

Company Registration No. 08255492 (England and Wales)

**UNIVERSITY OF WOLVERHAMPTON MULTI  
ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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



# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

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# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Professor G Layer  
Dr A Hopkins  
Professor I Oakes (Resigned 25<sup>th</sup> November 2019)  
Professor N Karodia (Appointed 25<sup>th</sup> November 2019)

### Trustees

Mr C Avern (Resigned 7 July 2020)  
Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board)  
Mrs D Cooper (Appointed 11 November 2019)  
Mrs J Dunne (Chair of the Trust Board) (Resigned 28 February 2020)  
Mr A Edwards (Chair of the Trust Board) (Appointed 25 February 2020)  
Mrs E Gaffney (Appointed 9 November 2020)  
Mrs C Jenkins (Resigned 28 February 2020)  
Mrs M R Kidd  
Mrs G Lahiri  
Mr R Lockwood  
Mr M Rickhuss (Appointed 26 November 2019)  
Professor M Shaw (CEO and Accounting Officer)  
Mrs S Wedgwood (Appointed 26 November 2019)

### Senior management team

- CEO and Accounting Officer
  - Director of Finance and CFO
  - Executive Head Teacher
  - Director of Human Resources
  - Director of Training and Development
- Professor M Shaw  
Mr P Scott  
Mr C Jones  
Mrs S Malhotra  
Mrs C Jenkins

### Principal and registered office

University of Wolverhampton  
Wulfruna Street  
Wolverhampton  
WV1 1LY

### Company registration number

08255492 (England and Wales)

### Independent auditor

KPMG LLP  
One Snowhill  
Snowhill Queensway  
Birmingham  
B4 6GH

### Bankers

Lloyds Bank  
36/38 New Street  
Birmingham  
B2 4LP

### Solicitors

Mills and Reeves  
78-84 Colmore Row  
Birmingham  
B3 2AB

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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

The academy trust operates 10 primary academies and 2 secondary academies across the West Midlands and Staffordshire. Its academies have a combined pupil capacity of 5349 and had a roll of 4733 in the school census on October 2019.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The constituent academies of the trust are:

Albert Bradbeer Primary Academy  
Edgar Stammers Primary Academy  
Fairway Primary Academy  
Featherstone Academy  
Heathlands Primary Academy  
The Orchards Primary Academy  
Pye Green Academy  
Reaside Academy  
Smestow School  
Tame Valley Academy  
Wednesfield High Specialist Engineering Academy  
Woodhouse Primary Academy

The charitable company operates as University of Wolverhampton Multi Academy Trust (UWMAT).

The Trustees of UWMAT are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the References and Administration Details on Page 1.

##### Members' liability

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

##### The members are:

Professor Geoff Layer - Vice Chancellor (University of Wolverhampton)

Professor Ian Oakes - Deputy Vice Chancellor (University of Wolverhampton) (Resigned 25<sup>th</sup> November 2019)

Dr Alexandra Hopkins - Dean (University of Wolverhampton)

Professor N Karodia (Appointed 25<sup>th</sup> November 2019)

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### The Trustees are:

Mr C Avern (Resigned 7 July 2020)

Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board)

Mrs D Cooper (Appointed 11 November 2019)

Mrs J Dunne (Chair of the Trust Board) (Resigned 28 February 2020)

Mr A Edwards (Chair of the Trust Board) (Appointed 25 February 2020)

Mrs E Gaffney (Appointed 9 November 2020)

Mrs C Jenkins (Resigned 28 February 2020)

Mrs M R Kidd

Mrs G Lahiri

Mr R Lockwood

Mr Mike Rickhuss (Appointed 26 November 2019)

Professor M Shaw (CEO and Accounting Officer)

Mrs S Wedgwood (Appointed 26 November 2019)

#### Trustees' indemnities

As part of the overall insurance cover, taken out with third party insurers, the trust has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £5,000,000 in this respect.

#### Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association (Article 50).

- The Members may appoint by ordinary resolution up to 6 Trustees;
- The Members may appoint by ordinary resolution 2 Trustees each of whom is a head teacher of one or more of the Academies;
- The Members may appoint by ordinary resolution 2 Trustees each of whom is a Chairman of one or more of the Local Governing Bodies;
- The Members may appoint by ordinary resolution 2 Parent Trustees from the Parent Local Governors;
- The total number of Trustees including the CEO if they so choose to act as Trustee under article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

All trustees are encouraged to undertake personal training in addition to courses organised for all trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Trustees meet regularly and receive on a regular basis updated copies of policies and procedures and are encouraged to have an input into Trust self-evaluation and improvement planning.

#### **Organisational structure**

The arrangements for delegated authority within UWMAT are set out within our scheme of delegation. The functions of the academy trust are discharged by its various boards, committees and key posts. The significant roles and responsibilities within the organisation are as follows;

#### **Members**

The members of UWMAT are signatories to the trust's memorandum and articles of association (a document which outlines the governance structure and how the trust operates). The members appoint trustees to ensure that the trust's charitable object is carried out. They are able to remove trustees if they fail to fulfil this responsibility. Members are also responsible for approving any amendments to the trust's articles of association. While members are permitted to be appointed as trustees, in order to retain a degree of separation of powers between the members and the trust board, and in line with DfE expectations, not all members are trustees. Members are not permitted to be employees of the trust.

#### **Trustees**

The trustees of UWMAT are the charity trustees and are responsible for the general control and management of the administration of the trust in accordance with the provisions set out in the memorandum and articles of association. The board of trustees is accountable for the performance of all academies within the trust and as such must;

- Ensure clarity of vision, ethos and strategic direction
- Hold the executive officers and head teachers to account for the educational performance of the academies and their pupils, and the performance management of staff
- Oversee the financial performance of the trust and make sure its money is well spent.

Because trustees are bound by charity and company law, the terms "trustees" and "directors" are used interchangeably.

#### **The Board of Trustees**

The UWMAT board is permitted to exercise all the powers of the academy trust. The trustees delegate certain governance functions and these are set out in our scheme of delegation.

The trust has the right to review and adapt its governance structure at any time which includes removing delegated authority in certain circumstances.

The board of trustees of UWMAT delegate responsibility for delivery of its objectives and strategy to the lead professional of the Trust the Chief Executive Officer (CEO), who is also designated as the Accounting Officer (AO). The Trust board holds the CEO to account for the performance of the trust, including the performance of the academies within the trust.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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Some responsibilities concerning the performance of each academy are delegated to Local Governing Bodies. Each Local Governing Body will use its detailed knowledge and engagement with stakeholders to ensure that their academy is performing to the highest possible standards, and that it is being well served by the executive leadership of the trust.

The performance management of the CEO (AO) is the responsibility of the trust board. The CEO is responsible for the performance management of the academy head teachers but will seek contributions from representatives of the Local Governing Bodies to this process.

#### **Board Sub Committees**

The trustees have established four sub committees with the purpose of providing advice and support and informing the overall work of the trust board.

- Academic Board
- Finance and Resources Committee
- Audit, Risk and Compliance Committee
- Remunerations Committee

However these sub committees are not legally responsible or accountable for statutory functions – the trust board retains overall accountability and responsibility. The responsibilities of the board sub committees are set out in their terms of reference; the responsibilities of school governing boards are set out in our scheme of delegation. The trust board appoints subcommittee members and chairs.

#### **Local Governing Bodies**

The responsibilities of local governing bodies are set out in detail in our scheme of delegation but they include; building an understanding of how the academy is led and managed, monitoring whether the academy is working within agreed policies, meeting agreed targets, managing its finances well and engaging with stakeholders.

As a committee of the trust board, delegation to a local governing body can be removed if there is evidence of any of the following:

- Weak performance in response to a review of governance or Ofsted inspection.
- An Ofsted inspection where there is a rating decline or an academy moves into a category of serious weakness or requiring improvement.
- A sudden or unexpected significant dip in the performance of an academy
- A significant safeguarding concern within an academy.

#### **Chief Executive Officer (The Accounting Officer)**

The CEO has the delegated responsibility for the operation of UWMAT including the performance of the trust's academies. The CEO is the accounting officer so has overall responsibility for the operation of the academy trust's financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability, avoiding waste and securing value for money. The CEO leads the executive management team of UWMAT. The CEO will delegate executive management functions to the executive management team and is accountable to the trust board for the performance of the executive management team.

#### **Chief Financial Officer (CFO)**

The CFO plays both a technical and leadership role and is appointed by the board. The board has delegated responsibility to the CFO for the academy trusts detailed financial procedures.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

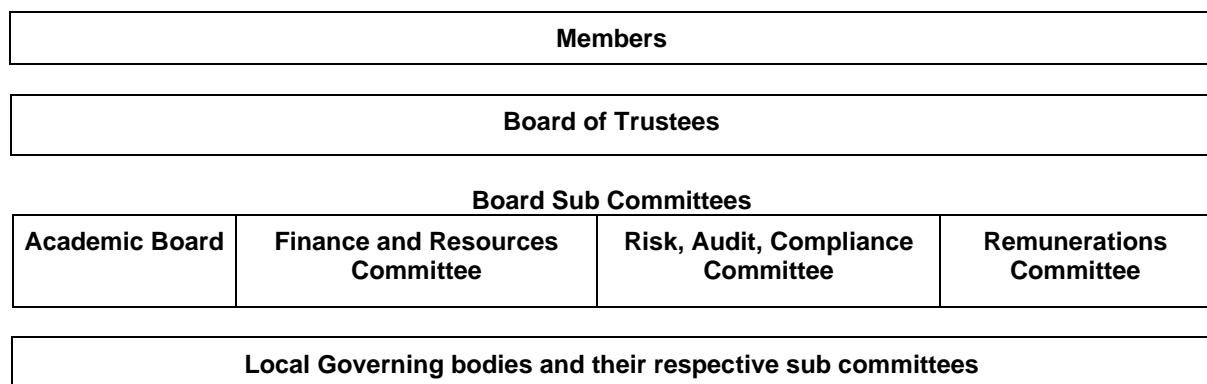
**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Academy Head teacher**

The academy head teacher is responsible for the day to day management of the academy and is managed by the CEO. She / he reports to the local governing body on the overall performance of the academy, the progress of pupils and any other matters which have been delegated.

