

Company Registration No. 08426967 (England and Wales)

**BIRCHWOOD COMMUNITY ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157 Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# BIRCHWOOD COMMUNITY ACADEMY TRUST

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# BIRCHWOOD COMMUNITY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	A Atherton C Burrows R Panting
<b>Trustees</b>	A Atherton (chair) C Burrows (vice chair) R Panting M Proctor A Lindsay N Reeves C Ruddy N Winstanley M Petts K Leonard G Calwell W Dannan (from 4 October 2021) E Mills (headteacher and accounting officer)
<b>Clerk to the corporation</b>	P Cooper
<b>Company secretary</b>	J Calderbank (until 10 October 2022) A O'Reilly (from 10 October 2022)
<b>Senior leadership team:</b>	
Headteacher	E Mills
Deputy headteacher	S Rigby-White
Associate deputy headteacher	C Burrows
Associate deputy headteacher	K Foster
Assistant headteacher	E Dempsey
Assistant headteacher	D Heaton
Assistant headteacher	N Jones
Assistant headteacher	J Jenkinson
Pastoral Manager	A Crompton
School business manager	A O'Reilly
<b>Company name</b>	Birchwood Community Academy Trust
<b>Principal and registered office</b>	Brock Road, Birchwood, Warrington, Cheshire, WA3 7PT
<b>Company registration number</b>	08426967 (England and Wales)
<b>Independent auditor</b>	Haines Watts Bridge House, Ashley Road, Hale Altrincham WA14 2UT
<b>Bankers</b>	Lloyds Bank Plc 1 Horsemarket Street Warrington WA1 1TP
<b>Solicitors</b>	Browne Jacobson LLP Ground Floor, 3 Piccadilly Place Manchester M1 3BN

# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Birchwood in East Warrington. It has a pupil capacity of 1,225 and had a roll of 932 in the academy census on 6 October 2021.

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

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Birchwood Community Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Birchwood Community Academy Trust.

Details of the trustees who served during the year are included in the reference and administrative details on page 1.

##### Members' liability

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

##### Trustees' indemnities

Subject to the provision of the Companies Act 2006, every trustee or other officer of the academy trust shall be indemnified out of the assets of the academy trust against liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust. The academy is a member of the Department for Education's risk protection arrangements (RPA), an alternative to commercial insurance where UK government funds cover losses that arise. The scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall costs of the RPA scheme.

##### 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 set out in the articles of association.

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charities legislation. Trustees are appointed by members. The trustees may appoint up to three co-opted trustees and six community trustees. Trustees are appointed as and when vacancies occur or when individuals with the skills required are identified.

Parent trustees shall be elected by parents of the registered learners and students at the academy trust, using the procedures set out in the articles of association. The Secretary of State retains the power to appoint additional trustees.

The term of office for any trustee shall be four periods (one period being a school year) save that this time limit shall not apply to the headteacher. Subject to remaining eligible to be a particular type of trustee any trustee may be re-appointed or re-elected.

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

Training and induction for new trustees is given on an individual basis and includes one to one meetings with key staff and trustees, visits to the school and a Governors' Handbook.

Where necessary induction will include training on educational, legal and financial matters. All new trustees are provided with copies of key documents, such as articles of association, policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as trustees.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### Organisational structure

The academy trust began trading on 1 July 2013 (having been incorporated on 4 March 2013) and has developed a governance and management structure deemed appropriate to the academy trust's constitution and objects. The academy trust's organisational structure consists of four levels: the trustees, the senior leadership team (SLT), heads of department and subject leaders. The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring financial and operational performance and making strategic decisions about the direction of the academy trust, approving major items of expenditure and making senior staff appointments.

During the course of the period to 31 August 2022 the full board of trustees met eight times. The board of trustees operates a committee structure reporting to the main board of trustees. Committees have approved terms of reference. In the year ended 31 August 2022 there was one committee:

- Resources, Audit and Risk Management – which monitors finance, internal scrutiny, facilities and health and safety.

The trustees have approved a scheme of financial and decision making delegation which clearly sets out the level of authority delegated to the headteacher and members of the senior leadership team.

The accounting officer was Emma Mills (headteacher). The senior leadership team is responsible for developing and implementing the academy trust's plans that seek to deliver the best outcomes for its learners and students within the agreed budget and scheme of delegation approved by trustees. The members of the senior leadership team are set out on page 1. The chief financial officer is Alan O'Reilly (school business manager). The heads of department and subject leaders are responsible for the day to day delivery of teaching and learning of the academy trust, in particular the teaching staff, learners and students.

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

Arrangements for setting the pay and remuneration of the academy's key management personnel are reviewed by the personnel committee and approved by the full board of trustees. The academy follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The academy's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The academy adheres to local government pay arrangements for support staff and follows the local government pay spine.

