

**Company Registration Number: 04798185 (England & Wales)**

**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

F K J Jackson  
SM Williamson  
G Ruoss  
Sir M Wakeford  
T R Last

**Governors**

C E Tonks  
EE Tutchener-Ellis  
PWS Brewis  
JF Bowater  
RJ Harrison OBE, Chairman  
VJ Evans  
CH Whittington  
R Taylor

**Company registered number**

04798185

**Company name**

Thomas Telford Multi Academy Trust

**Principal and registered office**

Thomas Telford School  
Old Park  
Telford  
Shropshire  
TF3 4NW

**Senior management team**

Sir Kevin Satchwell  
M Davies  
S Topper  
S Turton FCA

**Independent auditor**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Bankers**

HSBC Bank PLC  
Town Centre  
Telford  
Shropshire  
TF3 4AN

**Solicitors**

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

**Investment manager**

Brewin Dolphin Limited  
4th Floor  
9 Colmore Row  
Birmingham  
B2 2BJ

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Structure, governance and management**

**a. Constitution**

The trust is a Charitable Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum of Association is the primary governing document of the academy trust. The trustees of Thomas Telford Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law.

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

The principal object of the Charitable Company is to maintain academies in West Midlands and Shropshire areas currently including Sandwell Academy, Walsall Academy, Madeley Academy, Redhill Primary Academy and Thomas Telford UTC.

**b. Members' liability**

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

**c. Trustees' indemnities**

In accordance with normal commercial practice the Charitable Company has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The cost for the year ended 31 August 2020 was £799 (2019: £1,045).

**d. Method of recruitment and appointment or election of trustees**

The Articles of Association ("Articles") require the appointment of up to nine trustees who are appointed by the Members, by ordinary resolution. The Articles also afford trustees the ability to appoint co-opted trustees, if required.

The trustees who served during the year and subsequently, to the date of this report except where indicated, were:

RJ Harrison OBE, Chairman  
JF Bowater  
PWS Brewis  
VJ Evans  
R Taylor  
C E Tonks  
EE Tutchener Ellis  
CH Whittington

The day to day running of the Charitable Company is carried out by the Executive Advisor and the senior

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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management team.

**e. Policies and procedures adopted for the induction and training of trustees**

The Charitable Company was controlled by the trust board. From 1 September 2017 revised appointment procedures apply in line with DfE approved Articles of Association for a multi academy trust.

The induction and training provided for new trustees will depend on their existing experience. All of the trustees have many years of experience on other school governing boards and in the sphere of education generally. Where necessary, training will be provided on charity, educational, legal and financial matters. It is expected that the turnover in the composition of the board will be low which will enable induction to be carried out informally and tailored specifically to each individual. All new trustees will be encouraged and assisted to familiarise themselves with the academies and will meet with staff, students and parents of students. All trustees are provided with copies of the trust's constitutional and policy documents and relevant policies relating to the academies. In addition, they are routinely involved with meetings and receive accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles effectively. All trustees will undertake appropriate training in the area of safeguarding to ensure that the students in their care are properly protected.

**f. Organisational structure**

The management structure is on three levels: the trustees, the local governing boards and the senior managers. The senior managers comprise persons who are qualified and experienced in their individual fields. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. Each local governing board operates under Terms of Reference and a Scheme of Delegation, which provide the structure under which it is required to manage its responsibilities.

The trustees are responsible for setting general policy, adopting annual plans, budgets and targets, and monitoring the performance of the academies against the aims established. They make all major decisions about the direction and policies of the academies, including capital expenditure in accordance with the Scheme of Delegation.

At academy level the senior management teams consists of the headteacher and the deputy headteachers. These managers control the academy at an executive level, implementing the policies established by the governors and reporting back to them at the local governing board meetings.

**g. Pay policy for key management personnel**

It is the responsibility of the local governing boards to approve annual pay increases. Teachers will be paid at a rate that is comparable to other employers of teachers. The headteachers will recommend individual pay increases each year. Prior to the start of each academic year, teachers will receive notification in writing of their pay including any increases and a copy of their post description.

At the discretion of the headteachers additional payments will be made to teachers for the following types of activities:

- Covering lessons for absent colleagues
- Timetabled teaching commitments above 80%
- Exceptional time commitments to extra curricula activities in sport, performing arts and outdoor activities etc.
- Performance related pay (subject to approval by the remuneration committee and the local governing boards)

Annual pay reviews are linked to performance, with appropriate incremental progression and 'cost of living' increases. In very rare cases, increases will be withheld, where the performance of the teacher in terms of

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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standards of teaching and student progress and attainment are unsatisfactory.