### **GOVERNANCE STRUCTURE: UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**



### **Arrangements for setting pay and remuneration of key management personnel**

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range. Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy governing committee and their decision is validated by Trust Officers and reported to the board of trustees.

Pay progression for head teachers is dependent upon the successful completion of the previous years' performance management cycle with a sample quality assured by a member of the Trust Board. Recommendations for pay increases are made by the Appraisal Committee Chair (normally the Chair of the Local Governing Board) and their decision is reported and approved by the Trust Board Remuneration Committee during the spring term.

Pay progression for Trust Officers is dependent upon the successful completion of the previous years' performance management cycle with recommendations approved by the Chief Executive and Trust Board Remuneration Committee.

Non-teaching staff pay is based on the outcome of the national negotiations and conclusion of the National Joint Council's pay decision.

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Trade Union Facility Time

#### Relevant union officials

| Number of employees who are relevant union officials during the relevant period | Full-time equivalent employee number |
|---|--------------------------------------|
| 11  | 9.6 FTE                              |

#### Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0%                 | 7                   |
| 1%-50%             | 4                   |
| 51%-99%            | 0                   |
| 100%               | 0                   |

#### Percentage of pay bill spent on facility time

|   |                |
|---|----------------|
| Provide the total cost of facility time   | £21,018.77     |
| Provide the total pay bill  | £20,420,103.32 |
| Provide the percentage of total pay bill spent on facility time, calculated as;<br>(total cost of facility time ÷ total pay bill) x 100 | 0.10%          |

#### Paid trade union activities

|   |       |
|---|-------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculate as;<br><br>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | 7.30% |
|---|-------|

### Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, the multi academy trust has the following relationship and has made payments and received income from University of Wolverhampton and University of Wolverhampton Social Enterprises

### Engagement with Employees (Including disabled people)

In order to provide employees with information on matters of concern to them and of factors affecting the Trust performance; this was undertaken through individual letters, staff meetings at local level in academies, briefings with Head teachers (both verbal) and in written format on a regular basis (during lockdown as a result of COVID 19) this was on daily and now weekly basis. Networks for specialist areas such as Safeguarding and Business Managers were also held termly and where information was required to be

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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shared with employees from these; relevant staff did so. The Trust Website is also a valuable tool for employees to use to gain further information about the position of other academies in the Trust so that all employees feel engaged with the Trust and are aware of the other academies in the Trust.

The Trust has a formal recognition agreement with professional associations and meetings with trade union colleagues and the Trust were held regularly. During lockdown consultation was difficult and took place virtually however, locally Head teachers consult and meet with representatives as required to ensure that good industrial relations are maintained.

The Trust encourages all staff to fully contribute to the performance of the Trust. The development of the strategic plan and the subsequent roll out of this will cement this further however, in the meantime objectives set as part of the performance management process encourages staff contribution through performance whilst taking account of individuals professional and continuous development needs. Additionally, governance of academies allows for staff representatives to be members of the local governing bodies.

The Trust records equality and diversity information including disability, as part of the recruitment process and does not tolerate discrimination of any kind. Where a disabled candidate meets the essential criteria for a position they progress through the next stage of the process. If an employee is deemed to be disabled during the course of their employment, the Trust in partnership with the Occupational Health provider will ensure that the appropriate duty of care is afforded to the employee and where reasonable – appropriate measures and adjustments are implemented to support the disabled employee to remain employed. All staff whether they have a disability or not have the opportunity for career development and promotion within the Trust.

#### **Objectives and Activities**

Our Trust works for all pupils in our family of schools to secure an innovative approach to schooling, which builds on observable strength and addresses long-standing difficulties. The Trust strives for the best whilst remaining realistic, invests in communities, whilst taking the lead where necessary and expects the best, whilst dealing with the worst.

The Trust is dynamic, active and imaginative in its work with schools while at the same time encouraging schools to take responsibility and develop their own autonomy within the context of a community of schools supporting each other.

The link with the University of Wolverhampton is central to our ethos. The faculties of the University offer expertise to our schools, including high calibre teaching staff. The University itself acts as an image of personal growth, learning and achievement for the community of which the pupils and their families are a part. The Trust believes that it is contributing to the long-term health of the region and works closely with employers and business to meet the local economic needs.

We will work to ensure that parents are confident that committed staff at every level offer pupils the best of school experiences where their futures are secure. Pupils will leave the academies of the Trust with the skills to enter the next stage of their life, a desire to continue to learn and a belief that their schooling was the best it could be.

The Trust committed to creating a culture where staff are valued and supported. The Trust supports a culture of openness and mutual respect in which staff will be encouraged to play as full a part as they can in the life and goals of the Multi Academy Trust.

The overarching aim for the Trust is to create academies that provide an environment which is welcoming, caring, calm, disciplined and purposeful and which, within a developmental ethos, will stretch our young people academically, support them pastorally and help them develop socially and spiritually. We believe in allowing each Academy to retain its own distinct voice and identity, supporting all with efficient and effective Central Services and expertise. All our Academies are focused and innovative with School Improvement

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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Practices sharing best practice and developing deep partnerships that will embed consistent levels of student outcomes and ensure progress. Education, at every stage of the student journey, is about the development and nurture of the whole child. The environment of the Trust is designed to encourage creativity, physical excellence and academic achievement so that they are ready to take their place in the world and bring their contribution to society.

#### **Objects and Aims**

Our overarching aim is to do the right things for the children who attend our academies so that they can be successful. To do this we will focus on four shared aims: As a Trust we will;

##### **Aim 1 - Pupils and their Families First**

As a Trust we will deliver a sector leading school experience for all of our pupils, maximising their potential. We will do this by delivering outstanding pedagogic practice underpinned by research.

##### **Aim 2 - Skills for the Economy**

Our learning opportunities will target the economic and social needs of the areas in which we work. We will seek to maximise everyone's potential, providing the skills, knowledge and expertise needed to lead a successful and fulfilled life.

##### **Aim 3 - Significant Influence**

The Trust will be a leader in the creation and dissemination of knowledge about 'what works' in schools. We aim to be a Trust that 'makes a difference' locally, regionally and nationally.

##### **Aim 4 - A Responsible and Reliable business**

The Trust will deliver 'Best Value' in the use of public money for pupils in the Trust and will create a sustainable school workforce. It will operate at all times within the regulatory frameworks.

Our aims and objectives have been informed by our self-evaluation and a SWOT analysis. These have been completed using the Multi-academy trusts: establishing and developing your trust guidance provided by the DfE (December 2016) - <https://www.gov.uk/government/publications/multi-academy-trusts-establishing-and-developing-your-trust>.

#### **Strategic report**

#### **Achievements and performance**

The UW MAT Strategic Plan has been designed to provide a strategic overview of the key priorities that the Trust Board will be focussing. This is reviewed annually. It is available on request.

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Academic Performance

Ofsted outcomes provide one element of the overall performance of an academy. Of the 12 academies in the Trust 8 are graded as Good. The table below summarises the overall picture.

| Academy                 | Pupil Premium Eligibility 2019/20 (%) (National Average = 27.7%) | Date of last Ofsted           | Ofsted Grade         | Trend (improvement or decline in grading from previous inspection to last inspection) |
|-------------------------|--|-------------------------------|----------------------|---|
| Reaside                 | 67%  | 1st November 2016             | Good                 | Improved  |
| Tame Valley             | 66.6%  | 27th November 2018            | Good                 | Maintained  |
| Edgar Stammers Primary  | 61%  | 12th March 2019               | Requires Improvement | Improved  |
| Albert Bradbeer Primary | 62%  | 9th October 2019              | Good                 | Improved  |
| The Orchards Primary    | 53%  | 13th March 2019               | Good                 | Maintained  |
| Heathlands Primary      | 46.5%  | 25th September 2019           | Requires Improvement | Maintained  |
| Woodhouse Primary       | 42%  | 3rd December 2019             | Good                 | Maintained  |
| Wednesfield High        | 38.5%  | 4 <sup>th</sup> December 2018 | Requires Improvement | Improved  |
| Fairway Primary         | 37%  | 5th February 2019             | Good                 | Maintained  |
| Smestow School          | 36%  | 15 <sup>th</sup> May 2019     | Requires Improvement | Maintained  |
| Featherstone            | 23%  | 20th June 2017                | Good                 | Maintained  |
| Pye Green               | 18.3%  | 12th September 2017           | Good                 | Maintained  |

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Strategic Performance Report - Primary**

##### **Pupil Performance**

Another key indicator of performance is that of our pupils in externally validated examinations:

Due to the Impact of COVID-19 and assessments not taking place as normal, the academy results presented are based on projections and not actual results attained by pupils during 2019.20.

- End of Reception Good Level of Development (GLD) – 7 of the 9 eligible academies achieved higher than or in-line with the national average for GLD. The Trust average for the % children achieving a Good Level of Development is higher than the national average.
- End of Key Stage One Accountability Measures – The Trust Average for the % of children attaining the Expected Standard is in-line with National averages for Reading, Writing and Maths.

End of Key Stage Two Accountability Measures – The Trust Average for the % of children attaining the Expected Standard is above National Reading, Writing, Maths and Combined. The following has been achieved.

- The Trust Average for the % of children attaining the Expected Standard is above National Average for Grammar, Punctuation and Spelling.
- The Trust Average % for the children attaining the Higher Standard is above National Average for Grammar, Punctuation and Spelling.

