational provision across the academies. This is supported by the Ofsted judgements received 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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:

Better Futures Multi Academy Trust Governance Statement

- 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 Audit 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

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.

ICCA were appointed mid-financial year and delivered their schedule of work as planned for the period to 31 August 2020. Audits completed at each of the three constituent Colleges during the current period covered funding and financial controls. 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 coverer 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.

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 or the school resource management self-assessment tool
- 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 and a plan to address any areas of weaknesses and ensure continuous improvement of the system is in place.

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



.....
Simon Wright
Chair of Trustees



.....
Ulysses Lyons
Accounting Officer

Better Futures Multi Academy Trust Statement of 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 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2019.

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



.....
Ulysses Lyons
Accounting Officer
14 January 2021

Better Futures Multi Academy Trust Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



.....
Simon Wright
Chair of the Board of Trustees

Better Futures Multi Academy Trust

Independent Auditor's 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 2020 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 2019 to 2020 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 at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Better Futures Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Better Futures Multi-Academy Trust

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 has been prepared in accordance with applicable legal requirements.

Better Futures Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Better Futures Multi-Academy Trust

Matters on which we are required to report by exception

In light of the 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 23 the Trustees (who are 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.

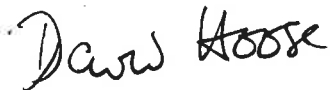
Better Futures Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Better Futures Multi-Academy Trust

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 the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Date: 14 January 2021

Better Futures Multi Academy Trust Independent Reporting Accountants' Assurance Report on Regularity to Better Futures Multi-Academy Trust and the Education and Skills Funding Agency

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 9 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Better Futures Multi-Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 to it 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Better Futures Multi Academy Trust

Independent Reporting Accountants' Assurance Report on Regularity to Better Futures Multi-Academy Trust and the Education and Skills Funding Agency

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 Independent Reporting Accountants' Assurance Report on Regularity to Better Futures Multi-Academy Trust and the Education and Skills Funding Agency

Conclusion

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

Mazars LLP

Reporting Accountant

Mazars LLP

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Date: 14 January 2021

Statement of Financial Activities including income and expenditure
account year ended 31 August 2020

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset £000	Total 2019/20 £000	Total 2018/19 £000
Income and endowments from:						
Donations and capital grants	3	300	-	281	581	453
Transfer from local authority on conversion	3/29	1,271	(8,588)	43,030	35,713	3,862
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	13,882	-	13,882	2,882
Other trading activities	5	492	90	-	582	168
Investments	6	3	-	-	3	-
Total		2,066	5,384	43,311	50,761	7,365
Expenditure on:						
Raising funds:						
- Allocated Support Costs	7	330	97	-	427	132
Charitable activities:						
- Educational operations	7	-	13,581	938	14,519	3,473
Total	7	330	13,678	938	14,946	3,605
Net (Expenditure) / Income		1,736	(8,294)	42,373	35,815	3,760
Transfers between funds	18	-	-	-	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(3,053)	-	(3,053)	(535)
Net movement in funds		1,736	(11,347)	42,373	32,762	3,225
Reconciliation of funds						
Total funds brought forward		354	(1,919)	4,704	3,139	(86)
Total funds carried forward		2,090	(13,266)	47,077	35,901	3,139

Better Futures Multi Academy Trust
Balance Sheet
As at 31 August 2020

Company Number: 10817914

	Notes	2019/20		2018/19	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	12	46,901		4,704	
Current assets					
Debtors	13	622		118	
Cash at bank and in hand		3,519		793	
Total current assets		4,142		911	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,911)		(524)	
Net current assets			2,231		387
Total assets less current liabilities			49,132		5,091
Creditors: amounts falling due after more than one year	16		(1,575)		(33)
Net assets excluding pension liability			47,557		5,058
Defined benefit pension scheme liability	25		(11,656)		(1,919)
Net assets			35,901		3,139
Funds of the Trust:					
Restricted funds	17				
- Restricted fixed asset funds		47,077		4,704	
- Restricted income funds		37		-	
- Other reserve		(1,646)		-	
- Pension reserve		(11,656)		(1,919)	
Total restricted funds			33,811		2,785
Unrestricted income funds	17		2,090		354
Total funds			35,901		3,139

