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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 17
Governance Statement	18 - 26
Statement on Regularity, Propriety and Compliance	27
Statement of Trustees' Responsibilities	28
Independent Auditor's Report on the Financial Statements	29 - 32
Independent Reporting Accountant's Report on Regularity	33 - 34
Statement of Financial Activities Incorporating Income and Expenditure Account	35 - 36
Balance Sheet	37 - 38
Statement of Cash Flows	39
Notes to the Financial Statements	40 - 67

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Professor John Latham CBE Philip Hamilton OBE David Frost CBE John Dishman Kate Quantrell
Trustees	Stuart Stanley, Chair (appointed 24 March 2022) Eileen Hartley, Vice Chair Lorraine Gearing Kate Quantrell Joseph Kevin Grindley Ulysses Lyons, Chief Executive Officer Norman MacDonald Daniel Gutteridge (appointed 4 January 2022) Simon Wright (resigned 10 September 2021) John Kirk (resigned 24 November 2021) Guy Daly (resigned 31 March 2022) Greg Langston (resigned 31 July 2022) Obinna Okwuadigbo (appointed 1 March 2022, resigned 5 October 2022)
Company registered number	10817914
Company name	Better Futures Multi-Academy Trust
Principal and registered office	Alan Berry Building Coventry University Priory Street Coventry CV1 5FB
Company secretary	Jacqueline Twigger
Executive Team	Ulysses Lyons, Chief Executive Officer Christopher Timothy, Chief Development Officer Lee Sands, Chief Technology Officer Charlotte Allen-Neale, Chief Finance Officer (resigned 1 November 2022) Dominic Harrex, Interim Chief Finance Officer (appointed 2 November 2022) 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

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Barclays Bank High Street Coventry CV1 1ZZ
	Allica Bank 2-3 Eldon Street London EC2M 7LS
Solicitors	Eversheds Sutherland 115 Colmore Row Birmingham B3 3AL

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the Financial Statements and auditor's report of the charitable company for the year to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed in accordance with the Trust's Articles of Association. The Members may appoint up to 7 Trustees and Coventry University as the Sponsor may appoint up to 6 Trustees. The Trust has made provision in its Scheme of Delegation for there to be at least two Parent Local Governors on each of the constituent Local Governing Bodies.

The Trust's search process is overseen by a Search and Governance Committee. The Trust seeks to attract Trustees with a range of diverse skills and backgrounds in order to provide the Trust Board with the best possible advice and support.

Trustees are appointed for a term of office not exceeding four years, upon the expiry of which they may be re-appointed for a further term. The Trust's Scheme of Delegation reflects widely recognised best practice that a maximum of 2 terms or 8 years (whichever greater) is served with the option to extend further in exceptional circumstances.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

A comprehensive induction framework is in place for Trustees. All Trustees receive support from their Board colleagues and from the Company Secretary. Additionally, the Trust Chair operates an on-going programme of one to one review sessions with Trustees in order to identify any areas of support they may require to fulfil their roles.

Trustees are encouraged to participate in regular external training including an annual programme of governance webinars delivered by the Sixth Form Colleges Association. A dedicated strategy event is held annually and regular deep dives scheduled at Trust Board meetings. The Company Secretary participates in professional governance networks and is able to share best practice with Trustees where this is identified. Self-assessment also informs the on-going development and training of Trustees.

f. Organisational structure

The Executive Management Team is disclosed on page 1. The CEO is the Accounting Officer and has delegated authority for the day to day management/running of the Trust. The CEO is supported by an Executive Team that includes a CFO. Each of the Academies has a Principal that reports to the CEO. The Academies have powers delegated to them for operational and budgetary matters through a Scheme of Delegation which is reviewed at least annually.

The committee structure of the Board of Trustees consists of:

- Search and Governance Committee
- Finance and Audit Committee
- Executive Performance and Remuneration Committee
- Local Governing Bodies

With the exception of Local Governing Bodies, Trustees always form the majority of Board sub-Committee memberships.

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

The Executive Performance and Remuneration Committee is responsible for reviewing and making recommendations to the Board with regard to remuneration of the Trust's leadership. 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.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	12
Total pay bill	18,794
Percentage of total pay bill spent on facility time	0.063 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.36 %
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i. Related parties and other connected charities and organisations

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

The Academy Trust works with Coventry University on a number of different initiatives. These include a Franchise Agreement for teaching HE students at KEC. During the year to 31 August 2022 the Academy Trust did not procure any other services from Coventry University.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations (continued)

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.

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

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

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

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

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

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

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

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

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

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

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

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

Values:

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

BETTER FUTURES MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

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

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

b. Objectives, strategies and activities

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

The vision, mission, values and educational objectives will be realised through our strategic plan. This is made up of three key strands, each with a clear set of objectives outlined below;

1 Student Centred Provision

To increase the agency of our students, ensuring they **thrive**, have **fun**, and **be ready** to change the world for **the better**

- Established a thriving learning culture with students fully realise their potential in terms of qualification success, progression and wider skills development
- Established ourselves as a national leader in developing student voice to improve provision, with students playing a key role in the design, delivery and evaluation of study programmes
- Implemented a framework for developing and formally recognising the broad range of skills and attributes students need in order to thrive at college, University or in the world of work.
- Developed bespoke learner analytics systems that lead to effective, timely assessment and self assessment of student progress and development needs at every step of their journey from enrolment to University or employment.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities (continued)