All schools have set home learning during the period that schools were closed which has ensured that as many children as possible have been able to continue to learn the appropriate curriculum content for their Year group.

#### **Strategic Performance Report - Secondary**

Pupil numbers are rising at Wednesfield with staffing and leadership at the Academy in a stable position. Smestow Academy is experiencing falling numbers on roll and is going through a period of transition within its staffing and leadership, following a recent restructure. Student numbers in the locality of Smestow Academy are set to fall in 2020.21 but there are projections of rising numbers in the following years.

COVID-19 led to the cancelation of exams across the sector, which has meant that year to year comparison cannot be accurately carried out, the following statements are based on the academies predictions and issued results.

##### **Secondary KS4 (GCSE)**

KPIs across both Academies show an improving picture at KS4.

##### **Improvements**

Wednesfield have experienced improvements in Progress 8 figures during 2019.20, specifically within disadvantaged students and Boys. The Academy has also moved within the floor standard for the first time. Smestows results have improved.

##### **Issues**

Smestows disadvantaged pupil's underperformed on Progress 8 compared to prior years, recruitment at Smestow has been challenging along with the ability to retain high quality teachers.

Wednesfield is experiencing slower improvements with Girls Progress 8 scores than desired.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Secondary KS5 (A / AS /BTEC etc.)**

KPIs across both Academies show an improving picture at KS5.

#### **Improvements**

Both academies saw an increase in their Average Point Scores (APS) across Academic, Applied and Technical. With improved retention figures at Smestow across KS5

#### **Issues**

Areas of improvement identified, Technical ICT retention at Smestow.

#### **Going concern**

Covid-19 has impacted on the fundamental approach to "business as usual" for UWMAT since the Lockdown was announced in April 2020.

The Trust has continued to support all of its pupils to access education, whether that be on site for vulnerable children and children of key workers or remotely for pupils learning from home.

The financial impact to the Trust during 2019.20 Academic year was closely managed, with any additional costs incurred as a result of the pandemic, in the main, supported through budget allocations.

The Board of Trustees are aware of the significant impact on the financial and operational activities COVID-19 has caused and the risk this has to the going concern of the Trust.

Income from the Trusts core funding, government grants, has not yet been impacted by the pandemic, however other income streams that supported value added activities within the Trust have reduced considerably putting strain on academy budgets and the provisions offered.

The Trust is planning to reduce any non core spend for the foreseeable future due to the uncertainty surrounding the duration of the pandemic. The budgets generated will be managed to support additional costs in relation to COVID-19 including but not limited to; cleaning, food vouchers and agency spend.

The Trust board has committed surplus budgets forecasted in the 2020.21 academic year to be used to support its academies to continue their operations during these challenging times.

After taking the pandemic into account the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the next 12 month from the date of these accounts. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Financial review**

##### **Income**

Income for the period was £29,643,000 of which £26,683,000 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants along with other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £2,960,000.

##### **Expenditure**

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £32,207,000 with the largest element of this expenditure being attributed to staff costs totalling £22,981,000 for the period. Net Income for the period was (£2,564,000).

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The academy trust element of the West Midlands and Staffordshire Pension funds that forms part of the Local Government Pension Scheme was valued at 31 August 2020, showing a net deficit of (£30,536,000)

As at 31 August 2020, the net book value of fixed assets was £69,170,000 and the movement in tangible fixed assets are shown in Note 13 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the Strategic Development Plan. The Accounting Officer together with the Director of Finance and Finance and Resources Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. Individual academy budgets are monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of trustees on a termly basis.

#### Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams and the need to match them to commitments. It also considers future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure and requirements. The board of trustees will review the level of reserves and reserves policy annually.

Our target of 5% General Annual Grant (19.20 £1,130,400) has been achieved this year. Revenue reserves have increased from £2,827,000 to £2,973,000 within the year. One School has yet to achieve a surplus budget and has a deficit recovery plan in place. Financial performance is regularly monitored at a local level and by the Trust central finance team.

#### Principal Risks and Uncertainties

The Risk Management Policy categorises responses to risk into four response categories:

**Transfer:** For some risk the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.

**Tolerate:** The exposure may be tolerable without any further action being taken. Even if it is not tolerable, an ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.

**Treat:** By far the greatest number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk but more likely to take control action to contain the risk to an acceptable level.

**Terminate:** Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector.

During the year under review, UWMAT has had due regard to its responsibilities to adhere to the regularity and propriety requirement laid down by Parliament. The trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

the Trust's funding agreement and Academies Financial Handbook. During the year under review, no instances of material irregularity, impropriety or funding non-compliance have been discovered.

#### Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020                  |  |
|--|--|
| Energy consumption used to calculate emissions (kWh)   | 5,971,112 KWH                                      |
| Energy consumption break down (KWh) (optional)<br>• Gas<br>• Electricity<br>• Transport fuel                       | Gas – 1,689,266 KWH<br>Electricity – 4,281,841 KWH |
| Scope 1 emissions in metric tonnes C02e<br>Gas consumption<br>Owned transport – mini-buses<br><u>Total scope 1</u> | Gas – 310.60 tC02e<br>Mini-Buses – 16.99 tC02e     |
| Scope 2 emissions in metric tonnes C02e<br>Purchased electricity   | 998.27 tC02e                                       |
| Scope 3 emissions in metric tonnes C02e<br>Business travel in employee owned vehicles                              | 10.78 tC02e  |
| <u>Total Gross emissions in metric tonnes C02e</u>   | 1,336.64 tC02e                                     |
| Intensity Ratio<br>Tonnes C02e per pupil (XXX)<br>Tonnes C02e per staff member (664) (Note 10)                     | 2.01 tC02e   |

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### Quantification and Reporting Methodology

- We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

### Intensity Measurements

The Chosen intensity measurement ration is total gross emissions in metric tonnes C02e per pupil, the recommended ratio for the sector

### Measures taken to improve energy efficiency

In 2019.2020 UWMAT commissioned Entrust to produce an Asset Management Plan to include the entire estate of the Trust. As part of this report environmentally friendly replacements are suggested in order to make greater cost savings for the Trust but also reduce any impact on the environment that may be imposed by the current provision.

During 2020.2021 UWMAT will look to replace inefficient and out of date heating systems with new systems that give consideration to environmentally sustainable options that take advantage of new technology whilst maintaining the balance of cost and efficiency across the Trust. The same will apply to the replacement of windows and doors to ensure heat can be retained in school buildings.

Currently 10 of the 12 academy trust sites use SSE for their electricity supply and 11 use the same company for gas. SSE offers 100% renewable, clean electricity generated by wind and hydro assets and the gas offered is 100% renewable from sources such as agricultural materials along with food waste and wastewater treatment. For UWMAT efficient and renewable sources of energy are a crucial part of this programme and this consideration will also follow through to the replacement of heating systems within academies to ensure that any future modifications or replacements are energy efficient.

Over the last financial year UWMAT has had 7 schools take advantage of the Salix Government funding to replace lighting systems. The LED lighting will reduce the schools electricity usage and the Salix Lon can be repaid through the savings. LED lighting uses approximately 85% less electricity compared to conventional lighting.

### Funds Held as Custodian Trustee on Behalf of Others

UWMAT does not act as a custodian trustee on behalf of any others.

#### Auditor

As far as the trustees are aware:

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

Signed



Mr A Edwards  
Chair of the Trust Board  
18 January 2021

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between University Of Wolverhampton Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year prior to the Covid-19 pandemic. Attendance during the year at meetings of the board of trustees was as follows:

| <b>Trustees</b>  | <b>Meetings attended</b> | <b>Out of possible</b> |
|--|--------------------------|------------------------|
| Mr C Avern (Resigned 7 July 2020)  | 2                        | 3                      |
| Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board) | 2                        | 3                      |
| Mrs D Cooper (Appointed 26 November 2019)  | 2                        | 2                      |
| Mrs J Dunne (Chair of the Trust Board) (Resigned 28 February 2020)                           | 3                        | 3                      |
| Mr A Edwards (Chair of the Trust Board) (Appointed 25 February 2020)                         | 0                        | 0                      |
| Mrs C Jenkins (Resigned 28 February 2020)  | 3                        | 3                      |
| Mrs M R Kidd   | 2                        | 3                      |
| Mrs G Lahiri   | 3                        | 3                      |
| Mr R Lockwood  | 3                        | 3                      |
| Mr Mike Rickhuss (Appointed 26 November 2019)  | 1                        | 2                      |
| Professor M Shaw (CEO and Accounting Officer)  | 3                        | 3                      |
| Mrs S Wedgwood (Appointed 26 November 2019)  | 0                        | 2                      |

The Board established a Finance and Resources Committee as a sub-committee of the Board on 12th March 2014, to support them in their responsibilities for issues of financial monitoring, HR, control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

### **Membership**

The members of the Finance and Resources Committee are:

- Roy Lockwood Chair
- Gary Butler (as a representative of the University of Wolverhampton Social Enterprise board)
- Professor M Shaw (CEO and Accounting Officer)
- Mrs M R Kidd
- Mrs C Jenkins (Resigned 28 February 2020)

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Reporting**

The Finance and Resources Committee will formally report in writing to the Board and Accounting Officer after each meeting, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Attendance at meetings in the year prior to the Covid-19 pandemic was as follows:

| <b>Trustees</b>  | <b>Meetings attended</b> | <b>Out of possible</b> |
|--|--------------------------|------------------------|
| Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board) | 4                        | 4                      |
| Mrs C Jenkins (Resigned 28 February 2020)  | 3                        | 4                      |
| Professor M Shaw (CEO and Accounting Officer)  | 4                        | 4                      |
| Mrs M R Kidd   | 2                        | 2                      |
| Mr R Lockwood  | 4                        | 4                      |

#### **Governance during COVID-19**

To ensure accountability remained robust and communication channels between Trustees and the Executive Leadership Team were maintained, the Board approved an addendum to the Scheme of Delegation: Under Articles 100 - 104 of the Trust's Articles of Association, the Board had set up Trust Committees that reported directly to the Board. Article 105 allows for this delegation to be revoked and given the COVID-19 situation, all separate Trust Committees were suspended.

