

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 2021**



UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 15
Governance statement	16 - 19
Statement on regularity, propriety and compliance	20
Statement of trustees' responsibilities	21
Independent auditor's report on the accounts	22 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the financial statements including accounting policies	32 - 56

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Professor G Layer
Dr A Hopkins
Professor N Karodia

Trustees

Mrs D Cooper
Mr A Edwards (Chair of the Trust Board)
Mr S Farrant
Mrs E Gaffney
Mr M Jones
Mrs L Martin
Professor M Shaw (CEO and Accounting Officer)

Senior management team

- CEO and Accounting Officer	Professor M Shaw
- Chief Finance and Operations Officer	Mr P Scott
- Executive Head Teacher	Mr C Jones (Resigned 17 November 2021)
- Executive Head Teacher	Mr C Chambers
- Executive Head Teacher	Mrs C Nock
- Director of Human Resources	Mrs S Malhotra
- Director of Training and Development	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 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1st September 2020 to 31st August 2021. 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 4649 in the school census on October 2020.

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 at the date these accounts are approved are included in the References and Administration Details on Page 1.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Trustees' Report on Page 3.

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)

Dr Alexandra Hopkins

Professor N Karodia (Appointed 25th November 2019)

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees are:

Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board) (Resigned 12 August 2021)

Mrs D Cooper (Appointed 11 November 2019)

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

Mr S Farrant (Appointed 1 November 2021)

Mrs E Gaffney (Appointed 9 November 2020)

Mr M Jones (Appointed 1 November 2021)

Mrs M R Kidd (Resigned 1st November 2021)

Mrs G Lahiri (Resigned 1st November 2021)

Mr R Lockwood (Vice Chair to the Trust Board) (Resigned 8 July 2021)

Mrs L Martin (Appointed 1 November 2021)

Mr Mike Rickhuss (Resigned 31 August 2021)

Professor M Shaw (CEO and Accounting Officer)

Mrs S Wedgwood (Resigned 25 February 2021)

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 Chairperson 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 2021

Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees depends on their existing experience ascertained through a skills audit. New trustees are appointed according to the level of expertise which meets the requirements of the academy trust. Training is available through the National Governors Association and The Key for School Governors on legal, financial and educational matters. All Trustees receive safeguarding training annually.

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 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 2021

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 the 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.

A review of the Local Governing Body Structure and role was undertaken during the 2020-21 academic year, taking into account effectiveness and legal responsibilities as per the Academies Trust Handbook. It was agreed at Trust Board that a revised model comprising of Trust Local Academy Committees (TLACs) would be set up to reflect the adopted Hub model across the Trust for the 2021/22 academic year. The Scheme of Delegation has also been reviewed to accommodate this change.

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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

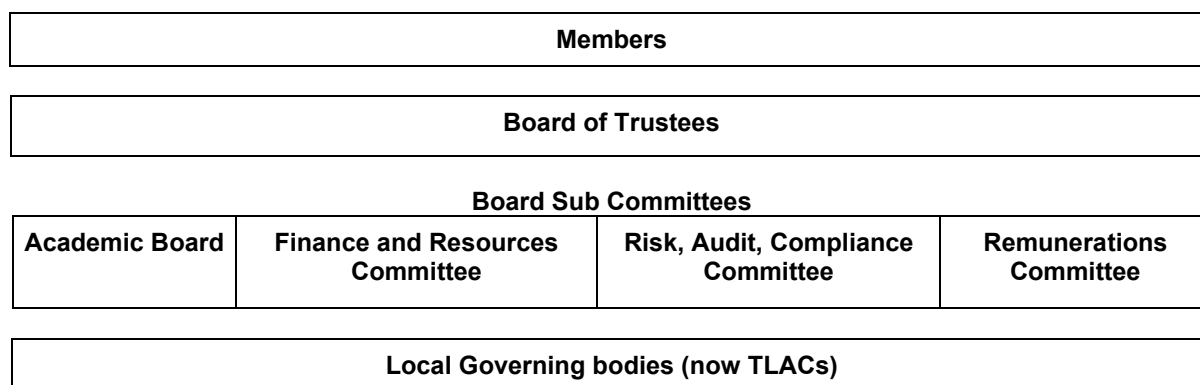
Chief Financial & Operations Officer (CFO)

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.

Academy Headteacher/ Head of Schools

The academy head teacher/ heads of School are 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 Regulatory Board and codified in the 'School Teachers Pay and Conditions' document. 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 for teaching staff are dependent upon the successful completion of the previous years' appraisal cycle and are 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 body 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' appraisal cycle with a sample quality assured by an external adviser. 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' appraisal 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 2021

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	10.11 FTE

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	10
1%-50%	1
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£20,848
Provide the total pay bill	£20,727,663
Provide the percentage of total pay bill spent on facility time, calculated as; (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; (Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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. Networks for specialist areas such as Safeguarding and Business Managers were also held termly and where information was required to be 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. 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. Objectives set as part of the appraisal 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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

The Trustees in setting objectives and planning Trust activities have carefully considered the Charity Commission's general guidance on public benefit.