2 People Strategy

Putting our people at the heart of everything we do, focussing on their **ongoing development** to help them **thrive**

- Embedded systems, processes and ways of working built on high levels trust, distributed authority and collective intelligence and accountability
- Staff throughout the Trust with high levels of understanding of and engagement in why we exist, where we want to go and how we should get there
- Created a highly inclusive environment where staff thrive by bringing whole selves at work, developing our understanding of and celebrating both our differences and the things that bring us together
- Embedded a culture of optimism that believes in and promotes the ability of our staff and students to further develop their skills, abilities and self-efficacy

3 Resources Strategy

Securing the financial strength to ensure we can facilitate the ongoing development of our students and staff, in well resourced and well serviced environments

- Secured a financially sustainable provision across all academies in the Trust
- Developed high quality, cohesive financial and shared service systems and provision that is aligned and is well placed for Trust expansion
- Equipped leaders at all levels with the skills to ensure effective financial management that enhance the student experience
- Have doubled the number of colleges within the Trust while developing innovative models for structural relationships with other post 16 providers and Coventry University Group other than the academisation route

Underpinning these strands is our relationship with Coventry University. We are the only Sixth Form College focused Trust that is sponsored by a university and this relationship helps shape how we achieve our objectives, the activities we engage in and the experiences we offer to students and staff. The relationship offers a range of benefits to students and staff, including but not limited to

- A wide range of curriculum projects, workshops and experiences for students delivered jointly by University and college staff
- Student access to state of the art specialist facilities and resources at the university, including University library and learning resources
- Digital and face to face peer mentoring schemes for college students with university students
- Staff development opportunities with University faculty and professional services teams
- Staff access to digital learning resources at the University
- Access to the University Organisational Development resources, including mentoring, coaching, pedagogy development and leadership development
- Trust access to ongoing support and advice from University Professional services teams such as IT Services, Digital Security, Learner Analytics, HR, Estates Development and Finance.
- Opportunity to jointly develop projects in areas such as Learner and learning analytics and increasing student engagement through wider skills development frameworks

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

c. Public benefit

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

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

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

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

Strategic report

Achievements and performance

Emerging from lockdown

Key successes over past year

- Feedback from students and staff indicates they felt well supported, well informed and were kept as safe as possible during and coming out of the periods of lockdown and Covid related restrictions
- Increasing number of students across the colleges taking part in level four activities with university from subject specialist projects in science, healthcare and geography to completing 'Future researchers' research skills modules and putting them in practice in colleges. This has all been facilitated through the relationship with Coventry university
- Collaborative curriculum projects across the colleges have given students access to new ways of learning and developed skills in project management, peer mentoring and stakeholder engagement.
- Student voice has been strengthened across the colleges with student leadership development programmes being rolled out leading to active Student Unions involved in a range of quality improvement, EDI and wellbeing initiatives
- Staff and leadership development programmes across all colleges and all levels have been rolled out and have started to have a noticeable impact on staff and the experience they offer students
- A range of staff projects working across the colleges and in collaboration with the University have developed, ranging from issues around cyber-security and leadership feedback platforms to development of a skills passport and the implementation of new ways of measuring student and staff progress and achievement.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

All three Colleges exceeded their recruitment targets for students enrolling for 2021/22. This was particularly pleasing in light of the challenges posed by COVID-19. The inability to carry out face to face interviews, taster sessions or enrolments processes has led to the development of more innovative models of recruiting and inducting students to life at college and we will be developing these further in the post-lockdown context. Retention of students throughout lockdown was a key focus, ensuring we could meet their needs for education and wider support. Retention rates stayed high across the colleges and this, together with healthy recruitment, will ensure increased funding for future years.

While all three Colleges achieved above benchmark for achievement rates and retention, the unprecedented events of the past two years make the standard KPIs around student qualification performance less useful than usual. Achievement and progress rates do seem in line with current sector benchmarks, although this does mask the fact that some areas across the colleges are performing much higher than others, which do need to adapt their approaches further in the post pandemic context.

Many of the other standard metrics for assessing progress/performance do not really capture the successes of the colleges during the past 12 months as outlined in the previous section. As a Trust we have been working on developing new sets of indicators that better align to both our strategic aims and the current context. Key measures that stand out from last year would include the record number of students who were accepted into their first or second choice of university course and the overwhelmingly positive responses from students, staff and other stakeholders when asked if the colleges were meeting the needs of those groups of stakeholders respectively. We have also had real success in developing student leadership throughout the colleges, in spite of – or possibly because of- the inability and at times reluctance of students to meet face to face for prolonged periods of the year. The impact of the pandemic on the GCSE starting point of our students will be felt for the next few years so devising other ways to measure progress will be increasingly important and is an ongoing focus for us this year.

b. Going concern

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

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

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

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

Financial review

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

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

At 31 August 2022 the net book value of fixed assets was £46.2m. The closing fixed asset position across the Academy is comprised of the following: Gateway College: £25.0m, Bilborough College: £16.0m and King Edwards VI College £5.2m (2021 - £45.8m). Movements in tangible fixed assets are shown in note 14 to the Financial Statements.