#### Trade union facility time

##### Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1

##### Percentage of time spent on facility time

Percentage of time	Number of employees
0% to 1%	0
More than 1% to 2%	0
More than 2% to 50%	1
More than 50% to 99%	0
100%	0

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

The total cost of facility time	£2,514
The total pay bill	£4,631,573
Percentage of total pay bill spent on facility time	0.05%

##### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.0%
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# BIRCHWOOD COMMUNITY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Related parties and other connected charities and organisations

The academy works within the local authority of Warrington and as such has close links with Warrington Borough Council. The academy also has connected party relationships with 5 local primary schools through a strategic working group called Warrington East Strategic Partnership, which aims to maximise progress and attainment for all children and young people in schools and to support the welfare of families.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the charitable company is set out in the articles of association. In summary it is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In addition, the academy trust aims to improve teaching and learning on a wider basis across school communities through partnership arrangements.

In accordance with the articles of association, the academy trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, among other things, the basis for admitting learners and students to the academy trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the National Curriculum.

##### Objectives, strategies and activities

The academy has established a school improvement plan which is reviewed on an ongoing basis. School priorities for the period from 1 September 2021 to 31 August 2022 were:

1. Improve the quality of education across the school
2. Improve behaviour and well-being across the school
3. Improve the student leadership and Careers Education, Information, Advice and Guidance offer across the school
4. Improve leadership effectiveness at all levels across the school.
5. Establish a new college ethos and culture

##### Public benefit

In setting the academy trust's objectives and planning activities the trustees confirm that they have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit. There is a wide range of extra-curricular activities, educational trips and foreign trips offered and undertaken by learners and students.

#### **Strategic report**

##### **Achievements and performance**

##### Key Stage 4 achievement and performance

The 2022 results at key stage 4 are shown in the table below. There were 155 learners in Year 11 in 2019.

New key performance measures	2022
Progress 8	-0.78
Attainment 8	42.9
Grade 4 or above in English and Maths	64%
Achieving EBacc at grade 5 or above	15%
Staying in education or entering employment	99%

##### Key Stage 5 achievement and performance

43 students completed Year 13 at Birchwood College in 2022. The composition of the cohort was all vocational subjects, with a mix of Pearson BTECS and other providers. 87% of all BTEC students achieved grades Distinction star to Merit and 75% of all students achieved at least one Distinction grade.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### Key Stage 5 destinations

All students were encouraged to complete a UCAS application form during the academic year and 100% of students who applied to university achieved the grades required for their first choice place. The destinations for Year 13 students in 2022 are shown in the table below.

Destinations	2022
University	59%
Apprenticeship	23%
Other employment	18%

#### Key performance indicators

##### Financial

The academy complies with all of the terms and conditions of its funding agreement.

##### Ofsted

The academy received an Ofsted section 5 inspection on 10 and 11 October 2018 and received a Good grade for overall effectiveness. The grades for other areas were:

<b>Overall effectiveness</b>	<b>Good</b>
Effectiveness of leadership and management	Good
Quality of teaching, learning and assessment	Good
Personal development, behaviour and welfare	Good
Outcomes for pupils	Good
16 to 19 study programmes	Good

##### Attendance

The attendance of learners and students was 91.6% in 2021-22 compared to 93.7% in the previous year.

##### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. 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

The financial statements covering the year from 1 September 2021 to 31 August 2022 show an increase in total funds of £3,348,000 in the period from £7,752,000 at 31 August 2021 to £11,100,000 at 31 August 2022. This movement included a £3,202,000 decrease in the academy's share of the Cheshire Pension Fund deficit.

Tangible fixed asset additions during the year amounted to £1,099,000 (2021: £643,000). This included £971,000 of additions related to the trust's condition improvement fund projects on fire safety, electrical safety and water and heating infrastructure.

A £17,000 cash outflow (2021: £85,000) from operating activities was to be expected. The majority of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and associated expenditure are shown as restricted funds in the statement of financial activities.

The academy's share of the Cheshire Pension Fund's deficit was £478,000 (2021: £3,680,000). This pension scheme is provided for support staff and it should be noted that this does not present a liquidity problem for the academy. Employer contributions to the scheme are set as part of the triennial review which is currently underway.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Reserves policy

The trustees review the level of reserves held by the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The academy's reserves held as cash on 31 August 2022 was £501,000 (2020: £518,000).

Total funds at 31 August 2022 were £11,100,000 (2021: £7,752,000). This was comprised of fixed asset restricted funds of £11,463,000 (2021: £11,211,000), restricted general funds of £NIL (2021: £42,000), pension reserve deficit of £478,000 (2020: £3,680,000) and unrestricted general funds of £115,000 (2021: £179,000).