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.

Strategic report

Achievements and performance

The UWMAT 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 2021

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 2020/21 (%) (National Average = 27.7%)	Date of last Ofsted	Ofsted Grade	Trend (improvement or decline in grading from previous inspection to last inspection)
Reaside	72%	1st November 2016	Good	Improved
Tame Valley	79%	27th November 2018	Good	Maintained
Edgar Stammers Primary	68%	12th March 2019	Requires Improvement	Improved
Albert Bradbeer Primary	68%	9th October 2019	Good	Improved
The Orchards Primary	50%	13th March 2019	Good	Maintained
Heathlands Primary	50%	25th September 2019	Requires Improvement	Maintained
Woodhouse Primary	48%	3rd December 2019	Good	Maintained
Wednesfield High	39%	4 th December 2018	Requires Improvement	Improved
Fairway Primary	40%	5th February 2019	Good	Maintained
Smestow School	42%	15 th May 2019	Requires Improvement	Maintained
Featherstone	26%	20th June 2017	Good	Maintained
Pye Green	26%	12th September 2017	Good	Maintained

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic Performance Report - Primary

Pupil Performance

A 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 2020/21.

Primary provision has remained strong throughout the last Academic Year despite the challenges faced. Remote learning was high quality with a particular focus on ensuring that disadvantaged pupils did not fall behind. Whilst we ensured that pupils were offered a broad and balanced curriculum, pupils' development in phonics, reading, writing and maths were closely monitored with interventions and catch up programmes being implemented quickly where there were areas for concern.

Good provision is supported by outcomes. Externally provided assessments demonstrate that children continue to make positive progress. 75% of Trust pupils at the end of Year 1 passed a previously set Phonics Screening Test. Over 80% of current Year 2 pupils are predicted to pass the test at the end of Autumn Term.

All our Primary Academies took part in the non - compulsory Year 4 times tables test and outcomes were strong. Using the previous National Averages as a benchmark this year;

Trust Average Score at the end of the Academic Year was 20.8 which is in top 25% of school's nationally

- 9/10 Academies had an average score of above 18.5 which is in the top 50% of all schools.
- 41% of Trust pupils scored 25/25. This would place us in the top 10% Nationally

All Primary Academies used a previous paper to support teacher assessments at the end of Key Stage 2. 66% of Year 6 pupils were able to achieve the expected standard in reading, writing and maths which was above the last published National Average.

Heathlands had an Ofsted remote learning inspection and a Section 8 monitoring visit. Both concluded that leaders were taking effective action towards the Academy achieving an overall 'good' judgement.

The curriculum has evolved during the Pandemic and some of the good practice which has come as a result of remote learning has continued. 'Takeover Wednesdays' are now hugely popular with all the children. This is when one of our Primary Academies leads the learning for the others on a theme of their choice. Children continue to be provided with an extensive range of activities beyond the school day.

We have been able to continue to develop our Primary sites including building a new Early Years outdoor provision at Fairway, completely replacing all the toilets at Edgar Stammers and supporting with the development of an Information Hub at Albert Bradbeer. We have significantly invested in all of our Primary Libraries to ensure that our Academies have libraries that are richly resourced.

Strategic Performance Report - Secondary

Despite Covid, both Secondary Academies have remained open consistently and been able to provide high quality remote learning as required. This was praised by Ofsted. The summer examination series was also disrupted and both academies submitted teacher assessed grades.

Key Stage 4 performance was in line with predictions at Smestow Academy with an improvement in the numbers of pupils attaining 4+ and 5+ in English and Maths. Progress 8 improved for disadvantaged pupils. In Key Stage 5 the A level average points score improved. There was a slight fall in the average points score for applied subjects. Disadvantaged students outperformed other students.

At Wednesfield Academy Progress 8 score was improved, as was the number of pupils attaining 4+ and 5+ English and Maths. In Key Stage 5 the A level and Applied General average points scores improved. Disadvantaged students outperformed other students.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Both academies have continued to have OFSTED monitoring visits. All of these have been positive and have concluded that leaders are taking effective action towards the academies obtaining a 'Good' judgment.

Pupils at both academies take part in an extensive range of enrichment activities ranging from archery to crochet. Over 50% of all pupils are engaged in at least one enrichment activity.

Pupils at both schools continue to engage in activities that enrich the curriculum. For example at Smestow Academy pupils discussed British Values and the life of a Peer with Professor Lord Norton of Louth. At Wednesfield Academy pupils engaged with Olympians and local councillors.

Investment has continued at both academies. At Smestow a new reception, library, pupil toilets and general refurbishment has taken place. At Wednesfield a new dining hall has been added.

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 financial impact to the Trust during 2020/21 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 and 2021/22 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 £38,301,000 of which £27,343,000 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 £10,958,000.