The closing level of reserves is £53,407k (excluding pension reserve), this comprises of restricted general fund of £1,309k, restricted Fixed Asset fund of £48,898k plus unrestricted reserve reserves of £3,200k. Further details can be found in note 18 to the Financial Statements.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

a. Reserves policy

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

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

The Academy Reserves Policy determines that the minimum target level of reserves is circa 5% of annual income. For the financial year ended 31 August 2022 planned income of £23.2m determines a minimum reserves balance of £1,160k.

The level of restricted general fund reserves is a surplus position of £1,309k which exceeds the minimum reserves balance of the reserves policy. Disclosure of this fund is included in the Funds note in the financial statements (note 18).

The closing level of reserves is £53,407k (excluding pension reserve), this comprises of restricted general fund of £1,309k, restricted Fixed Asset fund of £48,898k plus unrestricted reserve reserves of £3,200k. The Fixed Asset fund of £48,898k, can only be realised by disposing of tangible fixed assets of £46,232k.

The Academy has reviewed the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted fund reserves at 31st August 2022. In the statements that following this would be a net surplus of £1,309k + £3,200k = £4,509k. Further details can be found in note 18 to the Financial Statements.

b. Investment policy

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c. Principal risks and uncertainties

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

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

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

Risk Description and Impact	Mitigation Strategies
Teaching & Learning does not adequately equip students with the skills, knowledge they need, impacting on success, progression, and reputation of Trust	Student Centred Provision strategy and related Quality Measures will address this with staff and students and co-create new ways of approaching quality and curriculum delivery issues
Underdeveloped or nonaligned leadership skills reduce capacity to improve provision	People Strategy and ongoing Leadership Development Programmes developed and implemented across the Trust
Increasing cost base (pay, pensions, utilities etc.) combined with relatively static funding lead to financial instability and unsustainable provision	Resources Strategy implemented to identify ongoing efficiencies and maximise potential income. Ongoing iterative review of financial plans in place.
Lack of capital funds to address estate needs has detrimental impact on student and staff experience.	Resources strategy utilises University support in bid writing and Estates Development support. Growth Strategy in place to grow trust to size to trigger formula led capital funding.

Fundraising

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

The BFMAT UK Greenhouse gas emissions and energy use in the reporting period ending 31st August 2022 is shown in table 1. The Trust used 2,082,642 kWh of gas and 1,649,195 kWh of electricity in the period. Total gross metric tonnes CO₂e emissions is calculated as 732.

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

The chosen intensity measurement ratio is pupil numbers (as per the 21/22 ESFA GAG Funding agreements), the recommended ratio for the sector.

Gross Emissions in Metric tonnes of CO₂e per pupil is 0.17.

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

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

	2022	2021
Energy consumption used to calculate emissions (kWh)	3,731,836	4,101,002
Energy consumption breakdown (kWh):		
Gas	2,082,642	2,591,717
Electricity	1,649,195	1,509,285
Scope 1 emissions (in tonnes of CO₂ equivalent):		
Gas consumption	381	475
Total scope 1	<u>381</u>	<u>475</u>
Scope 2 emissions (in tonnes of CO₂ equivalent):		
Purchased electricity	350	320
Total gross emissions (in tonnes of CO₂ equivalent):	<u>731</u>	<u>795</u>
Intensity ratio:		
Tonnes of CO ₂ equivalent per pupil	<u>0.17</u>	<u>0.19</u>

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

Over the next twelve months the focus will be on the following four operational priorities

- 1. Collaboration across Colleges**
Consolidate collaboration between colleges and leaders at all levels across the Trust
- 2. Developmental Impact**
Ensure we are having a significant positive impact on the experience we offer students and staff.
- 3. Financial resilience**
Ensure our provision is sustainable and positions us well for growth of the Trust.
- 4. University Collaboration**
Maximise the benefits of our relationship with a leading University.

By focusing on these over the next twelve months we will be delivering key aspects of our strategic plan and be well placed for attracting new colleges to the Trust. We will focus our growth around three key features of our trust as it develops. Firstly we are a trust that specialises in and delivers an excellent experience in Sixth Form College Education. Secondly, our relationship with Coventry University opens up a wide range of development opportunities for both staff and students and gives colleges access to resources they could never access as stand alone institutions or without sponsorship by a leading university. Thirdly, that we put people's development at the heart of everything we do and maintain an optimism and determination that people can and should continue to develop throughout their lives. All of our systems, processes and resources will support building this culture in a way rarely seen in the sector. These features will open up lots of opportunities for us to grow with other partners and see BFMAT become a significant force within the sixth form college sector.

Funds held as custodian on behalf of others

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

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 16, 2022 and signed on its behalf by:


Stuart Stanley (Dec 16, 2022 12:34 GMT)

.....
Stuart Stanley
Chair of Trustees

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

GOVERNANCE STATEMENT

Scope of responsibility

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

The Trust Board is committed to full compliance with the Articles of the Trust, its Funding Agreements, the Academy Trust Handbook, and all relevant statutory legislation. Trustees also acknowledge and give due regard to guidance found in the Governance Handbook and Competency Framework for governance.