#### Investment policy

Investments are made only in accordance with the written procedures approved by trustees.

#### Principal risks and uncertainties

The academy has financial regulations and a risk register which is monitored and updated by the finance and audit committee regularly. The principal risks faced by the academy are:

1. Recruitment of Year 7 learners is poor due to increased local competition and/or poor academic performance at the academy. The measures in place to mitigate the risk are:
  - School improvement plan
  - Programme of marketing of the school to Year 5 and 6 pupils and parents
  - Monitoring local demographics
2. Recruitment of Year 12 students is poor due to local competition and/or poor academy performance. The measures in place to mitigate the risk are:
  - School improvement plan
  - Programme of marketing of the school to Year 11 learners and parents
  - Monitoring local demographics and targeting key areas

#### **Fundraising**

The academy is committed to ensuring that fundraising activities are carried out in an ethical manner. The academy complies with the Charities (Protection and Social Investments) Act 2016. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the academy's complaints procedure.

#### **Plans for future periods**

The trust is committed to serving the local community and has put in place contingency plans for any future closure of school, whether full or partial. The trust has established new routines across the school day and put in place enhanced cleaning procedures in school to minimize the risk of transmission.

The academy's school improvement plan for 2022-23 sets out five school priorities for the future:

- Improve the quality of education across the school
- Improve behaviour, attendance and well-being across the school
- Improve student engagement in Personal Development opportunities and the Careers Education Information and Guidance (CEIAG) offers across the school
- Continue to improve leadership effectiveness at all levels across the school
- Embed the new college ethos and culture



# BIRCHWOOD COMMUNITY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### Auditors

Insofar 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.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12/12/22 and signed on the board's behalf by:

  
.....  
A Atherton  
Chair of trustees

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

### Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in Department for Education's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the headteacher, 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 Birchwood Community Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met ten times during the year. Attendance during the year at governors' meetings was as follows:

Trustee	Full Governing Body		Resources, Audit and Risk Management*		Total	
	Atten ded	Possi ble	Atten ded	Possi ble	Atten ded	Possi ble
A Atherton	7	7	6	6	13	13
C Burrows	7	7	5	6	12	13
R Panting	7	7	5	6	12	13
M Proctor	6	7	-	-	6	7
A Lindsay	4	7	-	-	4	7
N Reeves	6	7	1	1	7	8
C Ruddy	5	7	-	-	5	7
G Calwell	5	7	-	-	5	7
W Dannan	4	5	-	-	4	5
K Leonard	4	7	-	-	4	7
N Winstanley	7	7	5	6	12	13
M Petts	3	4	-	-	3	4
E Mills	6	7	5	6	11	13

\*includes meetings of the predecessor Finance and Audit Committee.

### Conflicts of interest

The trust maintains a register of pecuniary interests which trustees update at least annually. The agenda of all meetings of the board, and its committees, includes a declarations of interest item asking trustees to consider any personal interest which may conflict with their duties as a trustee. Trustees are reminded to make a disclosure as soon as they become aware of any such interest.

Governors must withdraw from any meeting, and not vote in relation to matters, where it is possible that a conflict may arise between their duty to act solely in the interests of the trust and any duty or personal interest.

# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Governance review**

The trust continually reviews its governance and considers whether any changes are required and appropriate appointments are made to the board. A skills review is carried out annually to determine training needs and identify areas where the board may need to develop or recruit new skills or experience.

The academy is committed to exhibiting best practice in all aspects of corporate governance.

Trustees have arrangements for self-evaluation which ensure the skills and experience of the board of trustees match the requirements of the academy trust.

### **Review of value for money**

As accounting officer, the headteacher 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

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

1. Supporting more students to achieve their potential:

The academic performance in 2020 is testament to the hard work of students and staff. It also demonstrates the impact of the academy's curriculum planning and its appropriateness to the learners and students attending the academy. The curriculum is broad and balanced and caters for the individual needs of learners and students. The academy also invests in offsite alternative provision for a small number of learners with social, emotional and behavioural difficulties.

2. More effective and efficient use of resources:

The academy takes a prudent approach to expenditure. The academy spends 77% of its budget on staff costs. The staffing structure is reviewed annually as part of the budget setting process to ensure it is fit for purpose and can adapt and respond to support the successful attainment of the school improvement plan. The trust makes use of Integrated Curriculum and Financial Planning methods as part of the budget setting process.

Staff are deployed to provide best value for money. The academy's pay policy and appraisal policy recognise and reward staff appropriately for their contribution to the academy during the year. The academy payroll is maintained by SGW Payroll Limited, and detailed monthly checks are carried out to ensure payments to staff are timely and accurate.