Expenditure

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £32,821,000 with the largest element of this expenditure being attributed to staff costs totalling £22,982,000 for the period. Net Income for the period was £5,480,000.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021, showing a net deficit of £34,920,000.

As at 31 August 2021, the net book value of fixed assets was £74,095,000 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 Academy Trust 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 (2020/21 £1,163,000) has been achieved this year. Revenue reserves have increased from £2,973,000 to £4,484,850 within the year. Financial performance is regularly monitored at a local level and Trust by the Central Team and Trustees.

The Trust operates a model of reserves pooling, including the pooling of brought forward balances, this model has been adopted to more effectively support and protect the academies within the Trust from potential financial hardship.

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

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under 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	period 1 September 2020 to 31 August 2021	period 1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	4,437,967 KWH	5,971,112 KWH
Energy consumption break down (KWh) (optional) <ul style="list-style-type: none"> • Gas • Electricity • Transport fuel 	Gas – 2,552,223 KWH Electricity – 1,885,744 KWH	Gas – 1,689,266 KWH Electricity – 4,281,841 KWH
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Owned transport – mini-buses <u>Total scope 1</u>	Gas – 469.27 tCO2e Mini-Buses – 6.96 tCO2e	Gas – 310.60 tCO2e Mini-Buses – 16.99 tCO2e
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	439.64 tCO2e	998.27 tCO2e
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	46.04 tCO2e	10.78 tCO2e
<u>Total Gross emissions in metric tonnes CO2e</u>	961.91 tCO2e	1,336.64 tCO2e
<u>Intensity Ratio</u> Tonnes CO2e per pupil (4649) Tonnes CO2e per staff member (630) (Note 10)	0.21 tCO2e 1.53 tCO2e	2.01 tCO2e

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 CO2e per pupil, the recommended ratio for the sector

Measures taken to improve energy efficiency

In the 2020/2021 academic year UWMAT continued to commission Entrust to undertake School Condition Survey's. Part of the report included environmentally friendly alternatives to be put in place during replacement cycles in order to reduce carbon emissions and also make greater cost savings for the Trust. As part of this work boiler replacement projects have taken place in academies with further replacement works to take place in 2021.2022. This work will enable more energy proficient systems to be installed and impact positively on the Trusts ambitions for reducing carbon emissions.

UWMAT has also applied twice to be part of the Low Carbon Skills Fund. The Trust was unsuccessful at the first round of applications but are waiting on the results of the second round of applications. This funding would enable the Trust to drive through energy efficiencies and reduce carbon emissions at an increased rate. With an aged estate the Trust is aware of the remedies needed to manifest a reduction in carbon emissions but are limited to the funds available to complete this ambition. It is hoped that a successful award of the Low Carbon Skills Fund will enable greater resource to enhance this strategy.

During 2020/2021 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. The engagement with suppliers of efficient and renewable sources of energy are a crucial part of the Trusts strategy, this consideration will follow through to the replacement of heating systems within academies to ensure that any future modifications or replacements are energy efficient.

In the last two years UWMAT has received funding from the DFE for the rebuild of Reaside Academy and the partial rebuild of The Orchards Primary Academy. The rebuild of Reaside Academy included solar and car charging points. The Orchards Primary has had a new build to their Key Stage 2 building giving a more energy efficient build that will retain heat and reduce the need for heating. These developments have supported the Trust ambition and strategy to reduce carbon emissions across its estate.

Funds Held as Custodian Trustee on Behalf of Others

UoWMAT 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
17 December 2021

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that UWMAT 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 UWMAT 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 trustee's key group formally met in September 2020 with a view to resuming full Board meetings for the Academic year 2020/2021. In 2020/21 6 full Trust Board meetings took place, together with 2 Remuneration Committee and 2 Audit, Risk and Compliance meetings. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board) (Resigned 12 August 2021)	6	6
Mrs D Cooper (Appointed 11 November 2019)	4	6
Mr A Edwards (Chair of the Trust Board) (Appointed 25 February 2020)	6	6
Mrs E Gaffney (Appointed 9 November 2020)	3	5
Mrs M R Kidd (Resigned 1 st November 2021)	5	6
Mrs G Lahiri (Resigned 1 st November 2021)	0	6
Mr R Lockwood (Vice Chair of the Trust Board) (Resigned 8 July 2021)	4	6
Mr M Rickhuss (Appointed 26 November 2019) (Resigned 21 August 2021)	6	6
Professor M Shaw (CEO and Accounting Officer)	6	6
Mrs S Wedgwood (Appointed 26 November 2019) (Resigned 25 February 2021)	0	4

Finance and Resources Committee

Finance and Resources Committee are a sub-committee to Trust Board and 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.

Academic Committee

Academic Committee are a sub-committee to Trust Board and advises on matters relating to the academic standards achieved by academies within the Trust, individually and collectively. The Committee will focus on the main contributory factors to academic standards; the quality of provision, leadership and management within each academy in the Trust.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Audit, Risk & Compliance Committee

Audit, Risk & Compliance Committee are a sub-committee to Trust Board and ensures a framework is established and maintained for the identification and management of risk. The committee monitors and assesses the internal controls of the Trust to ensure that the organisation as a whole is operating at appropriate levels of risk and in compliance with relevant audit standards. The committee also has responsibility for external and internal audit matters, and oversees the work programme and performance quality of the internal and external audit services.