The Trustees have 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 BFMAT 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 has formally met 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
Stuart Stanley, Chair (appointed 24 March 2022)	2	3
Eileen Hartley, Vice Chair	4	8
Lorraine Gearing	7	7
Joseph Kevin Grindley	7	8
Daniel Gutteridge (appointed 4 January 2022)	5	5
Ulysses Lyons, Chief Executive Officer	8	8
Norman MacDonald	3	8
Kate Quantrell	6	8
Obinna Okwuadigbo (appointed 1 March 2022, resigned 5 October 2022)	4	4
Greg Langston (resigned 31 July 2022)	6	8
Guy Daly (resigned 31 March 2022)	3	5
John Kirk (resigned 24 November 2021)	2	2
Simon Wright (resigned 10 September 2021)	0	0

Key changes to the composition of the Board

During the period 1 September 2021 to date of approval of the accounts, the Board of Trustees received five resignations and made two new appointments (a further two are in progress). Three of the five resignations were from Trustees appointed by Coventry University and arose as the individuals concerned resigned from the University. A further resignation was due to ill-health. A new Chair was appointed further to a process overseen by the Search and Governance Committee. To ensure the Board's continued effectiveness, changes in membership, including new appointments and succession planning for the roles of Chair and Vice-Chair, are informed by a skills matrix overseen by a Search and Governance Committee. The Trustees employ a dedicated Clerk to assist with the work of the Board.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Key Coverage of Work

The work of the Board is captured in a business calendar. The business calendar 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 and its Committees met in accordance with the planned schedule for the academic year.

The Board has an approved Scheme of Delegation that sets out the authority for a wide range of decisions that are commonly required throughout the year. The Scheme of Delegation is reviewed at least annually. The Trustees conduct their business through several committees. There is a clearly defined Scheme of Delegation in place to support this framework and each committee has terms of reference which are approved by the Trust Board and reviewed annually. Membership of each Committee, other than the Local Governing Bodies, contains a majority of Trustees.

Trustees are provided with regular and timely information regarding the overall financial performance of the Trust and the quality of its academies. Monthly management accounts are routinely reviewed at Trustee meetings (at least six times a year) and also circulated to the Chair on a monthly basis. A new medium term financial plan has been approved by the Board. Key progress indicators are also in place.

Trustees understand that the Board holds ultimate responsibility for Safeguarding. There is a lead Safeguarding governance role at both Board and Local Governing Body level to provide assurance in this area. During the period, the Board of Trustees has been active in considering strategic options for the future of the Trust and the Trust's strategic plan is being further developed as an output from this work.

Minutes are produced on a timely basis, recording key decisions and the debate behind those decisions.

Trustees understand that it is their responsibility to bring independent judgement to bear on issues of strategy, performance, resources, and standards of conduct. In doing so, the Board of Trustees seeks to ensure that it holds the executive team properly to account. The Board of Trustees has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board of Trustees considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. The Company Secretary maintains a register of financial and personal interests of the Trustees, which is available for inspection on request and is also published on the Trust's website. There is a clear division of responsibility between the roles of the Chair of the Board of Trustees and the Accounting Officer (Chief Executive Officer) which are kept separate.

Conflicts of interest

Trustees understand they have a legal duty to act only in the best interests of the Trust. A register of interests is maintained and enables the Board to take, if necessary, appropriate steps to prevent any conflict leading to decisions that might damage the Trust's reputation. Governance is further strengthened by the inclusion of a standing declaration of interest item at the start of each meeting agenda. This provides a further opportunity for Trustees to declare any actual or potential conflict of interest, extending to interests of those connected to them, before discussions start in order that it can be managed appropriately e.g., withdraw from relevant discussions and any vote. If any conflict of interest arises, the minutes of the meeting record the nature of conflict, which Trustee(s)/Governor(s) were affected, an outline of the discussion and if anyone withdrew. This process for managing conflicts of interests is replicated at local level to ensure a consistent and effective approach across all tiers of governance in the Trust. The register of interests for Members, Trustees and Local Governors is publicly available on the website to ensure transparency.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance Reviews

The effectiveness of the Trust's Governance is self-assessed on an on-going basis throughout the academic year. During the reporting period, the Trust Board self-assessed against several themes including Board Composition; Oversight of Management; Training and Development; Risk Management; Time Management; and Meeting Support. The framework was informed by guidance in the Governance Handbook.

An example of action taken in response to self-assessment feedback was the development of a more nuanced set of key progress indicators (KPIs). Collaborative discussions at a Board strategy event in November 2021 supported development of a co-authored set of KPIs. A senior data analyst was appointed to provide the technical capacity to create the systems needed to generate a more nuanced KPI dashboard, particularly around learner analytics/student engagement, to enable increased effectiveness of oversight by Trustees.

Further findings identified the relatively small size of the Board as facilitating effective discussion, team-working and incisive challenge. Trustees were positive in terms of the skillset of the Board to deliver its remit. A new framework for the induction of Trustees was implemented as a result of feedback. There remains scope to increase diversity of membership and this is being kept under review by the Search and Governance Committee.

Additionally, the Trust Chair operates an on-going programme of one to one review sessions with individual Trustees in order to identify any areas of support that they may require in order to fulfil their roles.

An external review of governance is being commissioned for Spring 2023.

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

All governance reports are prefaced with an executive summary to ensure 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. The Director of Student Leadership also 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 business calendar and frequently forms the focus of discussion at meetings. For example, a detailed commentary on key risks accompanies presentation of the Risk Register to give Trustees further context and assurance on mitigating action being taken.