The academy's financial regulations are followed by staff and set out procedures for the main areas of financial management, such as ordering and payments, payroll, cash and banking and fixed assets. The regulations also set out the responsibilities for staff including the headteacher, school business manager, the responsible officer, budget holders and others. All purchasing decisions are made following the principles of value for money.

Purchases over £10,000 require three written quotes and the award of contracts over £50,000 is subject to open and competitive tendering. Tendering procedures are included in the financial regulations.

3. Securing grant funding for property improvements

The trust successfully bid for two Condition Improvement Fund projects in 2019-20. These were for boiler replacement and electrical safety. The combined projects generated in capital grants of £457,706.

4. Growing income generated by letting facilities:

The trust generates income through letting its facilities to the local community. On 1 January 2020, the trust ended the contract for School Lettings Solutions to manage school lettings. The school has taken the management of lettings in house and as a result increased the financial contribution school lettings make to the trust.

# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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 Birchwood Community Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to allocate this role to the responsible officer for the period.

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On a termly basis, the responsible officer reports to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Following the newly revised FRC Ethical Standard for auditors, the academy trust is in the process of appointing an internal scrutineer to carry out the academy trust's internal scrutiny checks from 1 September 2020.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### Review of effectiveness


As accounting officer, the headteacher 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 responsible officer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and facilities committee and will plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12/12/22 and signed on its behalf by:

  
.....  
A Atherton  
Chair of trustees

  
.....  
E Mills  
Accounting officer

# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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



E Mills  
Accounting officer

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Birchwood Community 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 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12/12/22 and signed on its behalf by:

  
A. M. Atherton  
Chair of trustees

# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRCHWOOD COMMUNITY ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Opinion**

We have audited the accounts of Birchwood Community Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRCHWOOD COMMUNITY ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRCHWOOD COMMUNITY ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

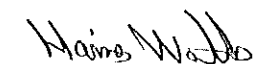
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of  
Chartered Accountants**

**Statutory Auditor**

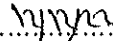
Bridge House

Ashley Road

Hale

Altrincham

Cheshire WA14 2UT

Date: 

# **BIRCHWOOD COMMUNITY ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BIRCHWOOD COMMUNITY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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In accordance with the terms of our engagement letter dated 21 July 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birchwood Community Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Birchwood Community Academy Trust's funding agreement with the Secretary of State for Education dated 27 June 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BIRCHWOOD COMMUNITY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

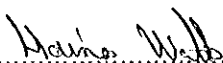
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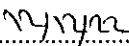
The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
.....  
**Haines Watts**  
**Reporting Accountant**

Date:  .....

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Restricted funds:		Total 2022	Total 2021 as restated
	Notes	£000	General £000	Fixed asset £000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	41	625	666	1,118
Charitable activities:						
- Funding for educational operations	4	-	5,594	-	5,594	5,459
Other trading activities	5	439	1	-	440	290
<b>Total</b>		<u>439</u>	<u>5,636</u>	<u>625</u>	<u>6,700</u>	<u>6,867</u>
<b>Expenditure on:</b>						
Raising funds	6	299	-	-	299	243
Charitable activities:						
- Educational operations	7	59	6,087	331	6,477	6,015
<b>Total</b>	6	<u>358</u>	<u>6,087</u>	<u>331</u>	<u>6,776</u>	<u>6,258</u>
<b>Net income/(expenditure)</b>		81	(451)	294	(76)	609
Transfers between funds	16	(145)	52	93	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	3,559	-	3,559	(932)
<b>Net movement in funds</b>		(64)	3,160	387	3,483	(323)
<b>Reconciliation of funds</b>						
Total funds brought forward		179	(3,638)	11,076	7,617	7,940
Total funds carried forward		<u>115</u>	<u>(478)</u>	<u>11,463</u>	<u>11,100</u>	<u>7,617</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021 As restated	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	1,118	1,118
Charitable activities:					
- Funding for educational operations	4	-	5,459	-	5,459
Other trading activities	5	290	-	-	290
<b>Total</b>		<u>290</u>	<u>5,459</u>	<u>1,118</u>	<u>6,867</u>
<b>Expenditure on:</b>					
Raising funds	6	243	-	-	243
Charitable activities:					
- Educational operations	7	28	5,685	302	6,015
<b>Total</b>	6	<u>271</u>	<u>5,685</u>	<u>302</u>	<u>6,258</u>
<b>Net income/(expenditure)</b>		19	(226)	816	609
Transfers between funds	16	-	(82)	82	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	18	-	(932)	-	(932)
<b>Net movement in funds</b>		19	(1,240)	898	(323)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>160</u>	<u>(2,398)</u>	<u>10,178</u>	<u>7,940</u>
Total funds carried forward		<u>179</u>	<u>(3,638)</u>	<u>11,076</u>	<u>7,617</u>