Better Futures Multi Academy Trust
Balance Sheet
As at 31 August 2020

Company Number: 10817914

The financial statements on pages 31 - 65 were approved by the Board of Trustees and authorised for issue on 14th January 2021 and are signed on their behalf by:



.....
Simon Wright
Chair of Trustees
14 January 2021

Better Futures Multi Academy Trust
Statement of Cash Flows
For the year ended 31 August 2020

Company Number: 10817914

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	2,013	573
Cash flows from investing activities	22	783	224
Net cash used in financing activities	21	(70)	(4)
Change in cash and cash equivalents in the reporting period		<u>2,726</u>	<u>793</u>
Cash and cash equivalents at 1 Sept 2019		793	-
Cash and cash equivalents at 31 August 2020	23	<u>3,519</u>	<u>793</u>

1. Accounting policies

General information

Better Futures Multi-Academy Trust is a charitable company. The address of its principal place of business is given on page 3 and the nature of its operations are set out in the Trustees' Report. A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

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

The financial statements are presented in sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole thousand, except where otherwise indicated.

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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable, and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Trust has provided the goods or services.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

Goods and services procured from connected parties are included at the price paid, and such transactions are undertaken 'at cost' in line with the provisions of the Academies Financial Handbook.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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 transfer on conversion within Donations and capital grant income to the net assets received.

Charitable activities

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities.

Depreciation is provided on all tangible fixed assets (including donated fixed assets), so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land (not depreciated)	125 years
Leasehold Buildings	10 – 50 years
Freehold Buildings	20 – 50 years
Mechanical installation	40 years
Electrical installation	30 years
Furniture & Equipment	3 - 20 years
Computer Equipment	3 - 10 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Leased assets

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the period of the lease.

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 basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 17 and 18. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 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 projected unit credit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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, Education and Skills Funding Agency and local authorities.

2. Critical accounting estimates and areas of judgement

Accounting 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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019/20 £000	Total 2018/19 £000
Transfer on conversion	1,271	34,442	35,713	3,862
Capital grants	-	281	281	61
Private Sponsorship	300	-	300	386
Other donations	-	-	-	6
	1,571	34,723	36,294	4,315

In 2019, of the total income from donations and capital grants, £392k was to unrestricted funds and £61k to restricted funds.

4. Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019/20 £000	Total 2018/19 £000
DfE / ESFA grants				
General annual grant (GAG)	-	12,830	12,830	2,837
Start-up grants				
Other DfE / ESFA grants	-	915	915	45
		13,745	13,745	2,882
Other government grants				
Local authority grants	-	124	124	-
	-	124	124	-
Other incoming resources	-	13	13	-
	-	13,882	13,882	2,882

The income from funding for educational operations was £13,882k (2018/19: £2,882k) of which £NIL was unrestricted (2018/19: £NIL), £13,882k was restricted general (2018/19: £2,882k) and £NIL was restricted fixed assets (2018/19: £NIL).

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak.

The funding received for coronavirus exceptional support covers £30k of premises, FSM and cleaning costs. These costs are included in notes 7 and 8 below as appropriate. The academy furloughed none of its staff under the government's CJRS.

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019/20 £000	Total 2018/19 £000
Hire of facilities	2	-	2	-
Income from other charitable activities	107	90	197	83
Income from ancillary trading activities	383	-	383	85
	492	90	582	168

The income from other trading activities was £582k (2018/19: £168k) of which £492k was unrestricted (2018/19: £83k), £90k was restricted general (2018/19: £85k) and £NIL was restricted fixed assets (2018/19: £NIL).

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019/20 £000	Total 2018/19 £000
Short term deposits	3	-	3	-
	3	-	3	-

The income from funding for investment income was £3k (2018/19: £NIL) of which £3k was unrestricted (2018/19: £NIL), £NIL was restricted general (2018/19: £NIL) and £NIL was restricted fixed assets (2018/19: £NIL).

7. Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2020 £000	Total 2019 £000
		Premises £000	Other £000		
Expenditure on raising funds					
. Allocated Support costs	-	-	427	427	132
Academy's educational operations:					
. Direct costs	8,962	687	580	10,229	1,840
. Allocated support costs	2,546	642	1,102	4,290	1,633
	11,508	1,329	2,109	14,946	3,605

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	68	8
Depreciation	914	167
Fees payable to auditor for:		
- audit	21	10
- other services	2	4
	1,005	189

8. Charitable activities

	Total 2019/20 £000	Total 2018/19 £000
Direct costs - educational operations	10,229	1,840
Support costs - educational operations	4,290	1,633
	14,519	3,473

The total expenditure was £14,946k (2018/19: £3,605k) of which £330k was unrestricted (2018/19: £260k), £13,678k was restricted general (2018/19: £3,148k) and £938k was restricted fixed assets (2018/19: £161k).

**Better Futures Multi Academy Trust
Notes to the Financial Statements
For the year ended 31 August 2020**

Company Number: 10817914

Analysis of support costs	2019/20	2018/19
Support staff costs	2,546	1,191
Depreciation	227	167
Technology costs	304	112
Premises costs	642	6
Legal costs - conversion	-	-
Legal costs – other	6	-
Other support costs	516	143
Governance costs	49	14
	<hr/>	<hr/>
	4,290	1,633
	<hr/>	<hr/>

9. Staff

a) Staff costs

	2019/20	2018/19
	£000	£000
Staff costs during the year were:		
Wages and salaries	8,358	2,007
Social security costs	781	187
Operating costs of defined benefit pension schemes	2,266	513
	<hr/>	<hr/>
	11,405	2,707
Supply staff costs	73	30
Staff restructuring costs	30	7
	<hr/>	<hr/>
	11,508	2,744
Staff restructuring cost comprises:		
Redundancy payments	3	-
Severance Payments	27	7
	<hr/>	<hr/>

b) Non statutory/non-contractual staff severance payments

Better Futures Multi Academy Trust
Notes to the Financial Statements
For the year ended 31 August 2020

Company Number: 10817914

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £27k. (2018/19 £Nil). Individually the payments were 11 payments of £1k, £2k, £4k and £10k.

c) Staff numbers

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

	2019/20	2018/19
	Number	Number
Teachers	237	62
Administration and support	195	61
Management	19	4
	<hr/> <hr/>	<hr/> <hr/>
	451	127

d) Higher paid staff

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

	2019/20	2018/19
	Number	Number
£60,001 - £70,000	0	0
£70,001 - £80,000	0	1
£80,001 - £90,000	2	0
£90,001 - £100,000	1	0
£100,001 - £110,000	0	1
£110,001 - £120,000	0	0
£120,001 - £130,000	1	0
£130,001 - £140,000	0	0
£140,001 - £150,000	0	0
	<hr/> <hr/>	<hr/> <hr/>
	4	2

e) Key management personnel

The key management personnel of the Trust comprise the Trustees, Heads of Schools and the Senior Management Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £447k (2018/19: £217k).

10. Trustees' remuneration and expenses

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

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

U Lyons (Accounting Officer)

Remuneration £120-£125k (2019: £nil)

Employers Pension Contributions £30-£35k (2019: £nil)

During the year ended 31 August 2020 expenses totalling £NIL (2018/19: £NIL) were reimbursed to trustees for travel relating to their role as trustees.

11. Trustees' and officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Freehold Land & Building £000	Leasehold Land & Building £000	Furniture & Equipment £000	Equipment £000	Motor Vehicles	Computer Equipment £000	Total £000
Cost							
At 1 Sept 2019	-	4,509	58	209	5	90	4,871
Assets on conversion	42,254	-	294	196	-	318	43,062
Additions	-	-	-	-	-	49	49
At 31 August 2020	42,254	4,509	352	405	5	457	47,982
Depreciation							
At 1 Sept 2019		122	13	13	1	18	167
Charge for the year	505	182	52	47	1	127	914
At 31 August 2020	505	304	65	60	2	145	1,081
Net book value							
At 31 August 2019	-	4,387	45	196	4	72	4,704
At 31 August 2020	41,749	4,205	287	345	3	312	46,901

13. Debtors

	2020	2019
	£000	£000
Trade debtors	58	5
VAT recoverable	68	43
Prepayments and accrued income	496	70
	622	118

14. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Bank and other Loans	108	-
Trade creditors	126	47
Other taxation and social security	276	69
Abatement of GAG	-	14
Other creditors	270	66
Accruals and deferred income (see note 15)	1,131	328
	1,911	524

15. Deferred income

	2020	2019
	£000	£000
Deferred income is included within:		
Creditors due within one year	873	268
Deferred income as at 1 September 2019	268	-
Released from previous years	873	268
Amounts deferred in the year	(268)	-
	873	268
Deferred income at 31 August 2020		

Deferred Income was £873k, (2018/19: £268k) of which £398k was Bursary and Free school meals (FSM), £73k was Trip Expenditure paid in advance and £402k was other deferred income.

16. Creditors: Amounts Falling due in greater than one year

	2020	2019
	£000	£000
Salix Loan	29	33
Bank Loan	1,546	-
	1,575	33

Better Futures Multi Academy Trust
Notes to the Financial Statements
For the year ended 31 August 2020

Company Number: 10817914

Loans include a bank loan of £1,646k 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% per annum. The Academy 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 £37k in relation to an approved ESFA loan via the Salix loan programme for capital projects. The loan is interest free, unsecured with bi-annual repayments.

17. Funds

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant	-	12,830	(12,663)	(130)	3
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	(13,677)	(3,053)	(13,265)
Restricted fixed asset funds					
Transfer on conversion	4,704	43,030	(914)	-	46,820
ESFA/DfE Capital Grants	-	281	(24)	-	257
	4,704	43,311	(938)	-	47,077
Total restricted funds	2,785	48,695	(14,615)	(3,053)	33,812
Unrestricted funds					
General funds	354	2,067	(331)	-	2,090
Total funds	3,139	50,761	(14,946)	(3,053)	35,902

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

- Unrestricted funds - represents funds available for the Trustees to apply for the general purposes of the Trust.
- General Annual Grant (GAG) - represents funding from the ESFA to be used for the normal running costs of the schools, including education and support costs.
- Other Government Grants - represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy Trust.
- Other Restricted funds - represents various funding received for other specific purposes.
- Start Up Grants - represents funding to be used specifically for costs incurred during the conversion process.

17. Funds (Continued)

- Pension Reserve - represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy Trust on conversion from state control.
- Restricted Fixed Asset funds - comprises fixed assets funded by government grants and other funding bodies.
- Other DfE/ESFA grants - represents other funding from the DfE/ESFA to support specific activities within the Academy Trust.

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

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

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant	-	2,837	(2,837)	-	
Other restricted income	(86)	191	(196)	91	
Pension reserve	-	(1,233)	(151)	(535)	(1,919)
	(86)	1,795	(3,184)	(444)	(1,919)
Restricted fixed asset funds					
Transfer on conversion	-	4,704	-	-	4,704
	-	4,704	-	-	4,704
Total restricted funds	(86)	6,660	(3,345)	(444)	2,789
Unrestricted funds					
General funds		705	(260)	(91)	354
Total funds	(86)	7,365	(3,605)	(535)	3,139

17. Funds (Continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	Total	Total
	2020	2019
	£000	£000
Bilborough College – revenue funds	790	-
Bilborough College – loan funds	(1,646)	-
Gateway Sixth Form College	625	-
King Edwards VI College	711	354
Total before fixed assets fund and pension reserve	480	354
Restricted fixed asset fund	47,078	4,704
Pension reserve	(11,656)	(1,919)
Total funds	35,902	3,139

There are no central services charges and no centrally held fund balances at 2020 or 2019.

Bilborough College is in a deficit funds position due to the liability arising from the AIB Loan which is brought into the funds balance calculation. Bilborough College's financial plan determines that it is in a planned in year surplus position in 20/21 and the future years which will serve to restore the reserves position.