BETTER FUTURES MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committee Structure

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

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Greg Langston, Chair	6	6
Daniel Gutteridge	4	4
Norman MacDonald	4	6
Kate Quantrell	4	6
Joseph Kevin Grindley	2	2
Louise Tweedie (Independent Member, not a Trustee)	6	6

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Stuart Stanley, Chair	1	1
Guy Daly	1	2
Eileen Hartley	3	3
Joseph Kevin Grindley	3	3
Ulysses Lyons	3	3

BETTER FUTURES MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Eileen Hartley, Chair	3	3
Guy Daly	1	1
Lorraine Gearing	2	3
Obinna Okwuadigbo	1	2
Stuart Stanley	2	2

The Trust Board is committed to developing and maintaining strong and effective Local Governing Bodies (LGBs) for each of its institutions. These LGBs are accountable to the Board of Trustees and are its “eyes and ears” at the local level. The role of LGBs has been clearly set out in the Trust’s Scheme of Delegation and this is very much focused towards supporting quality improvement and challenging leadership teams to drive up standards in terms of teaching, learning, and outcomes for students. Local Governors also monitor the deployment and effectiveness of Trust resources. LGBs help the Trust to establish an on-going dialogue with the key stakeholders of each institution (including parents and staff), and are also there to champion the development of Student Voice.

Attendance during the year at meetings was as follows:

LGB Governors: King Edward VI College	Meetings attended	Out of a possible
Jacqui Clements, Joint Vice-Chair (Chair from 10 May 2022)	7	7
Leanne de Main, Joint Vice-Chair	4	7
Rebecca Khanna, Joint Vice-Chair (appointed 10 May 2022)	7	7
William Rupp	5	7
Mark Crook	5	7
David Butcher	6	7
Liz Cutter	7	7
Lindsey Evans (appointed 5 January 2022)	5	5
Stuart Noss	7	7
Kate Phillips	6	7
Sam Powell	6	7
Jack Cooper	4	7
Thomas Elkington (appointed 12 November 2022)	1	5
Melek Morris (resigned 10 November 2022)	2	2
Louise Harmer (term ended 18 November 2021)	1	1
Stella Maris Orim (resigned 15 July 2022)	3	7
Stuart Stanley (resigned 31 March 2022)	4	4

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

LGB Governors: Bilborough College	Meetings Attended	Out of Possible
Dr Nicky Harrold (Chair)	6	6
Mr Shiv Nand (Vice Chair)	5	6
Mr Zameer Syed	4	6
Ms Shanine Fasasi	5	6
Dr Sheilagh Resnick	6	6
Ms Sarah Whitney	4	4
Mr David Shaw (Principal)	6	6
Mr Christopher Hulse	4	5
Mr David McGravie	3	5
Mr Scott Cowie	6	6
Ms Leah Hammar Spangnoli	2	3
Ms Claire Stone	4	4
Ms Annoushka Bold (resigned 13 October 2022)	5	6
Ms Danielle Pritchard (resigned 25 August 2022)	2	6
Ms Karlee Wildgoose (resigned 7 July 2022)	3	4
Mr Oscar Hewit-Richards (resigned 21 June 2022)	3	4
Mr Joshua Eaton (resigned 1 November 2021)	1	1
Dr Rory Waterman (resigned 26 October 2021)	1	1
LGB Governors: Gateway College	Meetings Attended	Out of Possible
John Kirk (Chair from 17 November 2021)	5	5
Nathan Smith (Vice-Chair from 17 November 2021)	5	6
Nelista Cuffy	5	6
James Bagley	5	6
Patricia Hamer	4	6
Steven Lockwood	3	6
Ayesha Sayed (appointed 1 October 2021)	5	5
Bushra Parker (appointed 1 October 2021)	5	5
Charlotte Cassells (appointed 27 January 2022)	4	4
Sadik Karolia (appointed 25 April 2022)	2	2
Christine Page (appointed 9 August 2022)	0	0
Scott Matthews (appointed 9 August 2022)	0	0
Gufran Usmani (appointed 9 August 2022)	0	0
Harminder Bains (resigned 23 May 2022)	2	4
Chris Gray (resigned 9 November 2021)	1	1
Steve Holderness (resigned 22 October 2021)	1	1

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Ensuring that the ongoing COVID-19 context has not interrupted provision of education and support for our students and staff. While entailing some additional expenditure at times, such as operating transport at more of a loss, this still ensures value for money through retention of students in education and retention of staff.
- Improving educational provision across the academies. This is supported by internal and external reviews of our performance and therefore represents better value for money for taxpayers.
- T Level Development Grants Psot 16 Capacity Funds have been secured which will 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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and 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
- A Business Continuity Working Group to identify and manage emerging risks and challenges related to and arising from the COVID-19 situation. We have retained the flexibility to convene the Group as and when required. With national easing of Covid restrictions, it was only necessary for the group to meet once in 21-22.

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

Eight audits completed across the three constituent Colleges during 2021/22 covered a range of systems, business areas and systems of internal control. The COVID situation at the start of the year did mean that some of this work was carried out remotely which did raise some logistical challenges for the team, but did not impact on the robustness or quality of the work carried out. As a result of work undertaken, ICCA provided the Board of Trustees with 'Reasonable Assurance' that the Academy Trust's systems of internal control were operating adequately and effectively, and that there were no instances where any breakdown of control resulted in a material discrepancy. This was the best possible opinion that could be awarded to the Academy Trust as audits undertaken had looked at a small sub-set of operations within each of the respective Colleges. ICCA are, however, required to give an overall opinion that covered the entirety of the Academy Trust's operations.