# BIRCHWOOD COMMUNITY ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	11		11,177		10,409
<b>Current assets</b>					
Debtors	12	598		1,079	
Cash at bank and in hand		501		518	
		1,099		1,597	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(640)		(683)	
<b>Net current assets</b>			459		914
<b>Total assets less current liabilities</b>			11,636		11,323
Creditors: amounts falling due after more than one year	14		(58)		(26)
<b>Net assets before defined benefit pension scheme liability</b>			11,578		11,297
Defined benefit pension scheme liability	18		(478)		(3,680)
<b>Total net assets</b>			11,100		7,617
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			11,463		11,076
- Restricted income funds			-		42
- Pension reserve			(478)		(3,680)
<b>Total restricted funds</b>			10,985		7,438
<b>Unrestricted income funds</b>	16		115		179
<b>Total funds</b>			11,100		7,617

The accounts were approved by the trustees and authorised for issue on 12/12/22 and are signed on their behalf by:

  
A Atherton  
Chair of trustees

Company registration number 08426967

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022		2021	
	Notes	£000	£000	as restated £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	19		420		(590)
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		625		1,085	
Purchase of tangible fixed assets		(1,099)		(610)	
<b>Net cash (used in)/provided by investing activities</b>			(474)		475
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		37		30	
<b>Net cash provided by financing activities</b>			37		30
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(17)		(85)
Cash and cash equivalents at beginning of the year			518		603
<b>Cash and cash equivalents at end of the year</b>			501		518



# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **1 Accounting policies**

Birchwood Community Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

#### **1.1 Basis of preparation**

The accounts 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **1.2 Going concern**

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

#### **1.3 Income**

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

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

##### 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.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies

(Continued)

#### 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. This includes redundancy and severance payments.

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than long leasehold land, 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 & buildings	Buildings - 50 years, Leasehold land – 125 years
Assets under construction	nil until brought into use
Computer equipment	5 years
Fixtures, fittings & equipment	8 years
Motor vehicles	10 years

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 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.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies

(Continued)

#### 1.10 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.

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 substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.11 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.

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

#### 1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Private sponsorship	-	41	41	-
Donated fixed assets	-	-	-	33
Capital grants	-	625	625	1,085
	<u>-</u>	<u>666</u>	<u>666</u>	<u>1,118</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the academy trust's charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	5,118	5,118	4,837
Other DfE/ESFA grants:				
- Pupil premium	-	219	219	207
- Teachers pay grant	-	7	7	62
- Teachers pension grant	-	19	19	175
- Others	-	183	183	39
	-	5,546	5,546	5,320
<b>Other government grants</b>				
Local authority grants	-	48	48	45
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	-	-	63
Other DfE/ESFA COVID-19 funding	-	-	-	31
	-	-	-	94
<b>Total funding</b>	-	5,594	5,594	5,459

The academy trust received £48,000 from the local authority in the year, being high needs funding (2021: £45,000).

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	169	-	169	64
Catering income	186	-	186	139
Music tuition	13	-	13	6
School trip income	37	-	37	27
Other income	34	1	35	54
	439	1	440	290

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Expenditure

	Staff costs £000	Non-pay expenditure Premises £000	Other £000	Total 2022 £000	Total 2021 £000
Expenditure on raising funds					
- Direct costs	156	-	143	299	243
Academy's educational operations					
- Direct costs	4,149	283	412	4,844	4,617
- Allocated support costs	897	521	215	1,633	1,398
	<u>5,202</u>	<u>804</u>	<u>770</u>	<u>6,776</u>	<u>6,258</u>

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Fees payable to auditor for:		
- Audit	7	7
- Other services	4	2
Operating lease rentals	12	13
Depreciation of tangible fixed assets	331	302
Net interest on defined benefit pension liability	63	44

### 7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Direct costs				
Educational operations	59	4,785	4,844	4,617
Support costs				
Educational operations	-	1,633	1,633	1,398
	<u>59</u>	<u>6,418</u>	<u>6,477</u>	<u>6,015</u>