Remuneration Committee

Remuneration Committee are a sub-committee to Trust Board and considers all matters in relation to employees of the Trust: the committee review strategic issues relating to staff salaries, benefit packages. The committee oversees the process of appraisal of the performance of the Executive Team and Head teachers of academies within the Trust as well as overseeing the processes for the recruitment, induction, appraisal and training of all trustees, governors and individuals of any committees established by the Board of Trustees.

Reporting

The Committee's 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.

Due to the restricted Governance model in place during the COVID-19 Pandemic the Finance and Resource Committee and Academic Committee did not meet in the 2020/21 academic year.

The Audit, Risk & Compliance Committee met twice during the academic year. Attendance during the year at meetings of the Audit, Risk & Compliance Committee was as follows:

Trustees	Meetings attended	Out of possible
Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board)	2	2
Mrs D Cooper (Chair of Audit and Risk)	2	2
Dr M Rickhuss (Resigned 31 August)	2	2
Professor M Shaw (CEO and Accounting Officer)	2	2

The Remuneration Committee met twice during the academic year with one meeting relating to the review of Executive pay. Attendance during the year at meetings of the Remuneration Committee was as follows:

Trustees	Meetings attended	Out of possible
Mr A Edwards (Chair of the Trust Board) (Appointed 25 February 2020)	2	2
Professor M Shaw (CEO and Accounting Officer)	2	2
Mrs M Kidd (Resigned 1 November 2021)	2	2
Mr R Lockwood (Vice Chair of the Trust Board) (Resigned 8 July 2021)	2	2

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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.

The Key Group meeting arrangements were reviewed at a meeting of the same name in September 2020. It was agreed at this meeting to revert to full Trust Board for subsequent meetings. A strategic decision was made to re-instate 2 sub-committees, that of Audit, Risk and Compliance and Remuneration. Academic and Finance and Resource Committee were not re-instated at this time. This will be reviewed during the academic year 2021/2022.

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 UWMAT for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 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;
- 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 now appointed an internal auditor for the year under review.

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 17 December 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 2021

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 Trust Handbook 2021.

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 Trust Handbook 2021.

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



Professor M Shaw
Accounting Officer

17 December 2021

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSABILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 to 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 17 December 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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of University of Wolverhampton Multi Academy Trust (“the charitable company”) for the year ended 31 August 2021 which comprise the statement of Financial Activities incorporating Income and Expenditure account, Balance Sheet, 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 2021, and of the charitable company’s incoming resources and application of resources, including its 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 2020 to 2021 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 group 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”).

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.

Our conclusions based on this work:

- we consider that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustee’s assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

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 2021

- Enquiring of the Board of Trustees, the Audit, Risk and Compliance Committee, internal audit, and inspection of policy documentation as to the charitable company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Trustees and Audit, Risk and Compliance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the majority of revenue is government funding for education where there is limited scope for fraudulent recognition.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the charitable company's fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals with unexpected combinations, journals posted to seldom used accounts, and journals posted to accounts linked to significant risk of error.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Board of Trustees and other management (as required by auditing standards), and from inspection of the charitable company's regulatory and legal correspondence and discussed with the Board of Trustees and management the policies and procedures regarding compliance with laws and regulations.

As the charitable company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, pensions legislation and specific disclosures required by education and skills legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 2021

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' report and the Governance Statement. 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 Trustees' report and the Governance Statement, which together constitute the directors' report and the strategic 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 directors' 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 16-19, 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.

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 2021

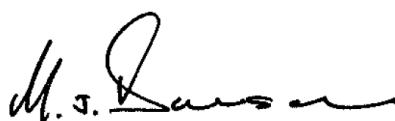
Auditor's responsibilities

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.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

17 December 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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 4th June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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 2021

- 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 questionnaires 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 2020 to 2021;
- 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 2020 to 2021

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Dawson

Reporting Accountant
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

17 December 2021

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	3	-	22	8,052	8,074	715
Charitable activities:						
- Funding for educational operations	4	8	29,703	-	29,711	28,256
Other trading activities	5	437	78	-	515	668
Investments	6	1	-	-	1	4
Total		446	29,803	8,052	38,301	29,643
Expenditure on:						
Raising funds	7	32	-	-	32	28
Charitable activities:						
- Educational operations	9	96	31,663	1,030	32,789	32,179
Total		128	31,663	1,030	32,821	32,207
Net income/(expenditure)		318	(1,860)	7,022	5,480	(2,564)
Transfers between funds	19	-	2,000	(2,000)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(3,338)	-	(3,338)	(3,726)
Net movement in funds		318	(3,198)	5,022	2,142	(6,290)
Reconciliation of funds						
Total funds brought forward		1,513	(29,076)	70,656	43,093	49,383
Total funds carried forward		1,831	(32,274)	75,678	45,235	43,093