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

The internal auditor completed reviews of seven key areas across the Trust as outlined in the schedule of work. Of these reviews, the conclusions reached for four were substantial assurance and three were reasonable. 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 recommendations and areas for development and ensure continuous improvement of the system is in place.

BETTER FUTURES MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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


Stuart Stanley (Dec 16, 2022 12:34 GMT)

.....
Stuart Stanley
Chair of Trustees

Date: Dec 16, 2022



.....
Ulysses Lyons
Accounting Officer

Date: Dec 16, 2022

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Better Futures Multi-Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Trust Handbook 2021.

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



.....
Ulysses Lyons
Accounting Officer

Date: Dec 16, 2022

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


Stuart Stanley (Dec 16, 2022 12:34 GMT)

.....
Stuart Stanley
Chair of Trustees

Date: Dec 16, 2022

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

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

Opinion

We have audited the financial statements of Better Futures Multi-Academy Trust (the 'Academy Trust') for the year ended 31 August 2022 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 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 28, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

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

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

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

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

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

Use of the audit report

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



David Hoose (Dec 16, 2022 13:01 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of
Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 16, 2022

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

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

In accordance with the terms of our engagement letter dated 2 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Better Futures Multi-Academy Trust during the year 1 September 2021 to 31 August 2022 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 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Better Futures Multi-Academy Trust and 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP (Dec 16, 2022 13:02 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 16, 2022

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		-	-	3,364	3,364	1,343
Other trading activities	5	834	50	-	884	759
Investments	6	-	-	-	-	2
Charitable activities	4	331	22,872	-	23,203	21,450
Total income		1,165	22,922	3,364	27,451	23,554
Expenditure on:						
Raising funds	7	55	-	-	55	604
Charitable activities	8	341	22,747	1,366	24,454	22,038
Improvements to property occupied by the academy trust	7	-	-	400	400	-
Total expenditure		396	22,747	1,766	24,909	22,642
Net income carried forward		769	175	1,598	2,542	912
Transfers between funds	18	-	(585)	585	-	-
Net movement in funds before other recognised gains/(losses) carried forward		769	(410)	2,183	2,542	912

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Net movement in funds before other recognised gains/(losses) brought forward		769	(410)	2,183	2,542	912
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	15,421	-	15,421	(1,464)
Net movement in funds		<u>769</u>	<u>15,011</u>	<u>2,183</u>	<u>17,963</u>	<u>(552)</u>
Reconciliation of funds:						
Total funds brought forward		2,431	(13,797)	46,715	35,349	35,901
Net movement in funds		769	15,011	2,183	17,963	(552)
Total funds carried forward		<u>3,200</u>	<u>1,214</u>	<u>48,898</u>	<u>53,312</u>	<u>35,349</u>

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	14	46,232	45,800
		<u>46,232</u>	<u>45,800</u>
Current assets			
Debtors	15	3,407	1,395
Cash at bank and in hand	23	8,118	6,227
		<u>11,525</u>	<u>7,622</u>
Creditors: Amounts falling due within one year	16	(2,998)	(2,471)
Net current assets		<u>8,527</u>	<u>5,151</u>
Total assets less current liabilities		<u>54,759</u>	<u>50,951</u>
Creditors: Amounts falling due after more than one year	17	(1,352)	(1,499)
Net assets excluding pension liability		<u>53,407</u>	<u>49,452</u>
Defined benefit pension scheme liability	26	(95)	(14,103)
Total net assets		<u><u>53,312</u></u>	<u><u>35,349</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	48,898	46,715
Restricted income funds	18	2,708	1,830
Other reserve	18	(1,399)	(1,524)
Pension reserve	18	(95)	(14,103)
Total restricted funds	18	<u>50,112</u>	<u>32,918</u>
Unrestricted income funds	18	<u>3,200</u>	<u>2,431</u>
Total funds		<u><u>53,312</u></u>	<u><u>35,349</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 35 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Stuart Stanley (Dec 16, 2022 12:34 GMT)

.....
Stuart Stanley
Chair of Trustees

Date: Dec 16, 2022

The notes on pages 40 to 67 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	444	2,765
Cash flows from investing activities	22	1,568	23
Cash flows used in financing activities	21	(121)	(80)
Change in cash and cash equivalents in the year		1,891	2,708
Cash and cash equivalents at the beginning of the year		6,227	3,519
Cash and cash equivalents at the end of the year	23, 24	<u>8,118</u>	<u>6,227</u>

The notes on pages 40 to 67 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

1.6 Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Provisions

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

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

1.13 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Other donations	-	-	-	302
Capital Grants	-	3,364	3,364	1,041
Total 2022	-	3,364	3,364	1,343
Total 2021	302	1,041	1,343	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	20,698	20,698	19,636
Other DfE/ESFA grants				
Teachers' Pay/Pension Grants	-	1,153	1,153	1,100
Other	-	577	577	277
	-	22,428	22,428	21,013
Other Government grants				
Local Authority Grants	-	394	394	352
	-	394	394	352
Other income from the academy trust's educational operations	331	50	381	-
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	-	-	85
Total 2022	331	22,872	23,203	21,450
Total 2021	-	21,450	21,450	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	98	-	98	52
Income from other charitable activities	11	50	61	141
Income from ancillary trading activities	725	-	725	566
Total 2022	834	50	884	759
Total 2021	618	141	759	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Interest from short term deposits	-	-	2
Total 2021	2	2	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on fundraising trading activities:					
Allocated support costs	-	-	55	55	604
Academy Trust's educational operations:					
Direct costs	14,000	932	1,115	16,047	16,083
Allocated support costs	4,794	1,424	2,189	8,407	5,955
Improvements to property occupied by the academy trust	-	400	-	400	-
Total 2022	18,794	2,756	3,359	24,909	22,642
Total 2021	17,209	2,153	3,280	22,642	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Charitable activities