Analysis of costs

	2022 £000	2021 £000
Direct costs		
Teaching and educational support staff costs	4,154	3,984
Staff development	21	14
Depreciation	283	256
Technology costs	90	95
Educational supplies and services	180	141
Examination fees	73	82
Other direct costs	43	45
	<u>4,844</u>	<u>4,617</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities		(Continued)	
		2022 £000	2021 £000
Support costs			
Support staff costs		897	748
Depreciation		48	46
Maintenance of premises and equipment		93	82
Cleaning		163	157
Energy costs		130	91
Rent, rates and other occupancy costs		66	63
Insurance		21	20
Security and transport		8	6
Interest on defined benefit pension scheme		63	44
Other support costs		110	123
Governance costs		34	18
		<u>1,633</u>	<u>1,398</u>
8 Staff			
Staff costs			
Staff costs during the year were:		2022 £000	2021 £000
Wages and salaries		3,647	3,447
Social security costs		367	340
Pension costs		1,076	957
		<u>5,090</u>	<u>4,744</u>
Agency staff costs		112	105
Staff restructuring costs		-	4
		<u>5,202</u>	<u>4,853</u>
Staff development and other staff costs		26	15
		<u>5,228</u>	<u>4,868</u>
Total staff expenditure		<u>5,228</u>	<u>4,868</u>
Staff restructuring costs comprise:			
Redundancy payments		-	4
		<u>-</u>	<u>4</u>



# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Staff (Continued)

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	57	54
Administration and support	60	54
Management	9	6
	<u>126</u>	<u>114</u>

#### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	3	1
£90,001 - £100,000	1	1
	<u>4</u>	<u>2</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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £835,000 (2021: £625,000).

### 9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

#### E Mills (principal and trustee)

Remuneration £90,001 - £95,000 (2020: £85,001 - £90,000)

Employer pension contribution paid £20,001 - 25,000 (2020: £20,001 - £25,000)

#### C Walsh (staff trustee) - resigned 31 August 2021

Remuneration - n/a (2021: £40,001 - £45,000)

Employer pension contribution paid - n/a (2021: £5,001 - £10,000)

#### W Dannan (staff trustee) - appointed 04 October 2021

Remuneration £45,001 - £50,000 (2021: n/a)

Employer pension contribution paid £10,001 - £15,000 (2021: n/a)

During the year ended 31 August 2022, no expenses were reimbursed or paid directly to trustees (2021: £nil).

Other transactions with the trustees are set out in the related parties note.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

### 11 Tangible fixed assets

	Long leasehold buildings £000	Assets under construction £000	Computer equipment £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>						
At 1 September 2021	10,935	398	1,066	467	37	12,903
Transfer on conversion	193	(193)	-	-	-	-
Additions	158	854	59	28	-	1,099
	<u>11,286</u>	<u>1,059</u>	<u>1,125</u>	<u>495</u>	<u>37</u>	<u>14,002</u>
<b>Depreciation</b>						
At 1 September 2021	1,211	-	888	365	30	2,494
Charge for the year	235	-	60	33	3	331
	<u>1,446</u>	<u>-</u>	<u>948</u>	<u>398</u>	<u>33</u>	<u>2,825</u>
<b>Net book value</b>						
At 31 August 2022	<u>9,840</u>	<u>1,059</u>	<u>177</u>	<u>97</u>	<u>4</u>	<u>11,177</u>
At 31 August 2021 as restated	<u>9,724</u>	<u>398</u>	<u>178</u>	<u>102</u>	<u>7</u>	<u>10,409</u>

The net book value of land and buildings comprises:

	2022 £000	2021 as restated £000
Long leaseholds (over 50 years)	<u>9,840</u>	<u>9,724</u>

### 12 Debtors

	2022 £000	2021 £000
Trade debtors	14	5
Other debtors	84	118
Prepayments and accrued income	500	956
	<u>598</u>	<u>1,079</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Government loans	9	4
Trade creditors	268	449
Other taxation and social security	94	91
ESFA creditors	12	-
Other creditors	79	12
Accruals and deferred income	178	127
	<u>640</u>	<u>683</u>

### 14 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Government loans	58	26
	<u>58</u>	<u>26</u>
<b>Analysis of loans</b>	<b>2022 £000</b>	<b>2021 £000</b>
Not wholly repayable within five years by instalments	58	30
Wholly repayable within five years	9	-
	<u>67</u>	<u>30</u>
Less: included in current liabilities	(9)	(4)
Amounts included above	<u>58</u>	<u>26</u>
<b>Loan maturity</b>		
Debt due in one year or less	9	4
Due in more than one year but not more than two years	9	4
Due in more than two years but not more than five years	18	8
Due in more than five years	31	14
	<u>67</u>	<u>30</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 15 Deferred income

	2022 £000	2021 £000
Deferred income is included within:		
Creditors due within one year	74	62
Deferred income at 1 September 2021	62	52
Released from previous years	(62)	(52)
Resources deferred in the year	74	62
<b>Deferred income at 31 August 2022</b>	<b>74</b>	<b>62</b>

Included in deferred income at 31 August 2021 is amounts relating to £23k of higher needs funding, £25k of trip income and £26k other (2021: £26k of NNDR claim, £12k of higher needs funding and £24K other)