It was agreed that a Key Group of the Board of Trustees would meet once a month until the beginning of the 2020/21 academic year, assuming no significant changes to the situation, when the arrangement would be reviewed.

The Key Group was made up of the Chair Elect, Vice Chair, Chairs of each of the Committees and the CEO, therefore retaining the individual expertise of each Committee. The Key Group was supported and informed by the Executive Leadership Team as per usual procedures.

Attendance at meetings in the year following the Covid-19 pandemic was as follows:

| <b>Trustees</b>  | <b>Meetings attended</b> | <b>Out of possible</b> |
|--|--------------------------|------------------------|
| Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board) | 0                        | 5                      |
| Mrs D Cooper (Chair of Audit and Risk)   | 5                        | 5                      |
| Mr A Edwards (Chair of Trustees)   | 5                        | 5                      |
| Mrs M R Kidd   | 3                        | 5                      |
| Mr R Lockwood  | 4                        | 5                      |
| Michelle Shaw (CEO and Accounting Officer)   | 5                        | 5                      |

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- looking at where economies of scale can be achieved across the trust and where costs can be reduced by streamlining the use of suppliers;
- encouraging knowledge sharing amongst the academies so that the trust is aware of any potential savings to be made; and
- enhancing engagement with the University's procurement department to initiate cost savings where possible.

#### **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 University Of Wolverhampton Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

- 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 resources 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;

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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- delegation of authority and segregation of duties;
- Identification and management of risks, by UWMAT and individual academies (as presented by each LGB).

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor for the year under review, however, the board is in the process of appointing an independent company for the current year.

Internal control checks (ICC) have been carried out as routine during the financial year by members of the finance and UWMAT central team. These checks have included; bank and payroll reconciliations, orders, invoices, payments, segregation of duties, supplier checks, expenses, procurement and LGB Finance minutes. Any areas of non-compliance will be forwarded to the relevant Head teacher and LGB chair for appropriate action and reported back to Finance & Resources Committee.

#### **Review of effectiveness**

As accounting officer the Chief Executive 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 executive managers within the academy trust who support the reviewer in the development and maintenance of the internal control framework
- The financial management and governance self-assessment (FMGS) process
- The work of the external auditor

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Risk, Audit, Compliance Committee, Executive Managers, FMGS and Finance and Resources Committee and a plan to address weaknesses, if presented and ensure continuous Improvement of the system is in place.

Approved by order of the board of trustees on 18 January 2021 and signed on its behalf by:



Mr A Edwards

**Chair of the Trust Board**



Professor M Shaw

**CEO and Accounting Officer**

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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As accounting officer of University of Wolverhampton Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Professor M Shaw  
Accounting Officer

18 January 2021

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees (who are also the directors of University of Wolverhampton Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education & 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2018 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 18 January 2021 and signed on its behalf by:



**Mr A Edwards  
Chair of the Trust Board**

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinion**

We have audited the financial statements of University of Wolverhampton Multi Academy Trust ("the charitable company") for the year ended 31 August 2020 which comprise the balance sheet, statement of financial activities including income and expenditure accounts, statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2019 to 2020* issued by the Education and Skills Funding Agency.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Other information**

The trustees are responsible for the other information, which comprises the Trustees report, Governance Report and the Directors' Report for the financial year. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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;

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 4, the trustees (who are the directors of the charitable company 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF  
WOLVERHAMPTON MULTI ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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



**Mark Dawson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
29 January 2021

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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In accordance with the terms of our engagement letter dated 4<sup>th</sup> June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University of Wolverhampton Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to University of Wolverhampton Multi Academy Trust (the Academy Trust) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the 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 the Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaire completed by the Accounting Officer on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2019;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Annex B of the Academies Accounts Direction 2019 to 2020.

### **Conclusion**

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



**Mark Dawson**  
Reporting Accountant  
For and on behalf of KPMG LLP  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
29 January 2021

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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|  | Notes | Unrestricted<br>Funds<br>£000 | Restricted funds:<br>General<br>£000 | Fixed asset<br>£000 | Total<br>2020<br>£000 | Total<br>2019<br>£000 |
|--|-------|-------------------------------|--------------------------------------|---------------------|-----------------------|-----------------------|
| <b>Income and endowments from:</b>                                     |       |                               |                                      |                     |                       |                       |
| Donations and capital grants   | 3     | 2                             | 22                                   | 691                 | 715                   | 832                   |
| <b>Charitable activities:</b>  |       |                               |                                      |                     |                       |                       |
| - Funding for educational operations                                   | 4     | 119                           | 28,137                               | -                   | 28,256                | 28,924                |
| Other trading activities   | 5     | 470                           | 198                                  | -                   | 668                   | 1,391                 |
| Investments  | 6     | 4                             | -                                    | -                   | 4                     | 11                    |
| <b>Total</b>   |       | <b>595</b>                    | <b>28,357</b>                        | <b>691</b>          | <b>29,643</b>         | <b>31,158</b>         |
| <b>Expenditure on:</b>   |       |                               |                                      |                     |                       |                       |
| Raising funds  | 7     | 28                            | -                                    | -                   | 28                    | 43                    |
| <b>Charitable activities:</b>  |       |                               |                                      |                     |                       |                       |
| - Educational operations   | 9     | 332                           | 31,122                               | 725                 | 32,179                | 31,291                |
| Charitable expenditure - transfer of existing academy out of the trust |       | -                             | -                                    | -                   | -                     | 21,749                |
| <b>Total</b>   |       | <b>360</b>                    | <b>31,122</b>                        | <b>725</b>          | <b>32,207</b>         | <b>53,083</b>         |
| <b>Net income/(expenditure)</b>  |       | 235                           | (2,765)                              | (34)                | (2,564)               | (21,925)              |
| Transfers between funds  | 19    | 629                           | (710)                                | 81                  | -                     | -                     |
| <b>Other recognised gains/(losses)</b>                                 |       |                               |                                      |                     |                       |                       |
| Actuarial (losses)/gains on defined benefit pension schemes            | 21    | -                             | (3,726)                              | -                   | (3,726)               | (3,622)               |
| <b>Net movement in funds</b>   |       | <b>864</b>                    | <b>(7,201)</b>                       | <b>47</b>           | <b>(6,290)</b>        | <b>(25,547)</b>       |
| <b>Reconciliation of funds</b>   |       |                               |                                      |                     |                       |                       |
| Total funds brought forward  |       | 649                           | (21,875)                             | 70,609              | 49,383                | 74,930                |
| Total funds carried forward  |       | <b>1,513</b>                  | <b>(29,076)</b>                      | <b>70,656</b>       | <b>43,093</b>         | <b>49,383</b>         |

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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| <b>Comparative information<br/>ended 31 August 2019</b>               | <b>Notes</b> | <b>Unrestricted<br/>Funds</b> | <b>Restricted funds:</b> |                    | <b>Total<br/>2019</b> |
|---|--------------|-------------------------------|--------------------------|--------------------|-----------------------|
|   |              | <b>£000</b>                   | <b>General</b>           | <b>Fixed asset</b> | <b>£000</b>           |
| <b>Income and endowments from:</b>                                    |              |                               |                          |                    |                       |
| Donations and capital grants  | 3            | 13                            | 9                        | 810                | 832                   |
| <b>Charitable activities:</b>   |              |                               |                          |                    |                       |
| - Funding for educational operations                                  | 4            | -                             | 28,924                   | -                  | 28,924                |
| Other trading activities  | 5            | 1,000                         | 391                      | -                  | 1,391                 |
| Investments   | 6            | 11                            | -                        | -                  | 11                    |
| <b>Total</b>  |              | <b>1,024</b>                  | <b>29,324</b>            | <b>810</b>         | <b>31,158</b>         |
| <b>Expenditure on:</b>  |              |                               |                          |                    |                       |
| Raising funds   | 7            | -                             | 43                       | -                  | 43                    |
| <b>Charitable activities:</b>   |              |                               |                          |                    |                       |
| - Educational operations  | 9            | 714                           | 29,861                   | 716                | 31,291                |
| Charitable expenditure – transfer of existing<br>academy out of trust |              | -                             | (2,970)                  | 24,719             | 21,749                |
| <b>Total</b>  |              | <b>714</b>                    | <b>26,934</b>            | <b>25,435</b>      | <b>53,083</b>         |
| <b>Net income/(expenditure)</b>                                       |              | 310                           | 2,390                    | (24,625)           | (21,925)              |
| Transfers between funds   | 19           | (936)                         | 936                      | -                  | -                     |
| <b>Other recognised gains/(losses)</b>                                |              |                               |                          |                    |                       |
| Actuarial gains on defined benefit pension schemes                    | 21           | -                             | (3,622)                  | -                  | (3,622)               |
| <b>Net movement in funds</b>  |              | <b>(626)</b>                  | <b>(296)</b>             | <b>(24,625)</b>    | <b>(25,547)</b>       |
| <b>Reconciliation of funds</b>  |              |                               |                          |                    |                       |
| Total funds brought forward   |              | 1,275                         | (21,579)                 | 95,234             | 74,930                |
| Total funds carried forward   |              | 649                           | (21,875)                 | 70,609             | 49,383                |