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13		74,095		69,170
Current assets					
Stocks	14	-		-	
Debtors	15	1,237		1,829	
Cash at bank and in hand		8,649		5,959	
		<u>9,886</u>		<u>7,788</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(3,753)		(3,241)	
Net current assets			<u>6,133</u>		<u>4,547</u>
Total assets less current liabilities			<u>80,228</u>		<u>73,717</u>
Creditors: amounts falling due after more than one year	17		<u>(73)</u>		<u>(88)</u>
Net assets before defined benefit pension scheme liability			<u>80,155</u>		<u>73,629</u>
Defined benefit pension scheme liability	22		<u>(34,920)</u>		<u>(30,536)</u>
Total net assets			<u>45,235</u>		<u>43,093</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			75,678		70,657
- Restricted income funds			2,646		1,460
- Pension reserve			<u>(34,920)</u>		<u>(30,536)</u>
Total restricted funds			<u>43,404</u>		<u>41,580</u>
Unrestricted income funds	19		<u>1,831</u>		<u>1,513</u>
Total funds			<u>45,235</u>		<u>43,093</u>

The financial statements on pages 28 to 56 were approved by the trustees and authorised for issue on 17 December 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 2021

		2021		2020	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	22		3,097		2,791
Cash flows from investing activities					
Dividends, interest and rents from investments		1		4	
Capital grants from DfE Group		8,052		691	
Purchase of tangible fixed assets		(8,446)		(668)	
Net cash provided by investing activities			(393)		27
Cash flows from financing activities					
New ESFA loan		-		-	
New Salix Loans		-		100	
Repayment of Salix Loans		(14)		(12)	
Repayment of ESFA loan		-		(558)	
Net cash provided by/(used in) financing activities			(14)		(470)
Net (decrease)/increase in cash and cash equivalents in the reporting period			2,690		2,347
Cash and cash equivalents at beginning of the year			5,959		3,612
Cash and cash equivalents at end of the year			8,649		5,959

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

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 2020 to 2021 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 2021-22, changes arising from the Covid-19 pandemic and projected student numbers for 2022-23, 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 2021

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 2021

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 based on 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 of services it must provide.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 instrument's 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 2021

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantial level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 2.9% (2019/20: 2.25%).

In determining the valuation of the West Midlands Pension Fund and Staffordshire Pension Fund, several 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.

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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on several 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 2021 and has been used by the actuary in valuing the pension's liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and buildings valuations

Asset lives are set out within the Accounting Policies with maximum lives being set by reference to the type of asset and its expected useful life in normal use. Building lives are based on the recommendations received from the Trust's Valuer. The Orchards Primary School and Reaside Academy buildings were valued in the year, following the partial rebuild and full rebuild of the sites respectively. The results of the valuation are set out in Note 13. The buildings are deemed to be specialised and therefore has been valued on a 'Depreciated Replacement Cost' basis. This valuation is an estimate of the cost to replace the asset like-for-like and the valuation contains a number of judgements applied by the valuer.

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

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Private sponsorship	-	-	-	(1)
Capital grants	-	8,052	8,052	691
Other donations	-	22	22	25
	-	8,074	8,074	715
2020 total	2	713	715	

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
DfE / ESFA grants				
General annual grant (GAG)	-	23,270	23,270	22,608
Pupil Premium	-	2,510	2,510	2,497
Other DfE group grants	-	1,563	1,563	1,578
	-	27,343	27,343	26,683
Other government grants				
Local authority grants	-	1,868	1,868	1,338
Coronavirus funding support	-	480	480	8
Other Income from the academy trusts educational operations	8	12	20	227
Total funding	8	29,703	29,711	28,256
2020 total	119	28,137	28,256	

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	45	-	45	(114)
Catering income	174	-	174	243
Extended school activities	141	-	141	133
Music tuition	-	4	4	11
Parental contributions	-	5	5	91
Other income	77	69	146	304
	<u>437</u>	<u>78</u>	<u>515</u>	<u>668</u>
2020 total	<u>470</u>	<u>198</u>	<u>668</u>	

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Short term deposits	1	-	1	4
	<u>4</u>	<u>-</u>	<u>4</u>	
2020 total	<u>4</u>	<u>-</u>	<u>4</u>	

7 Expenditure

	Staff costs £000	Non Pay Expenditure		Total 2021 £000	Total 2020 £000
		Premises £000	Other £000		
Expenditure on raising funds					
- Direct costs	22	8	2	32	28
Academy's educational operations					
- Direct costs	17,770	979	4,668	23,417	21,413
- Allocated support costs	3,479	1,774	4,119	9,372	10,766
	<u>21,271</u>	<u>2,761</u>	<u>8,789</u>	<u>32,821</u>	<u>32,207</u>
2020 total	<u>22,981</u>	<u>2,112</u>	<u>7,114</u>	<u>32,207</u>	

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

Net income/(expenditure) for the year includes:	2021	2020
	£000	£000
Fees payable to auditor for:		
- Audit	36	51
- Other services	10	11
Operating lease rentals	89	81
Depreciation of tangible fixed assets	1,030	725
Net interest on defined benefit pension liability	477	447

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 £1,635,928 (2020: £1,578,698) for the financial year.