### 16 Funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	34	5,118	(5,204)	52	-
Pupil premium	-	219	(219)	-	-
Other DfE/ESFA grants	8	209	(217)	-	-
Other government grants	-	48	(48)	-	-
Other restricted funds	-	42	(42)	-	-
Pension reserve	(3,680)	-	(357)	3,559	(478)
	<u>(3,638)</u>	<u>5,636</u>	<u>(6,087)</u>	<u>3,611</u>	<u>(478)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	8,366	-	(184)	-	8,182
DfE group capital grants	1,930	625	(40)	-	2,515
Capital expenditure from GAG	426	-	(100)	93	419
Private sector capital sponsorship	354	-	(7)	-	347
	<u>11,076</u>	<u>625</u>	<u>(331)</u>	<u>93</u>	<u>11,463</u>
<b>Total restricted funds</b>	<u>7,438</u>	<u>6,261</u>	<u>(6,418)</u>	<u>3,704</u>	<u>10,985</u>
<b>Unrestricted funds</b>					
General funds	179	439	(358)	(145)	115
<b>Total funds</b>	<u>7,617</u>	<u>6,700</u>	<u>(6,776)</u>	<u>3,559</u>	<u>11,100</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### 16 Funds

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure. Other restricted funds are those monies collected from and/or on behalf of pupil events and activities and are ring-fenced as such.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

The fixed asset fund is made up of £11,177,000 net book value of tangible assets and £286,000 unspent CIF grant.

£93,000 was transferred from restricted GAG funds to restricted fixed asset to cover cost of additions in the year not covered by grants.

£145,000 was transferred from unrestricted funds to restricted GAG funds to cover costs in the year not covered by grants.

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

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 16 Funds

(Continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 as restated £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	132	4,837	(4,853)	(82)	34
Pupil premium	-	207	(207)	-	-
Catch-up premium	-	63	(63)	-	-
Other DfE/ESFA COVID-19 funding	-	31	(31)	-	-
Other DfE/ESFA grants	-	39	(31)	-	8
Other government grants	-	45	(45)	-	-
Teachers' pay grant	-	62	(62)	-	-
Teachers' pension grant	-	175	(175)	-	-
Pension reserve	(2,530)	-	(218)	(932)	(3,680)
	<u>(2,398)</u>	<u>5,459</u>	<u>(5,685)</u>	<u>(1,014)</u>	<u>(3,638)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	8,537	-	(154)	-	8,383
DfE group capital grants	873	1,085	(45)	-	1,913
Capital expenditure from GAG	440	-	(96)	82	426
Private sector capital sponsorship	328	33	(7)	-	354
	<u>10,178</u>	<u>1,118</u>	<u>(302)</u>	<u>82</u>	<u>11,076</u>
<b>Total restricted funds</b>	<u>7,780</u>	<u>6,577</u>	<u>(5,987)</u>	<u>(932)</u>	<u>7,438</u>
<b>Unrestricted funds</b>					
General funds	<u>160</u>	<u>290</u>	<u>(271)</u>	<u>-</u>	<u>179</u>
<b>Total funds</b>	<u>7,940</u>	<u>6,867</u>	<u>(6,258)</u>	<u>(932)</u>	<u>7,617</u>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	11,177	11,177
Current assets	114	699	286	1,099
Current liabilities	1	(641)	-	(640)
Non-current liabilities	-	(58)	-	(58)
Pension scheme liability	-	(478)	-	(478)
<b>Total net assets</b>	<b>115</b>	<b>(478)</b>	<b>11,463</b>	<b>11,100</b>
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	10,409	10,409
Current assets	179	751	667	1,597
Current liabilities	-	(683)	-	(683)
Non-current liabilities	-	(26)	-	(26)
Pension scheme liability	-	(3,680)	-	(3,680)
<b>Total net assets</b>	<b>179</b>	<b>(3,638)</b>	<b>11,076</b>	<b>7,617</b>

### 18 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 Cheshire West and Chester Council. Both are multi- employer defined benefit schemes.

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 £67,000 were payable to the schemes at 31 August 2022 (2021: £nil) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Pension and similar obligations

(Continued)

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

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £599,000 (2021: £586,000).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 22.5% for employers and 5.5 - 8.5% for employees.

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

Total contributions made	2022 £000	2021 £000
Employer's contributions	202	186
Employees' contributions	56	52
Total contributions	258	238



# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	3.0	2.9
Discount rate for scheme liabilities	4.3	1.7

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

	2022 Years	2021 Years
Retiring today		
- Males	21.2	21.4
- Females	23.8	24.0
Retiring in 20 years		
- Males	22.1	22.4
- Females	25.5	25.7

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2022	Approximate % increase to employer liability	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	116
1 year increase in member life expectancy	4%	190
0.1% increase in the salary increase rate	0%	14
0.5% increase in the pension increase rate	2%	103

The academy trust's share of the assets in the scheme	2022 Fair value £000	2021 Fair value £000
Equities	2,088	2,029
Bonds	1,364	1,853
Cash	256	85
Property	554	444
Total market value of assets	4,262	4,411

The actual return on scheme assets was £(342,000) (2021: £501,000).