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

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|   | Notes | 2020<br>£000 | 2020<br>£000 | 2019<br>£000 | 2019<br>£000 |
|---|-------|--------------|--------------|--------------|--------------|
| <b>Fixed assets</b>   |       |              |              |              |              |
| Tangible assets   | 13    |              | 69,170       |              | 69,227       |
| <b>Current assets</b>   |       |              |              |              |              |
| Stocks  | 14    | -            |              | 5            |              |
| Debtors   | 15    | 1,829        |              | 3,560        |              |
| Cash at bank and in hand  |       | 5,959        |              | 3,612        |              |
|   |       | <hr/>        | 7,788        | <hr/>        | 7,177        |
| <b>Current liabilities</b>  |       |              |              |              |              |
| Creditors: amounts falling due within one year                    | 16    | (3,241)      |              | (2,410)      |              |
| <b>Net current assets</b>   |       |              | 4,547        |              | 4,767        |
| <b>Total assets less current liabilities</b>                      |       |              | 73,717       |              | 73,994       |
| Creditors: amounts falling due after more than one year           | 17    |              | (88)         |              | (558)        |
| <b>Net assets before defined benefit pension scheme liability</b> |       |              | 73,629       |              | 73,436       |
| Defined benefit pension scheme liability                          | 21    |              | (30,536)     |              | (24,053)     |
| <b>Total net assets</b>   |       |              | 43,093       |              | 49,383       |
| <b>Funds of the academy trust:</b>                                |       |              |              |              |              |
| <b>Restricted funds</b>   | 19    |              |              |              |              |
| - Fixed asset funds   |       |              | 70,656       |              | 70,609       |
| - Restricted income funds   |       |              | 1,460        |              | 2,178        |
| - Pension reserve   |       |              | (30,536)     |              | (24,053)     |
| <b>Total restricted funds</b>                                     |       |              | 41,580       |              | 48,734       |
| <b>Unrestricted income funds</b>                                  | 19    |              | 1,513        |              | 649          |
| <b>Total funds</b>  |       |              | 43,093       |              | 49,383       |

The financial statements on pages 27 to 55 were approved by the trustees and authorised for issue on 18 January 2021 and are signed on their behalf by:

Mr A Edwards  
Chair of the Trust Board

Company Number 08255492

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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|   | Notes | 2020<br>£000 | 2019<br>£000 | 2019<br>£000 |
|---|-------|--------------|--------------|--------------|
| <b>Cash flows from operating activities</b>   |       |              |              |              |
| Net cash (used in)/provided by operating activities                                 | 22    | 2,791        | (3,659)      |              |
| <b>Cash flows from investing activities</b>   |       |              |              |              |
| Dividends, interest and rents from investments                                      | 4     | 4            | 11           |              |
| Capital grants from DfE Group   | 691   | 691          | 810          |              |
| Purchase of tangible fixed assets   | (668) | (668)        | (662)        |              |
| <b>Net cash provided by investing activities</b>                                    |       | 27           |              | 159          |
| <b>Cash flows from financing activities</b>   |       |              |              |              |
| New ESFA loan   | -     | -            | 558          |              |
| New Salix Loans   | 100   | 100          | -            |              |
| Repayment of Salix Loans  | (12)  | (12)         | -            |              |
| Repayment of ESFA loan  | (558) | (558)        | -            |              |
| <b>Net cash provided by/(used in) financing activities</b>                          |       | (470)        |              | 558          |
| <b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b> |       | 2,347        | (2,942)      |              |
| Cash and cash equivalents at beginning of the year                                  | 3,612 | 3,612        | 6,554        |              |
| <b>Cash and cash equivalents at end of the year</b>                                 |       | 5,959        | 3,612        |              |

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **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**

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

University of Wolverhampton Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trust receives funding from the Secretary of State for Education under the Academies Act 2010 in the form of a grant towards the normal running costs and capital expenditure of each of its Academies, based on projected student numbers. The amount of grant funding is determined annually by the Secretary of State.

The trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for 2020-21 changes arising from the Covid-19 pandemic and projected student numbers for 2021-22, the trustees are of the opinion that, taking account of severe but plausible downsides, the trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the trustees are confident that the trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### **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.

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### Grants

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

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

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

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

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### 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.

# UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### **1 Accounting policies**

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### 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.

#### **1.5 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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:

|                                 |                   |
|---------------------------------|-------------------|
| Leasehold land and buildings    | Over 125 years    |
| Leasehold building improvements | Over 25 years     |
| Furniture and equipment         | 25%-33% per annum |

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.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **1 Accounting policies**

##### **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 payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### **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 basis are as follows.

###### **Financial assets**

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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 Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

##### **1.11 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **1.12 Pensions benefits**

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 and the assets are held separately from those of the academy trust.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

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 projected unit credit method. The 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 are recognised in the period to which they relate.

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

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

The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, an estimate is used to calculate the long-term gap between RPI and CPI to derive a CPI assumption for accounting purposes. The RPI-CPI gap used this year is 2.25% (2019: 1.90%). A 0.1% change in assumption results in a change of £2.2m to the Defined Benefit Obligation, sensitivity of the obligation to the principle assumptions are outlined under critical accounting judgements.

In determining the valuation of the West Midlands Pension Fund and Staffordshire Pension Fund, a number of key assumptions have been made. The key assumptions, which are given below, are

- Discount rate;
- Inflation rate; and
- Life expectancy

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

#### **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.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies**

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

**1.14 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 balances held are disclosed in note 25.

**2 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

The 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 21, will impact the carrying amount of the pension liability. A full actuarial valuation was performed at 31 March 2020 and has been used by the actuary in valuing the pension's liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There have been no areas of critical judgement made during the period of account that will have a significant effect on the amounts recognised in the financial statements

**3 Donations and capital grants**

|                     | <b>Unrestricted<br/>funds<br/>£000</b> | <b>Restricted<br/>funds<br/>£000</b> | <b>Total<br/>2020<br/>£000</b> | <b>Total<br/>2019<br/>£000</b> |
|---------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| Private sponsorship | -                                      | (1)                                  | (1)                            | 2                              |
| Capital grants      | -                                      | 691                                  | 691                            | 810                            |
| Other donations     | 2                                      | 23                                   | 25                             | 20                             |
|                     | <hr/>                                  | <hr/>                                | <hr/>                          | <hr/>                          |
|                     | 2                                      | 713                                  | 715                            | 832                            |
|                     | <hr/>                                  | <hr/>                                | <hr/>                          | <hr/>                          |
| <b>2019 total</b>   | <b>13</b>                              | <b>819</b>                           | <b>832</b>                     |                                |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**4 Funding for the academy trust's educational operations**

|   | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>2020<br>£000 | Total<br>2019<br>£000 |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| <b>DfE / ESFA grants</b>                                    |                               |                             |                       |                       |
| General annual grant (GAG)                                  | -                             | 22,608                      | 22,608                | 23,949                |
| Pupil Premium   | -                             | 2,497                       | 2,497                 | 2,564                 |
| Other DfE group grants                                      | -                             | 1,578                       | 1,578                 | 652                   |
|   | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
|   | -                             | 26,683                      | 26,683                | 27,165                |
|   | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
| <b>Other government grants</b>                              |                               |                             |                       |                       |
| Local authority grants                                      | 1                             | 1,337                       | 1,338                 | 1,759                 |
| Coronavirus exceptional funding support                     | 8                             | -                           | 8                     | -                     |
|   | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
| Other Income from the academy trusts educational operations | 110                           | 117                         | 227                   | -                     |
|   | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
| <b>Total funding</b>  | <b>119</b>                    | <b>28,137</b>               | <b>28,256</b>         | <b>28,924</b>         |
|   | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
| <b>2019 total</b>   | <b>-</b>                      | <b>28,924</b>               | <b>28,924</b>         | <b></b>               |
|   | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |

**5 Other trading activities**

|                            | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>2020<br>£000 | Total<br>2019<br>£000 |
|----------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| <b>Hire of facilities</b>  |                               |                             |                       |                       |
| Hire of facilities         | (114)                         | -                           | (114)                 | 118                   |
| Catering income            | 243                           | -                           | 243                   | 446                   |
| Extended school activities | 133                           | -                           | 133                   | -                     |
| Music tuition              | -                             | 11                          | 11                    | 11                    |
| Parental contributions     | 2                             | 89                          | 91                    | 204                   |
| Other income               | 206                           | 98                          | 304                   | 612                   |
|                            | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
|                            | 470                           | 198                         | 668                   | 1,391                 |
|                            | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
| <b>2019 total</b>          | <b>1,000</b>                  | <b>391</b>                  | <b>1,391</b>          | <b></b>               |
|                            | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**6 Investment income**

|                     | Unrestricted<br>funds<br>£000           | Restricted<br>funds<br>£000            | Total<br>2020<br>£000                   | Total<br>2019<br>£000         |
|---------------------|---|--|---|-------------------------------|
| Short term deposits | 4<br>_____<br>_____<br>_____            | -<br>_____<br>_____<br>_____           | 4<br>_____<br>_____<br>_____            | 11<br>_____<br>_____<br>_____ |
| <b>2019 total</b>   | <b>11<br/>_____<br/>_____<br/>_____</b> | <b>-<br/>_____<br/>_____<br/>_____</b> | <b>11<br/>_____<br/>_____<br/>_____</b> |                               |

**7 Expenditure**

|                                  | Staff costs<br>£000                         | Non Pay Expenditure<br>Premises<br>£000    | Non Pay Expenditure<br>Other<br>£000       | Total<br>2020<br>£000                       | Total<br>2019<br>£000    |
|----------------------------------|---|--|--|---|--------------------------|
| Expenditure on raising funds     |   |  |  |   |                          |
| - Direct costs                   | 20  | 6  | 2  | 28  | 43                       |
| Academy's educational operations |   |  |  |   |                          |
| - Direct costs                   | 18,083                                      | 690  | 2,640                                      | 21,413                                      | 19,395                   |
| - Allocated support costs        | 4,878                                       | 1,416                                      | 4,472                                      | 10,766                                      | 11,896                   |
|                                  | _____<br>22,981<br>_____                    | _____<br>2,112<br>_____                    | _____<br>7,114<br>_____                    | _____<br>32,207<br>_____                    | _____<br>31,334<br>_____ |
| <b>2019 total</b>                | <b>23,209<br/>_____<br/>_____<br/>_____</b> | <b>2,218<br/>_____<br/>_____<br/>_____</b> | <b>5,907<br/>_____<br/>_____<br/>_____</b> | <b>31,334<br/>_____<br/>_____<br/>_____</b> |                          |

**7 Expenditure**

| Net income/(expenditure) for the year includes:   | 2020<br>£000            | 2019<br>£000            |
|---|-------------------------|-------------------------|
| Fees payable to auditor for:                      |                         |                         |
| - Audit   | 51                      | 22                      |
| - Other services                                  | 11                      | 7                       |
| Operating lease rentals                           | 81                      | 256                     |
| Depreciation of tangible fixed assets             | 725                     | 716                     |
| Net interest on defined benefit pension liability | 447                     | 498                     |
|   | _____<br>_____<br>_____ | _____<br>_____<br>_____ |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**8 Central services**

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

- human resources;
- financial services;
- legal services;
- educational support services;
- Others as arising.