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 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Bilborough Sixth Form College	3,859	1,111	289	936	6,195	-
Gateway College	1,677	427	17	270	2,391	-
King Edwards VI College	3,061	1,374	273	738	5,446	-
	8,597	2,912	579	1,944	14,032	-

18. Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets			46,901	46,901
Current assets	2,090	1,876	176	4,142
Current liabilities	-	(1,912)	-	(1,913)
Non-current liabilities	-	(1,574)	-	(1,575)
Pension scheme liability	-	(11,656)	-	(11,652)
Total net assets	2,090	(11,266)	47,077	35,901

Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	4,704	4,704
Current assets	354	557	-	911
Current liabilities	-	(524)	-	(524)
Non-current liabilities	-	(33)	-	(33)
Pension scheme liability	-	(1,919)	-	(1,919)
Total net assets	354	(1,919)	4,704	3,139

19. Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£'000	£'000
Amounts due within one year	40	15
Amounts due between one and five years	65	13
	105	28

20. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2020	2019
	£'000	£'000
Net income for the reporting period (as per the Statement of Financial Activities)	35,815	3,760
Adjusted for:		
Transfer on conversion	(35,713)	(3,862)
Cash on conversion	-	230
Capital grants from DfE/ESFA and other capital income	(281)	-
Investment income	(3)	-
Defined benefit pension scheme cost less contributions payable	384	131
Defined benefit pension scheme finance cost	122	20
Depreciation of tangible fixed assets	914	167
Increase in debtors	(504)	(118)
Increase in creditors	1,279	475
Net cash provided by / (used in) Operating Activities	2,013	573

21. Cash Flows from Financing Activities

	2020	2019
	£'000	£'000
Repayment of borrowing	(70)	(4)
Finance cost	-	-
Carrying amount of financial liabilities	(70)	(4)

22. Cash Flows from investing activities

	2020	2019
	£'000	£'000
Investment income	3	-
Capital Grants from DfE Group	281	-
Purchase of tangible fixed assets	(49)	(6)
Loan transferred on conversion	(1,738)	-
Cash on conversion	2,286	230
Net cash provided by / (used) in investing activities	783	224

23. Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash in hand and at bank	3,519	793
Total cash and cash equivalents	3,519	793

Analysis of net debt

	At 1 September 2019	Cash flows	Transfer on conversion	Other non- cash changes	At 31 August 2020
Cash at bank and in hand	793	440	2,286	-	3,519
Loans falling within one year	(14)	6	(100)	-	(108)
Loans falling due after more than one year	(33)	96	(1,638)	-	(1,575)
	746	542	548	-	1,836

24. 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member

25. Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and of the LGPS to the period ended 31 March 2016.

Contributions amounting to £270k (2019: £61k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. All Teachers are able to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about

the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023. Academy trusts should disclose the total pension contributions payable to the Teachers' Pension Scheme during the period.

The employer's pension costs paid to TPS in the period amounted to £1,339,969.

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 (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £511k (2019: £189k), of which employer's contributions totalled £398k (2019: £150k) and employees' contributions totalled £113k (2019: £39,000). 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2020	2019
	%	%
	Warwicks / Notts / Leics	Warwicks
Rate of increases in salaries	2.7 – 4	2.9
Rate of increase for pensions in payment/inflation	2.2 – 2.3	2.3
Discount rate for scheme liabilities	1.6 – 1.7	1.8
Inflation assumption (CPI)	2.2 – 2.3	2.3

The assumed life expectations on retirement age 65 are:

	2020 Years	2019 Years
	Warwicks / Notts / Leics	Warwick
Retiring today		
- Males	21.5 – 21.8	21.4
- Females	23.8 – 24.4	23.6
Retiring in 20 years		
- Males	22.2 – 23.2	22.4
- Females	25.2 – 25.9	25.0

The Trust's share of the assets in the scheme

	2020 Fair Value £'000	2019 Fair Value £'000
Equities	9,242	2,146
Bonds and gilts	3,351	915
Cash	547	35
Property	1,732	422
Other assets	652	-
Total fair value of assets	15,524	3,518

Better Futures Multi Academy Trust
Notes to the Financial Statements
For the year ended 31 August 2020

Company Number: 10817914

Amount recognised in the statement of financial activities	2020	2019
	£'000	£'000
Current service cost	782	246
Past service costs	-	35
Net interest cost	120	20
	<hr/>	<hr/>
Total operating charge	902	301
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations	2020	2019
	£'000	£'000
At 1 September 2019	5,437	-
Conversion of academy trust	17,475	4,216
Current service cost	782	246
Past service cost	-	35
Interest cost	332	82
Employer contributions	-	-
Employee contributions	113	39
Actuarial (gain) / loss	3,328	870
Benefits paid	(287)	(51)
	<hr/>	<hr/>
At 31 August 2020	27,180	5,437
	<hr/>	<hr/>