The actual amounts charged during the year were as follows:	2021	2020
	£000	£000
Albert Bradbeer Academy	130	128
Edgar Stammers Primary Academy	107	103
Fairway Primary Academy	70	69
Featherstone Academy	60	59
Heathlands Academy	131	132
Pye Green Academy	102	103
Reaside Primary Academy	79	84
Smestow School	339	315
Tame Valley Primary Academy	73	72
The Orchards Primary Academy	76	78
Wednesfield High Specialist Engineering Academy	328	301
Woodhouse Primary Academy	141	135
	<u>1,636</u>	<u>1,579</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Direct costs				
Educational operations	-	23,417	23,417	21,413
Support costs				
Educational operations	96	9,276	9,372	10,766
	<u>96</u>	<u>32,693</u>	<u>32,789</u>	<u>32,179</u>
2020 total	<u>332</u>	<u>31,847</u>	<u>32,179</u>	

	2021 £000	2020 £000
Analysis of support costs		
Support staff costs	5,190	4,898
Depreciation	50	35
Technology costs	191	208
Premises costs	1,562	1,245
Other support costs	2,344	4,273
Governance costs	35	107
	<u>9,372</u>	<u>10,766</u>

10 Staff

Staff costs

Staff costs during the year were:

	2021 £000	2020 £000
Wages and salaries	15,973	16,113
Social security costs	1,508	1,507
Pension costs	4,335	4,263
Apprenticeship levy	65	66
	<u>21,881</u>	<u>21,949</u>
Staff costs	21,881	21,949
Agency staff costs	940	767
Staff restructuring costs	98	89
Staff development and other staff costs	63	176
	<u>22,982</u>	<u>22,981</u>
Total staff expenditure	22,982	22,981

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

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

Severance payments	98	89
Pension Strain	120	156

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory non contractual severance payments totalling £97,000 (2020:£88,369). Individually, the payments were £3,000, £3,000, £6,000, £9,000, £9,000, £13,000, £13,000, £16,000 and £25,000,

Staff numbers

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

	2021 Number	2020 Number
Teachers	208	209
Administration and support	364	380
Management	58	61
	<u>630</u>	<u>650</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	7	8
£70,001 - £80,000	6	7
£80,001 - £90,000	2	1
£110,001 - £120,000	1	1
	<u>16</u>	<u>17</u>

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 £734,278 (2020: £410,402).

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 (2020: £0 - £1,000)

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.

13 Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 September 2020	72,637	2,808	17	75,462
Additions	7,668	767	11	8,446
Disposals	(2,689)	-	-	(2,689)
At 31 August 2021	<u>77,616</u>	<u>3,575</u>	<u>28</u>	<u>81,219</u>
Depreciation				
At 1 September 2020	3,620	2,655	17	6,292
Charge for the year	685	342	3	1,030
Disposals	(198)	-	-	(198)
At 31 August 2021	<u>4,107</u>	<u>2,997</u>	<u>20</u>	<u>7,124</u>
Net book value				
At 31 August 2021	<u>73,509</u>	<u>578</u>	<u>8</u>	<u>74,095</u>
At 31 August 2020	<u>69,018</u>	<u>153</u>	<u>-</u>	<u>69,170</u>

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.

During the year, following the rebuild of the Reaside Academy and the partial rebuild of the Orchards Primary School, management engaged Eddisons, A firm of RICS registered Chartered Surveyors, to prepare a formal valuation of the Depreciated Replacement Cost of the properties as at the date of handover from the ESFA.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14	Stocks	2021	2020
		£000	£000
	Stock on hand	-	-
		<u> </u>	<u> </u>
15	Debtors	2021	2020
		£000	£000
	Trade debtors	28	185
	VAT recoverable	480	747
	Other debtors	1	1
	Prepayments and accrued income	728	896
		<u> </u>	<u> </u>
		1,237	1,829
		<u> </u>	<u> </u>
16	Creditors: amounts falling due within one year	2021	2020
		£000	£000
	Other loans	14	12
	Trade creditors	600	621
	Other taxation and social security	388	376
	Other creditors	379	752
	Accruals and deferred income	2,372	1,480
		<u> </u>	<u> </u>
		3,753	3,241
		<u> </u>	<u> </u>
17	Creditors: amounts falling due after more than one year	2021	2020
		£000	£000
	Other loans	73	88
		<u> </u>	<u> </u>
	Analysis of loans		
	Wholly repayable within five years	87	100
	Less: included in current liabilities	(14)	(12)
		<u> </u>	<u> </u>
	Amounts included above	73	88
		<u> </u>	<u> </u>

Loan maturity

The loans of £87,000 (2020: £100,000) 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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18	Deferred income	2021 £000	2020 £000
	Deferred income is included within:		
	Creditors due within one year	327	308
		<u>327</u>	<u>308</u>
	Deferred income at 1 September 2020	308	229
	Released from previous years	(308)	(229)
	Resources deferred in the year	327	308
		<u>327</u>	<u>308</u>
	Deferred income at 31 August 2021	<u>327</u>	<u>308</u>

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 2021/22.