The academy trust charges for these services based on a fee per contract which totalled £1,578,698 (2019: £1,827,056) for the financial year.

The actual amounts charged during the year were as follows:

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| ACE Academy                                     | -            | 86           |
| Albert Bradbeer Academy                         | 128          | 139          |
| Edgar Stammers Primary Academy                  | 103          | 115          |
| Fairway Primary Academy                         | 69           | 81           |
| Featherstone Academy                            | 59           | 70           |
| Heathlands Academy                              | 132          | 147          |
| Pye Green Academy                               | 103          | 118          |
| Reaside Primary Academy                         | 84           | 91           |
| Smestow School                                  | 315          | 328          |
| Tame Valley Primary Academy                     | 72           | 83           |
| The Orchards Primary Academy                    | 78           | 87           |
| Wednesfield High Specialist Engineering Academy | 301          | 326          |
| Woodhouse Primary Academy                       | 135          | 156          |
|   | <hr/>        | <hr/>        |
|   | 1,579        | 1,827        |
|   | <hr/>        | <hr/>        |

**9 Charitable activities**

|                        | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>2020<br>£000 | Total<br>2019<br>£000 |
|------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| <b>Direct costs</b>    |                               |                             |                       |                       |
| Educational operations | -                             | 21,413                      | 21,413                | 19,395                |
| <b>Support costs</b>   |                               |                             |                       |                       |
| Educational operations | 332                           | 10,434                      | 10,766                | 11,896                |
|                        | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
|                        | 332                           | 31,847                      | 32,179                | 31,291                |
|                        | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
| <b>2019 total</b>      | <hr/>                         | <hr/>                       | <hr/>                 | <hr/>                 |
|                        | 714                           | 30,577                      | 31,291                |                       |
|                        | <hr/>                         | <hr/>                       | <hr/>                 |                       |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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|                                  | 2020<br>£000 | 2019<br>£000 |
|----------------------------------|--------------|--------------|
| <b>Analysis of support costs</b> |              |              |
| Support staff costs              | 4,898        | 6,009        |
| Depreciation                     | 35           | 355          |
| Technology costs                 | 208          | 526          |
| Premises costs                   | 1,245        | 1,502        |
| Other support costs              | 4,273        | 2,941        |
| Governance costs                 | 107          | 474          |
|                                  | <hr/>        | <hr/>        |
|                                  | 10,766       | 11,896       |
|                                  | <hr/>        | <hr/>        |

**10 Staff**

**Staff costs**

Staff costs during the year were:

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| Wages and salaries                      | 16,113       | 16,224       |
| Social security costs                   | 1,507        | 1,503        |
| Pension costs                           | 4,263        | 4,016        |
| Apprenticeship levy                     | 66           | 75           |
|   | <hr/>        | <hr/>        |
| Staff costs                             | 21,949       | 21,818       |
| Agency staff costs                      | 767          | 1,185        |
| Staff restructuring costs               | 89           | 49           |
| Staff development and other staff costs | 176          | 157          |
|   | <hr/>        | <hr/>        |
| Total staff expenditure                 | 22,981       | 23,209       |
|   | <hr/>        | <hr/>        |

Staff restructuring costs & Operating costs of defined benefit pension scheme comprise:

|                    |     |    |
|--------------------|-----|----|
| Severance payments | 89  | 49 |
| Pension Strain     | 156 | -  |

**Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory non contractual severance payments totalling £88,369 (2019:£48,553). Individually, the payments were £12,870, £5,845, £16,089, £7,376, £6,820, £21,669, £8,553 & £1,096.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Staff numbers**

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

|                            | <b>2020</b><br><b>Number</b> | <b>2019</b><br><b>Number</b> |
|----------------------------|------------------------------|------------------------------|
| Teachers                   | 209                          | 271                          |
| Administration and support | 380                          | 412                          |
| Management                 | 61                           | 42                           |
|                            | <hr/>                        | <hr/>                        |
|                            | 650                          | 725                          |
|                            | <hr/>                        | <hr/>                        |

**10 Staff**

**Higher paid staff**

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

|                     | <b>2020</b><br><b>Number</b> | <b>2019</b><br><b>Number</b> |
|---------------------|------------------------------|------------------------------|
| £60,001 - £70,000   | 8                            | 12                           |
| £70,001 - £80,000   | 7                            | 2                            |
| £80,001 - £90,000   | 1                            | 1                            |
| £110,001 - £120,000 | 1                            | 2                            |
|                     | <hr/>                        | <hr/>                        |

**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) received by key management personnel for their services to the academy trust was £410,402 (2019: £515,163).

**11 Trustees' remuneration and expenses**

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment, and not in respect of their services as trustees.

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

1. Remuneration £0 (2019: £30,000 - £35,000)

**12 Trustees and officers insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of insurance.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**13 Tangible fixed assets**

|                       | Leasehold<br>land and<br>buildings<br>£000 | Furniture<br>and<br>equipment<br>£000 | Motor<br>vehicles<br>£000 | Total<br>£000 |
|-----------------------|--|---------------------------------------|---------------------------|---------------|
| <b>Cost</b>           |  |                                       |                           |               |
| At 1 September 2019   | 72,120                                     | 2,658                                 | 17                        | 74,795        |
| Additions             | 517  | 151                                   | -                         | 668           |
| At 31 August 2020     | 72,637                                     | 2,695                                 | 17                        | 75,463        |
| <b>Depreciation</b>   |  |                                       |                           |               |
| At 1 September 2019   | 3,012                                      | 2,539                                 | 17                        | 5,568         |
| Charge for the year   | 607  | 118                                   | -                         | 725           |
| At 31 August 2020     | 3,619                                      | 2,658                                 | 17                        | 6,293         |
| <b>Net book value</b> |  |                                       |                           |               |
| At 31 August 2020     | 69,018                                     | 152                                   | -                         | 69,170        |
| At 31 August 2019     | 69,108                                     | 119                                   | -                         | 69,227        |

The academy trust continues to occupy the premises which were previously occupied by the predecessor schools on a long term basis, and are held under 125 year leases. The legal owners are the local authorities associated with each academy.

**14 Stocks**

2020  
£000

|               |   |   |
|---------------|---|---|
| Stock on hand | - | 5 |
|---------------|---|---|

**15 Debtors**

2020  
£000

|                                |       |       |
|--------------------------------|-------|-------|
| Trade debtors                  | 185   | 196   |
| VAT recoverable                | 747   | 2,273 |
| Other debtors                  | 1     | 254   |
| Prepayments and accrued income | 896   | 837   |
|                                | <hr/> | <hr/> |
|                                | 1,829 | 3,560 |
|                                | <hr/> | <hr/> |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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|   | 2020<br>£000         | 2019<br>£000         |
|---|----------------------|----------------------|
| <b>16 Creditors: amounts falling due within one year</b>  | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
| Other loans   | 12                   | -                    |
| Trade creditors   | 621                  | 324                  |
| Other taxation and social security  | 376                  | 356                  |
| Other creditors   | 752                  | 391                  |
| Accruals and deferred income  | 1,480                | 1,339                |
|   | 3,241                | 2,410                |
|   | 3,241                | 2,410                |
| <b>17 Creditors: amounts falling due after more than one year</b>   | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
| Other loans   | 88                   | 558                  |
|   | 88                   | 558                  |
| <b>Analysis of loans</b>  |                      |                      |
| Wholly repayable within five years  | 100                  | 558                  |
| Less: included in current liabilities   | (12)                 | -                    |
|   | (12)                 | -                    |
| Amounts included above  | 88                   | 558                  |
|   | 88                   | 558                  |
| <b>Loan maturity</b>  |                      |                      |
| The loans of £100,000 (2019: £558,000) within the academy trust at the year-end were received from Salix in relation to lighting projects within the academies and are due to be repaid over 5 years. |                      |                      |
| The ESFA loan outstanding at the end of 2019 for £558,000 was repaid in full and in advance by the Trust, during the 2019-20 academic year.   |                      |                      |
| <b>18 Deferred income</b>   | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
| Deferred income is included within:   |                      |                      |
| Creditors due within one year   | 308                  | 229                  |
|   | 308                  | 229                  |
| Deferred income at 1 September 2019   | 229                  | 286                  |
| Released from previous years  | (229)                | (286)                |
| Resources deferred in the year  | 308                  | 229                  |
|   | 308                  | 229                  |
| <b>Deferred income at 31 August 2020</b>  | <b>308</b>           | <b>229</b>           |