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2022	2021
	£000	£000
Current service cost	496	360
Interest income	(74)	(65)
Interest cost	137	109
	<hr/>	<hr/>
Total operating charge	559	404
	<hr/>	<hr/>
Changes in the present value of defined benefit obligations	2022	2021
	£000	£000
At 1 September 2021	8,091	6,258
Current service cost	496	360
Interest cost	137	109
Employee contributions	56	52
Actuarial (gain)/loss	(3,975)	1,368
Benefits paid	(65)	(56)
	<hr/>	<hr/>
At 31 August 2022	4,740	8,091
	<hr/>	<hr/>
Changes in the fair value of the academy trust's share of scheme assets	2022	2021
	£000	£000
At 1 September 2021	4,411	3,728
Interest income	74	65
Actuarial loss/(gain)	(416)	436
Employer contributions	202	186
Employee contributions	56	52
Benefits paid	(65)	(56)
	<hr/>	<hr/>
At 31 August 2022	4,262	4,411
	<hr/>	<hr/>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	Notes	2022 £000	2021 £000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(76)	609
Adjusted for:			
Capital grants from DfE and other capital income		(625)	(1,118)
Defined benefit pension costs less contributions payable	18	294	174
Defined benefit pension scheme finance cost	18	63	44
Depreciation of tangible fixed assets		331	302
Decrease/(increase) in debtors		481	(708)
(Decrease)/increase in creditors		(48)	107
<b>Net cash provided by/(used in) operating activities</b>		<b>420</b>	<b>(590)</b>

### 20 Analysis of changes in net funds

	1 September 2021 £000	Cash flows £000	31 August 2022 £000
Cash	518	(17)	501
Loans falling due within one year	(4)	(5)	(9)
Loans falling due after more than one year	(26)	(32)	(58)
	<b>488</b>	<b>(54)</b>	<b>434</b>

### 21 Long-term commitments

#### Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000	2021 £000
Amounts due within one year	12	49
Amounts due in two and five years	21	-
	<b>33</b>	<b>49</b>

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 22 Capital commitments

	2022 £000	2021 £000
Expenditure contracted for but not provided in the accounts	390	667

There is a capital commitment of £390,000 which is for the ongoing CIF projects - Water and heating, Electrical works and Fire safety, £286,000 of this will be covered by the CIF grant which is expected to be received in full next year.

#### 23 Related party transactions

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

C Burrows, a trustee, has family members employed by the academy. C Burrows, son of C Burrows, is employed by the academy as head of college and head of PE department, H Burrows, daughter-in-law of C Burrows, is employed by the academy as teacher of PE and C Burrows, spouse of C Burrows, is employed the academy as high level teaching assistant.

C Ruddy, a trustee, has family members employed by the academy. A Ruddy, wife of C Ruddy, is employed by the academy as a teacher, J Roberts, sister-in-law of C Ruddy, is employed by the academy as a teacher and E Dunne, sister-in-law of C Ruddy, is employed the academy as an exam invigilator.

Their appointments were made in open competition, C Burrows and C Ruddy were not involved in the decision making process regarding their appointments. J Roberts, C Burrows, H Burrows and C Burrows are paid within the normal pay scale for their roles and receives no special treatment as a result of their relationship to a trustee.

#### 24 Members' liability

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

#### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022, the trust received £9,000 (2021: £13,000) and distributed £13,000 (2021: £19,000) from the fund. An amount of £8,000 relating to this year is included in other creditors with respect to undistributed funds.

# BIRCHWOOD COMMUNITY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 26 Prior period adjustment

		1 September 2020 £000	31 August 2021 £000
<b>Reconciliation of funds</b>	<b>Notes</b>		
Funds as previously reported		8,058	7,752
Adjustments arising:			
Land depreciation to 31 August 2021		(118)	(135)
Funds as restated		<u>7,940</u>	<u>7,617</u>
<b>Reconciliation of net income for the previous financial period</b>	<b>Notes</b>		<b>2021 £000</b>
Net income as previously reported			626
Adjustments arising:			
Land depreciation to 31 August 2021			(17)
Net income as restated			<u>609</u>

### Notes to restatement

#### 1. Land & buildings

We have reviewed the leasehold land held by the academy trust to ensure that it has been depreciated in line with the term of the lease. As the land is only available to the leaseholder for the period of the lease, it should be depreciated over this time with no residual value. The only effect to the prior year SOFA is the depreciation charge for 2021.