19	Funds	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
	Restricted general funds					
	General Annual Grant (GAG)	703	23,270	(24,196)	2,356	2,133
	Other DfE / ESFA grants	463	4,553	(4,437)	(237)	342
	Other government grants	200	1,880	(1,882)	(65)	133
	Other restricted funds	94	100	(102)	(54)	38
	Pension reserve	(30,536)	-	(1,046)	(3,338)	(34,920)
		<u>(29,076)</u>	<u>29,803</u>	<u>(31,663)</u>	<u>(1,338)</u>	<u>(32,274)</u>
	Restricted fixed asset funds					
	Inherited on conversion	61,217	-	(501)	(2,492)	58,224
	DfE group capital grants	3,461	1,201	(226)	(42)	4,394
	Capital expenditure from GAG	755	-	(149)	534	1,140
	SALIX	107	-	(6)	-	101
	Private sector capital sponsorship/ Capital Donations	5,116	6,851	(148)	-	11,819
		<u>70,656</u>	<u>8,052</u>	<u>(1,030)</u>	<u>(2,000)</u>	<u>75,678</u>
	Total restricted funds	<u>41,580</u>	<u>37,855</u>	<u>(32,693)</u>	<u>(3,338)</u>	<u>43,404</u>
	Unrestricted funds					
	General funds	1,513	446	(128)	-	1,831
		<u>1,513</u>	<u>446</u>	<u>(128)</u>	<u>-</u>	<u>1,831</u>
	Total funds	<u>43,093</u>	<u>38,301</u>	<u>(32,821)</u>	<u>(3,338)</u>	<u>45,235</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 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 2021.

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 used appropriately.

Other restricted reserves

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

Restricted fixed asset funds

During the year, the academy trust received capital grants from the ESFA of £1,416,000 (2020: £691,000) which represents School Condition Allocation and Devolved Formula Capital.

The trust received donated assets from the DfE of laptops and ipads totalling £215,000, these are recorded as donated assets in the accounts.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
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)
	<u>(21,875)</u>	<u>28,357</u>	<u>(31,122)</u>	<u>(4,436)</u>	<u>(29,076)</u>
Restricted fixed asset funds					
Transfer 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)	-	5,116
	<u>70,609</u>	<u>691</u>	<u>(725)</u>	<u>81</u>	<u>70,656</u>
Total restricted funds	<u>48,734</u>	<u>29,048</u>	<u>(31,847)</u>	<u>(4,355)</u>	<u>41,580</u>
Unrestricted funds					
General funds	649	595	(360)	629	1,513
Total funds	<u>49,383</u>	<u>29,643</u>	<u>(32,207)</u>	<u>(3,726)</u>	<u>43,093</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

Total funds analysis by academy

	2021	2020
	£000	£000
Fund balances at 31 August 2021 were allocated as follows:		
Albert Bradbeer Primary Academy	-	12
Edgar Stammers Primary Academy	-	(11)
Fairway Primary Academy	-	8
Featherstone Academy	-	18
Heathlands Primary Academy	-	476
The Orchards Primary Academy	-	248
Pye Green Academy	-	400
Reaside Academy	-	261
Smestow School	-	-
Tame Valley Academy	-	678
Wednesfield High Specialist Engineering Academy	-	342
Woodhouse Primary Academy	-	305
Central services	4,477	236
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	4,477	2,973
Restricted fixed asset fund	75,678	70,656
Pension reserve	(34,920)	(30,536)
	<hr/>	<hr/>
Total funds	45,235	43,093
	<hr/>	<hr/>

The Trust has moved to a position of reserves pooling for the 2020/21 academic year. The individual academy balances will no longer be reported on as individual balances. Trust reserves are one consolidated pool of funds managed by the Trust.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

Total cost analysis by academy

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

	Teaching and educational support	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000
Albert Bradbeer Primary Academy	1,583	480	44	326	2,433	2,562
Edgar Stammers Primary Academy	1,430	434	73	226	2,162	2,287
Fairway Primary Academy	785	253	57	161	1,257	1,331
Featherstone Academy	806	304	79	141	1,329	1,422
Heathlands Primary Academy	1,580	426	87	279	2,372	2,611
The Orchards Primary Academy	920	256	114	477	1,767	1,449
Pye Green Academy	1,272	221	123	200	1,816	1,991
Reaside Academy	830	227	119	2,338	3,513	1,504
Smestow School	2,777	722	457	621	4,578	5,407
Tame Valley Academy	800	230	121	182	1,333	1,398
Wednesfield High Specialist Engineering Academy	2,797	1,019	283	637	4,736	4,810
Woodhouse Primary Academy	1,945	623	125	203	2,897	3,019
Central services	196	982	32	388	1,598	1,691
	17,722	6,178	1,712	6,179	31,791	31,482