Changes in the fair value of the Trust's share of scheme assets	2020	2019
	£'000	£'000
At 1 September 2019	3,518	-
Conversion of academy trust	11,297	2,983
Interest income	212	62
Actuarial gains	275	335
Employer contributions	398	150
Employee contributions	113	39
Benefits paid	(287)	(51)
	<hr/>	<hr/>
At 31 August 2020	15,524	3,518
	<hr/>	<hr/>

26. Sensitivity Analysis

Changes in assumptions	2020 £'000	2019 £'000
Decrease in Real Discount Rate of 0.1%	(669)	(135)
Increase in the Salary Increase Rate of 0.1%	(72)	(19)
Increase in the Pensions Increase Rate (CPI) of 0.1%	(588)	(113)

27. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

There were no related party transactions during 2019-20.

28. Agency arrangements

The Academy Trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year it received £319k and disbursed £271k. With an amount of £398kk repayable by the Academy Trust as at 31 August 2020 (2019: £40k). The Academy Trust has used some of the allocation received towards its own administration costs and this is recognised as income in the Statement of Financial Activities of £6k.

29. Conversion to an Academy Trust

On 1 November 2019 Bilborough College, Nottingham, converted to a Multi Academy Trust (Better Futures Multi Academy Trust-BFMAT) and all the operations, assets and liabilities were transferred to BFMAT (company number 10817914) from the Bilborough College, Nottingham for £Nil consideration. This transfer was approved by the Department for Education.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred of Bilborough College were at their net book values at 30 October 2019 and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a new gain in the Statement of Financial Activities (SOFA) as a Donation on Conversion.

Better Futures Multi Academy Trust
Notes to the Financial Statements
For the year ended 31 August 2020

Company Number: 10817914

	Per prior year signed accounts	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£000	£000	£000	£000	£000
Tangible fixed assets					
. Freehold land and buildings	16,314	-	-	16,314	16,314
. Leasehold land and buildings		-	-		-
. Other tangible fixed assets	664	-	-	664	664
Current assets					
. Cash and bank	1,768	1,768			1,768
. Debtors	213	213			213
Current Liabilities					
. Creditors	(3,548)	(983)	(2,534)	(31)	(3,548)
Non-current liabilities					
. LGPS pension surplus / (deficit)	(3,738)	-	(3,738)	-	(3,738)
Net assets / (liabilities)		998	(6,272)	16,947	11,673

On 1 April 2020 Gateway Sixth Form College, Leicester converted to a Multi Academy Trust (Better Futures Multi Academy Trust-BFMAT) and all of the operations, assets and liabilities were transferred to BFMAT (company number 10817914) from the Gateway Sixth Form College, Leicester for £Nil consideration. This transfer was approved by the Department for Education.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred of Gateway Sixth Form College were at their net book values at 31 March 2020 and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a new gain in the Statement of Financial Activities (SOFA) as a Donation on Conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Better Futures Multi Academy Trust
Notes to the Financial Statements
For the year ended 31 August 2020

Company Number: 10817914

	Per prior year signed accounts £000	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets					
. Freehold land and buildings	25,940	-	-	25,940	25,940
. Leasehold land and buildings		-	-		-
. Other tangible fixed assets	143	-	-	143	143
Current assets					
. Cash and bank	518	518			518
. Debtors	408	72	336		408
Current Liabilities					
. Creditors	(529)	(317)	(212)		(529)
Non-current liabilities					
. LGPS pension surplus / (deficit)	(2,440)	-	(2,440)	-	(2,440)
Net assets / (liabilities)		273	(2,316)	26,083	24,040

On conversion to BFMAT on a November 2019 and 1 April 2020 respectively, the Balance Sheet of the former Colleges included Deferred Income relating to ESFA government capital grants of £22,406k. These funds have been accounted for in the opening balances in line with the requirements of the Academies Accounts Direction 2019 to 2020.

Current assets on conversion included cash and bank balances of £2,286k.