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, Sports Grant, Trip income, Rates relief, After School Club and LAC/SEN funding for 2020/21.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**19 Funds**

|                                     | Balance at<br>1 September |                |                     | Gains,<br>losses and<br>transfers | Balance at<br>31 August |
|-------------------------------------|---------------------------|----------------|---------------------|-----------------------------------|-------------------------|
|                                     | 2019<br>£000              | Income<br>£000 | Expenditure<br>£000 | £000                              | 2020<br>£000            |
| <b>Restricted general funds</b>     |                           |                |                     |                                   |                         |
| General Annual Grant (GAG)          | 196                       | 22,608         | (23,258)            | 1,157                             | 703                     |
| Other DfE / ESFA grants             | 827                       | 4,075          | (3,667)             | (772)                             | 463                     |
| Other government grants             | 936                       | 1,454          | (1,256)             | (934)                             | 200                     |
| Other restricted funds              | 219                       | 220            | (184)               | (161)                             | 94                      |
| Pension reserve                     | (24,053)                  | -              | (2,757)             | (3,726)                           | (30,536)                |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |
|                                     | (21,875)                  | 28,357         | (31,122)            | (4,436)                           | (29,075)                |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |
| <b>Restricted fixed asset funds</b> |                           |                |                     |                                   |                         |
| Inherited on conversion             | 61,739                    | -              | (522)               | -                                 | 61,217                  |
| DfE group capital grants            | 2,969                     | 691            | (139)               | (60)                              | 3,461                   |
| Capital expenditure from GAG        | 747                       | -              | (23)                | 34                                | 755                     |
| SALIX                               | -                         | -              | (3)                 | 107                               | 107                     |
| Private sector capital sponsorship  | 5,154                     | -              | (38)                | -                                 | 5116                    |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |
|                                     | 70,609                    | 691            | (725)               | 81                                | 70,656                  |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |
| <b>Total restricted funds</b>       | <b>48,734</b>             | <b>29,048</b>  | <b>(31,847)</b>     | <b>(4,355)</b>                    | <b>41,580</b>           |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |
| <b>Unrestricted funds</b>           |                           |                |                     |                                   |                         |
| General funds                       | 649                       | 595            | (360)               | 629                               | 1,513                   |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |
| <b>Total funds</b>                  | <b>49,383</b>             | <b>29,643</b>  | <b>(32,207)</b>     | <b>(3,726)</b>                    | <b>43,093</b>           |
|                                     | <hr/>                     | <hr/>          | <hr/>               | <hr/>                             | <hr/>                   |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**19 Funds**

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

General Annual Grant

The general annual grant must be used for the normal running costs of the academies in the academy trust. There are no restrictions on the allowable balance for carry forward, but the academy trust bears due regard to the guidelines set out by the Charity Commission.

The academy trust funding agreement for 31 August 2020 contained no limits on the amount of the general annual grant that is permitted to be carried forward from one year to the next.

Other DfE/ESFA Grants

During the year, the academy trust received additional grants from the ESFA which were for the purposes of improving the provision of education for pupils from disadvantaged backgrounds who attend the academies within the academy trust. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.

Pension Reserve

The restricted pension reserve represents the deficit on the academy trust's share of the Local Government Pension Scheme as at 31 August 2020.

Other Government Grants

During the year, the academy trust received other grants from the LEA and other bodies. Where grants were received with specific conditions attached, the expenditure on such grants was controlled and properly used.

Other restricted reserves

During the year, the academy trust received other income with specific conditions attached. The expenditure on such income was controlled and properly used.

Restricted fixed asset funds

During the year, the academy trust received capital grants from the ESFA of £691,000 (2019: £810,000) which represents School Condition Allocation and Devolved Formula Capital.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**19 Funds**

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

|                                     | Balance at<br>1 September<br>2018<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses and<br>transfers<br>£000 | Balance at<br>31 August<br>2019<br>£000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| <b>Restricted general funds</b>     |   |                |                     |   |   |
| General Annual Grant (GAG)          | 434                                       | 23,949         | (25,567)            | 1,380                                     | 196                                     |
| Other DfE / ESFA grants             | 31  | 3,216          | (2,066)             | (354)                                     | 827                                     |
| Other government grants             | 82  | 1,759          | (887)               | (18)                                      | 936                                     |
| Other restricted funds              | 2   | 400            | (111)               | (72)                                      | 219                                     |
| Pension reserve                     | (22,128)                                  | -              | 1,697               | (3,622)                                   | (24,053)                                |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |
|                                     | (21,579)                                  | 29,324         | (26,934)            | (2,686)                                   | (21,875)                                |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |
| <b>Restricted fixed asset funds</b> |   |                |                     |   |   |
| Transfer on conversion              | 86,414                                    | -              | (24,674)            | -   | 61,740                                  |
| DfE group capital grants            | 2,912                                     | 810            | (753)               | -   | 2,969                                   |
| Capital expenditure from GAG        | 755                                       | -              | (8)                 | -   | 747                                     |
| Private sector capital sponsorship  | 5,153                                     | -              | -                   | -   | 5,153                                   |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |
|                                     | 95,234                                    | 810            | (25,435)            | -   | 70,609                                  |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |
| <b>Total restricted funds</b>       | <b>73,655</b>                             | <b>30,134</b>  | <b>(52,369)</b>     | <b>(2,686)</b>                            | <b>48,734</b>                           |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |
| <b>Unrestricted funds</b>           |   |                |                     |   |   |
| General funds                       | 1,275                                     | 1,024          | (714)               | (936)                                     | 649                                     |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |
| <b>Total funds</b>                  | <b>74,930</b>                             | <b>31,158</b>  | <b>(53,083)</b>     | <b>(3,622)</b>                            | <b>49,383</b>                           |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                                     | <hr/>                                   |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**19 Funds**

**Total funds analysis by academy**

|  | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | £'000       | £'000       |
| Fund balances at 31 August 2020 were allocated as follows: |             |             |
| ACE Academy  | -           | -           |
| Albert Bradbeer Primary Academy                            | 12          | 15          |
| Edgar Stammers Primary Academy                             | (11)        | (1)         |
| Fairway Primary Academy                                    | 8           | 50          |
| Featherstone Academy                                       | 18          | 93          |
| Heathlands Primary Academy                                 | 476         | 489         |
| The Orchards Primary Academy                               | 248         | 189         |
| Pye Green Academy  | 400         | 428         |
| Reaside Academy  | 261         | 266         |
| Smestow School   | -           | (621)       |
| Tame Valley Academy  | 678         | 620         |
| Wednesfield High Specialist Engineering Academy            | 342         | 119         |
| Woodhouse Primary Academy                                  | 305         | 364         |
| Central services   | 237         | 819         |
| <br>Total before fixed assets fund and pension reserve     | <br>2,973   | <br>2,830   |
| Restricted fixed asset fund                                | 70,656      | 70,609      |
| Pension reserve  | (30,536)    | (24,053)    |
| <br>Total funds  | <br>43,093  | <br>49,383  |

Edgar Stammers Primary is carrying a net deficit of £11k on these funds:

The trust is working closely with the academy to ensure that a suitable staffing structure is in place and that budgets are produced and maintained to support the academy to recoup the losses incurred.

Work is currently on going through Challenge and Support meetings with the Head teacher and the Executive Leadership team to support the academy.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**19 Funds**

**Total cost analysis by academy**

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

|   | Teaching<br>educational<br>support | Other<br>staff costs | Other<br>Educational<br>supplies | Other costs<br>excluding<br>depreciation | Total<br>2020<br>£000 | Total<br>2019<br>£000 |
|---|------------------------------------|----------------------|----------------------------------|--|-----------------------|-----------------------|
|   | £000                               | £000                 | £000                             | £000                                     | £000                  | £000                  |
| The Ace Academy                                       | -                                  | -                    | -                                | -  | -                     | 1,343                 |
| Albert Bradbeer Primary<br>Academy                    | 1,498                              | 674                  | 72                               | 318                                      | 2,562                 | 2,352                 |
| Edgar Stammers Primary<br>Academy                     | 1,355                              | 575                  | 99                               | 258                                      | 2,287                 | 1,764                 |
| Fairway Primary Academy                               | 755                                | 360                  | 71                               | 145                                      | 1,331                 | 1,166                 |
| Featherstone Academy                                  | 808                                | 341                  | 118                              | 155                                      | 1,422                 | 1,134                 |
| Heathlands Primary<br>Academy                         | 1,581                              | 629                  | 100                              | 301                                      | 2,611                 | 2,303                 |
| The Orchards Primary<br>Academy                       | 815                                | 351                  | 107                              | 176                                      | 1,449                 | 1,293                 |
| Pye Green Academy                                     | 1,347                              | 306                  | 98                               | 240                                      | 1,991                 | 1,804                 |
| Reaside Academy                                       | 886                                | 267                  | 137                              | 214                                      | 1,504                 | 1,377                 |
| Smestow School  | 3,294                              | 1,092                | 572                              | 449                                      | 5,407                 | 5,044                 |
| Tame Valley Academy                                   | 828                                | 275                  | 103                              | 192                                      | 1,398                 | 1,167                 |
| Wednesfield High<br>Specialist Engineering<br>Academy | 2,769                              | 1,002                | 294                              | 745                                      | 4,810                 | 4,390                 |
| Woodhouse Primary<br>Academy                          | 1,820                              | 886                  | 130                              | 183                                      | 3,019                 | 2,539                 |
| Central services                                      | 140                                | 844                  | 310                              | 397                                      | 1,691                 | 1,814                 |
|   | <b>17,896</b>                      | <b>7,602</b>         | <b>2,211</b>                     | <b>3,773</b>                             | <b>31,482</b>         | <b>29,490</b>         |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**20 Analysis of net assets between funds**

|  | Unrestricted<br>Funds<br>£000 | Restricted funds: |                     | Total<br>Funds<br>£000 |
|--|-------------------------------|-------------------|---------------------|------------------------|
|  |                               | General<br>£000   | Fixed asset<br>£000 |                        |
| <b>Fund balances at 31 August 2020 are represented by:</b> |                               |                   |                     |                        |
| Tangible fixed assets                                      | -                             | -                 | 69,170              | 69,170                 |
| Current assets   | 1,513                         | 4,789             | 1,486               | 7,788                  |
| Creditors falling due within one year                      | -                             | (3,241)           | -                   | (3,241)                |
| Creditors falling due after one year                       | -                             | (88)              | -                   | (88)                   |
| Defined benefit pension liability                          | -                             | (30,536)          | -                   | (30,536)               |
| <b>Total net assets</b>                                    | <b>1,513</b>                  | <b>(29,076)</b>   | <b>70,656</b>       | <b>43,093</b>          |