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£000	General £000	Fixed asset £000	£000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	74,095	74,095
Current assets	1,831	6,472	1,583	9,886
Creditors falling due within one year	-	(3,753)	-	(3,753)
Creditors falling due after one year	-	(73)	-	(73)
Defined benefit pension liability	-	(34,920)	-	(34,920)
Total net assets	1,831	(32,274)	75,678	45,235

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:				
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)
Total net assets	1,513	(29,076)	70,656	43,093

21 Capital Commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	124	-

22 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 £781,354 (2020: £756,969) were payable to the schemes at 31 August 2021 and are included within creditors.

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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

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 1ST 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.

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 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 £2,299,685 (2020: £2,026,698).

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

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 21.3% to 27.2% 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.

Total contributions made	2021	2020
	£000	£000
Employer's contributions	2,332	1,593
Employees' contributions	330	342
Total contributions	<u>2,662</u>	<u>1,935</u>

Principal actuarial assumptions	2021	2020
	%	%
West Midlands		
Rate of increase in salaries	3.84	3.26
Rate of increase for pensions in payment/inflation	2.90	2.26
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25
Staffordshire		
Rate of increase in salaries	3.30	2.65
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.25

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	Years	Years
West Midlands		
Retiring today		
- Males	21.6	21.9
- Females	24.0	24.1
Retiring in 20 years		
- Males	23.4	23.8
- Females	25.8	26.0
Staffordshire		
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.5	22.1
- Females	25.7	25.0

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

	2021	2020
	£000	£000
West Midlands		
Discount rate + 0.1%	2,747	2,512
Discount rate - 0.1%	3,008	2,668
Mortality assumption + 1 year	3,046	2,691
Mortality assumption - 1 year	2,781	2,493
Staffordshire		
Discount rate -0.1%	116	478
Salary increase rate +0.1%	13	58
Pension increase rate +0.1%	101	411

The academy trust's share of the assets in the scheme	2021	2020
	Fair value	Fair value
	£000	£000
Equities	13,560	9,596
Bonds	3,260	2,560
Cash	785	1,098
Property	1,533	1,221
Other assets	2,696	2,187
	<hr/>	<hr/>
Total market value of assets	21,834	16,662
	<hr/>	<hr/>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The actual return on scheme assets was £2,951,000 (2020: £1,128,000).

Amount recognised in the Statement of Financial Activities	2021	2020
	£000	£000
Current service cost	2,745	2,310
Interest income	(285)	(253)
Interest cost	762	700
Past Service Cost	156	-
	3,378	2,757
Total operating charge	3,378	2,757

22 Pension and similar obligations

Changes in the present value of defined benefit obligations	2021	2020
	£000	£000
At 1 September 2020	47,198	37,115
Transferred out on existing academies leaving the academy trust	-	-
Current service cost	2,745	2,310
Interest cost	762	700
Employee contributions and Change in Financial Assumptions	330	342
Changes in Financial Assumptions	6,951	3,320
Actuarial loss	(727)	3,440
Benefits paid	(661)	(29)
Past service cost	156	-
	56,754	47,198
At 31 August 2021	56,754	47,198

Changes in the fair value of the academy trust's share of scheme assets

	2021	2020
	£000	£000
At 1 September 2020	16,662	13,062
Transferred out on existing academies leaving the academy trust	-	-
Interest income	285	261
Actuarial gain	2,886	1,433
Employer contributions	2,332	1,593
Employee contributions	330	342
Benefits paid	(661)	(29)
	21,834	16,662
At 31 August 2021	21,834	16,662

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£000	£000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	5,480	(2,564)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(8,052)	(691)
Investment income receivable	(1)	(4)
Defined benefit pension costs less contributions payable	567	2,316
Defined benefit pension net finance cost	477	447
Depreciation of tangible fixed assets	1,030	725
Loss on disposal of fixed assets	2,492	-
(Increase)/decrease in debtors	592	1,731
(Decrease)/increase in creditors	512	831
Net cash (used in)/provided by operating activities	3,097	2,791

24 Commitments under operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£000	£000
Amounts due within one year	85	99
Amounts due in two and five years	76	205
	161	304

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Trust Handbook, 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 £206,678 (2020: £228,205) from UOW and £0 (2020: £53,960) from UOWSE. These

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

costs were recharged to the academy trust at cost. Income received from University of Wolverhampton for student placements £25,957 (2020: £22,658)

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 Trust Handbook 2021.

26 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.

27 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 £18,601 (2020: £23,302) and disbursed £25,957 (2020: £8,634) from the fund. Included within restricted reserves is an amount of £45,014 (2020: £48,423) at the end of the accounting period which were funds still due to students.