	2022 £000	2021 £000
Direct costs - educational operations	16,047	16,083
Support costs - educational operations	8,407	5,955
	<u>24,454</u>	<u>22,038</u>
	2022 £000	2021 £000
Support staff costs	4,794	3,535
Depreciation	434	269
Technology costs	540	392
Premises costs	1,424	1,040
Legal costs - other	19	26
Other support costs	1,098	629
Governance costs	98	64
	<u>8,407</u>	<u>5,955</u>

9. Net income

Net income for the year includes:

	2022 £000	2021 £000
Operating lease rentals	75	46
Depreciation of tangible fixed assets	1,364	1,382
Fees paid to auditor for:		
- audit	23	21
- other services	8	4

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	13,070	12,113
Social security costs	1,270	1,154
Pension costs	4,103	3,543
	<hr/>	<hr/>
	18,443	16,810
Agency staff costs	351	377
Staff restructuring costs	-	22
	<hr/>	<hr/>
	18,794	17,209
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Severance payments	<hr/> <hr/>	<hr/> <hr/>
	-	22

b. Special staff severance payments

Included in staff restructuring costs are non-contractual settlement payments of £Nil (2021 - £7k).

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	281	250
Administration and Support	216	212
Management	20	20
	<hr/>	<hr/>
	517	482
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Staff (continued)

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	1
In the band £130,001 - £140,000	1	1
	=====	=====

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £853k (2021 - £812k).

11. Central services

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

- HR, Payroll and Finance

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

All central overheads are charged out to schools which amounted to the equivalent of 2.4% of GAG income.

The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
Bilborough Sixth Form College	201	120
Gateway Sixth Form College	160	95
King Edwards College	140	82
Total	===== 501	===== 297

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Trustees' remuneration and expenses

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

		2022	2021
		£000	£000
U Lyons (Accounting Officer and Trustee)	Remuneration	130 - 135	130 - 135
	Pension contributions paid	30 - 35	30 - 35

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides unlimited cover (2021 - £2,000,000) on any one claim. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme membership.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Tangible fixed assets

	Freehold property £000	Long- term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost							
At 1 September 2021	42,254	4,509	897	598	5	-	48,263
Additions	8	1,132	41	518	-	97	1,796
At 31 August 2022	42,262	5,641	938	1,116	5	97	50,059
Depreciation							
At 1 September 2021	1,436	486	237	300	4	-	2,463
Charge for the year	932	183	108	140	1	-	1,364
At 31 August 2022	2,368	669	345	440	5	-	3,827
Net book value							
At 31 August 2022	39,894	4,972	593	676	-	97	46,232
At 31 August 2021	40,818	4,023	660	298	1	-	45,800

15. Debtors

	2022 £000	2021 £000
Due within one year		
Trade debtors	43	71
VAT repayable	358	168
Other debtors	32	1
Prepayments and accrued income	2,974	1,155
	3,407	1,395

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Bank loans	122	100
Other loans	8	4
Trade creditors	498	214
Corporation tax	31	31
Other taxation and social security	322	336
Other creditors	301	295
Accruals and deferred income	1,716	1,491
	<u>2,998</u>	<u>2,471</u>
	2022	2021
	£000	£000
Deferred income		
Deferred income as at 1 September	(1,052)	873
Released from previous years	1,052	(873)
Resources deferred in the year	(1,194)	(1,052)
Deferred income as at 31 August	<u>(1,194)</u>	<u>(1,052)</u>

At the Balance Sheet date the Academy Trust was holding funds of £736k (2021 - £419k) Bursary and free school meal income, £63k (2021 - £59k) trip income and £395k (2021 - £574k) to other income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £000	2021 £000
Bank loans	1,279	1,423
Other loans	73	76
	<u>1,352</u>	<u>1,499</u>

Loans include a bank loan of £1,399k with Allica Bank, which is repayable quarterly over 60 months from 1st November 2019, maturing 31st October 2024, interest is payable at 3 months LIBOR plus margin of 2.7% annum. The Academy Trust has provided security in respect of its borrowings over the freehold property and land at Bilborough College, Bilborough Road, Nottingham, NG8 4DQ.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	2,431	1,165	(396)	-	-	3,200
Restricted general funds						
General Annual Grant (GAG)	1,830	20,698	(19,064)	(756)	-	2,708
Teachers' Pay/Pension Grant	-	1,153	(1,153)	-	-	-
Other grants	-	1,071	(1,071)	-	-	-
Other reserve	(1,524)	-	(46)	171	-	(1,399)
Pension reserve	(14,103)	-	(1,413)	-	15,421	(95)
	(13,797)	22,922	(22,747)	(585)	15,421	1,214
Restricted fixed asset funds						
Transfer on conversion	45,475	-	(1,239)	-	-	44,236
DfE/ESFA capital grants	1,240	3,364	(527)	585	-	4,662
	46,715	3,364	(1,766)	585	-	48,898
Total Restricted funds	32,918	26,286	(24,513)	-	15,421	50,112
Total funds	35,349	27,451	(24,909)	-	15,421	53,312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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

Restricted general funds

The General Annual Grant is the recurrent funding to be used for the educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE. The pension reserve of £95k (overdrawn) represents the Academy Trust's share of the deficit in the Warwickshire Pension Fund, Leicestershire County Council Pension Fund and Nottinghamshire Pension Fund.