**20 Analysis of net assets between funds**

|  | Unrestricted<br>Funds<br>£000 | Restricted funds: |                     | Total<br>Funds<br>£000 |
|--|-------------------------------|-------------------|---------------------|------------------------|
|  |                               | General<br>£000   | Fixed asset<br>£000 |                        |
| <b>Fund balances at 31 August 2019 are represented by:</b> |                               |                   |                     |                        |
| Tangible fixed assets                                      | -                             | -                 | 69,227              | 69,227                 |
| Current assets   | 454                           | 5,341             | 1,382               | 7,177                  |
| Creditors falling due within one year                      | 195                           | (2,605)           | -                   | (2,410)                |
| Creditors falling due after one year                       | -                             | (558)             | -                   | (558)                  |
| Defined benefit pension liability                          | -                             | (24,053)          | -                   | (24,053)               |
| <b>Total net assets</b>                                    | <b>649</b>                    | <b>(21,875)</b>   | <b>70,609</b>       | <b>49,383</b>          |

**21 Pension and similar obligations**

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 WM Pension Fund and Staffordshire Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £756,969 (2019: £317,578) were payable to the schemes at 31 August 2020 and are included within creditors.

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **21 Pension and similar obligations**

##### **Teachers' Pension Scheme**

###### **Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### **THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers are paying an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

###### **Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2019, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2020, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**21 Pension and similar obligations**

case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £2,026,698 (2019: £1,540,780).

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.4% to 27.1% for employers and 2.75% to 12.5% for employees.

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

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.

| <b>Total contributions made</b> | <b>2020</b> | <b>2019</b> |
|---------------------------------|-------------|-------------|
|                                 | <b>£000</b> | <b>£000</b> |
| Employer's contributions        | 1,593       | 1,705       |
| Employees' contributions        | 342         | 335         |
| <hr/>                           | <hr/>       | <hr/>       |
| Total contributions             | 1,935       | 2,040       |
| <hr/>                           | <hr/>       | <hr/>       |

| <b>Principal actuarial assumptions</b>             | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>%</b>    | <b>%</b>    |
| <b>West Midlands</b>                               |             |             |
| Rate of increase in salaries                       | 3.26        | 3.65        |
| Rate of increase for pensions in payment/inflation | 2.26        | 2.15        |
| Discount rate for scheme liabilities               | 1.60        | 3.65        |
| Inflation assumption (CPI)                         | 2.25        | 1.90        |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Staffordshire**

|  |      |      |
|--|------|------|
| Rate of increase in salaries                       | 2.65 | 2.70 |
| Rate of increase for pensions in payment/inflation | 2.25 | 2.30 |
| Discount rate for scheme liabilities               | 1.70 | 1.90 |
| Inflation assumption (CPI)                         | 2.25 | 2.30 |

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

|                      | 2020<br>Years | 2019<br>Years |
|----------------------|---------------|---------------|
| <b>West Midlands</b> |               |               |
| Retiring today       |               |               |
| - Males              | 21.9          | 20.9          |
| - Females            | 24.1          | 23.2          |
| Retiring in 20 years |               |               |
| - Males              | 23.8          | 22.6          |
| - Females            | 26.0          | 25.1          |
| <b>Staffordshire</b> |               |               |
| Retiring today       |               |               |
| - Males              | 21.2          | 21.1          |
| - Females            | 23.6          | 23.5          |
| Retiring in 20 years |               |               |
| - Males              | 22.1          | 22.2          |
| - Females            | 25.0          | 24.8          |

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | 2020<br>£000 | 2019<br>£000 |
|-------------------------------|--------------|--------------|
| <b>West Midlands</b>          |              |              |
| Discount rate + 0.1%          | 2,512        | 759          |
| Discount rate - 0.1%          | 2,668        | (777)        |
| Mortality assumption + 1 year | 2,691        | (1,226)      |
| Mortality assumption - 1 year | 2,493        | 1,181        |
| <b>Staffordshire</b>          |              |              |
| Discount rate -0.5%           | 478          | 745          |
| Salary increase rate +0.5%    | 58           | 237          |
| Pension increase rate +0.5%   | 411          | 485          |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The effect of the change on assets, liabilities, income and expense for the current period due to changes in CPI is £2.2m

| <b>The academy trust's share of the assets in the scheme</b> | <b>2020</b>                | <b>2019</b>                |
|--|----------------------------|----------------------------|
|  | <b>Fair value<br/>£000</b> | <b>Fair value<br/>£000</b> |
| Equities   | 9,596                      | 8,003                      |
| Bonds  | 2,560                      | 1,902                      |
| Cash   | 1,052                      | 440                        |
| Property   | 1,259                      | 1,063                      |
| Other assets   | 2,187                      | 1,654                      |
| <hr/>  | <hr/>                      | <hr/>                      |
| Total market value of assets                                 | 16,654                     | 13,062                     |
| <hr/>  | <hr/>                      | <hr/>                      |

The actual return on scheme assets was £1,150,000 (2019: £737,000) excluding Staffordshire LGPS.

| <b>Amount recognised in the Statement of Financial Activities</b> | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£000</b> | <b>£000</b> |
| Current service cost  | 2,310       | 1,937       |
| Past service cost   | -           | 399         |
| Interest income   | (253)       | (301)       |
| Interest cost   | 700         | 799         |
| <hr/>   | <hr/>       | <hr/>       |
| Total operating charge  | 2,757       | 2,834       |
| <hr/>   | <hr/>       | <hr/>       |

**21 Pension and similar obligations**

| <b>Changes in the present value of defined benefit obligations</b> | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| At 1 September 2019  | 37,115      | 34,965      |
| Transferred out on existing academies leaving the academy trust    | -           | (5,111)     |
| Current service cost   | 2,310       | 1,937       |
| Interest cost  | 700         | 799         |
| Employee contributions   | 3,662       | 335         |
| Actuarial loss   | 3,440       | 4,058       |
| Benefits paid  | (29)        | (267)       |
| Past service cost  | -           | 399         |
| <hr/>  | <hr/>       | <hr/>       |
| At 31 August 2020  | 47,198      | 37,115      |
| <hr/>  | <hr/>       | <hr/>       |

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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| Changes in the fair value of the academy trust's share of scheme assets  | 2020<br>£000                 | 2019<br>£000                 |
|--|------------------------------|------------------------------|
| At 1 September 2019  | 13,062                       | 12,837                       |
| Transferred out on existing academies leaving the academy trust  | -                            | (2,285)                      |
| Interest income  | 261                          | 301                          |
| Actuarial gain   | 1,593                        | 436                          |
| Employer contributions   | 1,433                        | 1,705                        |
| Employee contributions   | 342                          | 335                          |
| Benefits paid  | (29)                         | (267)                        |
| <br>At 31 August 2020  | <br>16,662                   | <br>13,062                   |
| <br><b>22 Reconciliation of net expenditure to net cash flow from operating activities</b>                                   | <br><br><b>2020<br/>£000</b> | <br><br><b>2019<br/>£000</b> |
| Net expenditure for the reporting period (as per the Statement of Financial Activities)                                      | (2,564)                      | (21,925)                     |
| <br>Adjusted for:  |                              |                              |
| Capital grants from DfE/ESFA and other capital income  | (691)                        | (810)                        |
| Investment income receivable   | (4)                          | (11)                         |
| Defined benefit pension costs less contributions payable   | 2,316                        | 631                          |
| Defined benefit pension net finance cost   | 447                          | 498                          |
| Depreciation of tangible fixed assets  | 725                          | 716                          |
| Transfer of academy out of trust   | -                            | 21,749                       |
| (Increase)/decrease in debtors   | 1,731                        | (1,828)                      |
| (Decrease)/increase in creditors   | 831                          | (2,679)                      |
| <br><b>Net cash (used in)/provided by operating activities</b>   | <br><br><b>2,791</b>         | <br><br><b>(3,659)</b>       |
| <br><b>23 Commitments under operating leases</b>   |                              |                              |
| At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was: |                              |                              |
|  | 2020<br>£000                 | 2019<br>£000                 |
| Amounts due within one year  | 99                           | 72                           |
| Amounts due in two and five years  | 205                          | 132                          |
| <br>   | <br><br><b>304</b>           | <br><br><b>204</b>           |

# **UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **24 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 AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The academy trust has a close relationship with the University of Wolverhampton (UOW) and the University of Wolverhampton Social Enterprise (UOWSE). Certain costs incurred by the academy trust were recharged from either UOW or UOWSE, as the purchasing power and economies of scale achievable by these organisations provided the academy trust with best value. During the financial period, the academy trust was recharged costs of £228,205 (2019: £424,232) from UOW and £53,960 (2019: £366,451) from UOWSE. These costs were recharged to the academy trust at cost.

Where the academy trust made purchases from related parties these were at arm's length.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

### **25 Members' liability**

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

### **26 Agency arrangements**

The academy trust distributed 16-19 bursary funds to students as an agent of the ESFA. In the accounting period the trust received £23,302 (2019: £27,328) and disbursed £8,634 (2019: £20,234) from the fund. Included within restricted reserves is an amount of £48,423 (2019: £33,755) at the end of the accounting period which were funds still due to students.