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

Restricted other funds

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

Fixed asset funds

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

Unrestricted funds

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

Transfers relate to GAG funds used for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Bilborough Sixth Form College - revenue funds	2,433	1,660
Bilborough Sixth Form College - loan funds	(1,399)	(1,523)
Gateway Sixth Form College	1,888	1,306
King Edwards VI College	1,587	1,294
Better Futures MAT	-	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,509	2,737
Restricted fixed asset fund	48,898	46,715
Pension reserve	(95)	(14,103)
	<hr/>	<hr/>
Total	53,312	35,349

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Bilborough Sixth Form College	5,693	1,392	428	1,362	8,875	8,226
Gateway Sixth Form College	3,905	1,621	404	1,443	7,373	6,583
King Edwards VI College	4,283	1,370	291	957	6,901	6,451
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	13,881	4,383	1,123	3,762	23,149	21,260

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Analysis of net assets between funds

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	46,232	46,232
Current assets	3,200	5,659	2,666	11,525
Creditors due within one year	-	(2,998)	-	(2,998)
Creditors due in more than one year	-	(1,352)	-	(1,352)
Provisions for liabilities and charges	-	(95)	-	(95)
Total	3,200	1,214	48,898	53,312

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £000	2021 £000
Net income for the year (as per Statement of Financial Activities)	2,542	912
Adjustments for:		
Depreciation charges	1,364	1,382
Capital grants from DfE and other capital income	(3,364)	(1,041)
Investment income	-	(2)
Defined benefit pension scheme cost less contributions payable	1,176	788
Defined benefit pension scheme finance cost	237	195
Increase in debtors	(2,012)	(33)
Increase in creditors	501	564
Net cash provided by operating activities	444	2,765

21. Cash flows from financing activities

	2022 £000	2021 £000
Repayments of borrowing	(121)	(80)

22. Cash flows from investing activities

	2022 £000	2021 £000
Investment income	-	2
Purchase of tangible fixed assets	(1,796)	(281)
Capital grants from DfE Group	3,364	302
Net cash provided by investing activities	1,568	23

23. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	8,118	6,227

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	6,227	1,891	8,118
Debt due within 1 year	(104)	(26)	(130)
Debt due after 1 year	(1,499)	147	(1,352)
	<u>4,624</u>	<u>2,012</u>	<u>6,636</u>

25. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements	<u>465</u>	<u>-</u>

26. Pension commitments

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

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

Contributions amounting to £302k were payable to the schemes at 31 August 2022 (2021 - £295k) and are included within creditors.

Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £2,036k (2021 - £1,948k).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £829k (2021 - £791k), of which employer's contributions totalled £640k (2021 - £612k) and employees' contributions totalled £189k (2021 - £179k). The agreed contribution rates for future years are 14 - 18 per cent for employers and 5.5 - 12 per cent for employees.

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

CPI assumption

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 August 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 August. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.55 - 3.95	3.40 - 3.90
Rate of increase for pensions in payment/inflation	2.95 - 3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
Retiring today		
Males	21.5 - 21.7	21.6 - 21.8
Females	24.0 - 24.4	24.2 - 24.3
Retiring in 20 years		
Males	22.4 - 23.0	22.6 - 23.0
Females	25.7 - 25.9	25.7 - 26.1

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. Pension commitments (continued)

Sensitivity analysis on defined benefit obligations

	2022 £000	2021 £000
Discount rate -0.1%	451	803
Mortality assumption - 1 year increase	706	1,393
CPI rate +0.1%	412	454
Salary increase rate +0.1%	43	337

Share of scheme assets

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

	2022 £000	2021 £000
Equities	11,499	11,728
Gilts	166	232
Corporate bonds	3,841	3,692
Property	2,208	1,747
Cash and other liquid assets	1,489	1,662
Total market value of assets	19,203	19,061

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

	2022 £000	2021 £000
Current service cost	(1,813)	(1,397)
Interest income	317	261
Interest cost	(554)	(456)
Admin expenses	(3)	(3)
Total amount recognised in the Statement of Financial Activities	(2,053)	(1,595)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	33,164	27,180
Current service cost	1,813	1,397
Interest cost	554	456
Employee contributions	189	179
Actuarial (gains)/losses	(15,991)	4,295
Benefits paid	(431)	(343)
At 31 August	19,298	33,164

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

	2022 £000	2021 £000
At 1 September	19,061	15,524
Interest income	317	261
Actuarial (losses)/gains	(570)	2,831
Employer contributions	640	612
Employee contributions	189	179
Benefits paid	(431)	(343)
Admin expenses	(3)	(3)
At 31 August	19,203	19,061

27. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Within 1 year	68	43
Between 1 and 5 years	73	67
	141	110

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

28. Members' liability

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

29. Related party transactions

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

Expenditure related party transactions

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

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2022 the Academy Trust received £1,018k (2021 - £663k) and disbursed £700k (2021 - £642k) from the fund. An amount of £737k (2021 - £419k) is included in other creditors relating to undistributed funds that are repayable to the ESFA.