The trustees are responsible for approving the annual pay awards recommended by the remuneration committees and approved by local governing boards.

**h. Related parties and other connected charities and organisations**

The Charitable Company continues to work in partnership with Telford City Technology College Trust Limited (trading as Thomas Telford School).

**i. Employee involvement and employment of the disabled**

All employees have regular team meetings where management disseminates relevant information and provides feedback on any issues raised. One to one staff appraisals are used to answer any concerns employees may have.

Trustees recognise that equal opportunities should be an integral part of good practice within the workplace and that a working environment which fosters the contribution and needs of all people is valued.

All academies support the employment of disabled persons in both recruitment and retention of employees who may become disabled whilst employed, as well as through training and career progression. Buildings are constructed to enable wheelchair access to the main entrance of each academy where access to lifts and disabled toilet facilities are available.

There are a number of policies which all academies adopt in relation to aspects of human resource management including, Equal Opportunities, Volunteers and Health & Safety policies.

**j. Engagement with suppliers, customers and others in a business relationship with the trust**

Our key stakeholders are our students, our employees, our suppliers and the communities we serve.

**k. Suppliers**

The trust recognises the important role that suppliers play in ensuring that our academies are able to deliver the highest standards of education to our students in an efficient and sustainable manner. The trust has enjoyed long-term relationships with many suppliers and seeks to maintain regular dialogue with key suppliers to ensure continuity of service and high standards of delivery. The trust always strives to treat suppliers equitably and the trust's policy is to pay suppliers in accordance with the payment terms set out in invoices or contracts.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities**

**a. Objects and aims**

The Charitable Company's objects are generally to advance for the public benefit education in the West Midlands and Telford by establishing, maintaining, managing and developing primary and secondary academies offering a broad curriculum with a strong emphasis on business and sport.

The main objectives of the Charitable Company are summarised as being to:

- raise the standard of educational achievement of all students;
- ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- improve the effectiveness of the Charitable Company by keeping the curriculum and organisational structure under continuous review;
- provide value for money for the funds expended;
- comply with all statutory and national curriculum requirements; and to
- maintain close links with industry, commerce and further education providers.

**b. Objectives, strategies, activities and public benefit**

The Charitable Company's main strategy is encompassed in its mission statement which is 'The general aim of the academies is to maximise students' performance'. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students; and
- a careers advisory service to help students obtain employment or move on to higher education.

Throughout the trust, the member academies work in collaboration wherever possible. This enables resources to be shared and for collective expertise to be used to assist each other to raise standards and prepare students for the next stage of their lives.

To ensure that standards are continually raised both in the short term and long term, the academies operate a programme of observation of lessons, are visited by inspectors and undertake a comparison of results from entry to Key Stage 3, from thence to GCSE examinations; and from GCSE to A level, to assess the added value.

**c. Main activities undertaken to further the charity's purposes for public benefit**

In setting the objectives and planning activities, the trustees have given careful consideration to the Charity Commission's agreed guidance on public benefit.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report**

**Achievements and performance**

Due to the Covid-19 pandemic all of the academies had to close for all but essential workers children on 20th March 2020. Whilst those students were taught at the academies the rest of the students were engaged in distance learning, consisting of online support from subject teachers, online teaching and remote learning packages. Work was set and marked by the subject teachers who also monitored the progress of the students. Personal tutors were in touch with both students and parents to ensure that the wellbeing of the students was never compromised.

Years 10 and 12 students came back to classes in the academies for 40% of the time on 15 June 2020 until the official summer break.

The impact of Covid-19 on the performance outcomes within our academies was determined by Centre Assessed Grades for all examinations and SAT levels that were compiled by the teachers. This resulted in some grade inflation compared to previous years' outcomes. The academies will engage in the collation of performance data when the students return to establish the extent of 'catch up' that will be required and thereafter provide additional support where appropriate for groups and individuals. The academies will not be using the inflated 2020 performance data in benchmarking for future targets. It will continue to use the 17/18 and 18/19 data for comparative purposes and target setting.

Strong budgetary controls are exercised as part of a culture of disciplined financial management, achieving optimum value for money. The annual programme of repairs together with the refurbishment of several areas during the summer holidays has resulted in the fabric of the buildings being maintained to a high standard.

Trustees have continued with apprenticeship initiatives launched as part of the government's commitment to increasing opportunities for students and have supported how the academies have actively communicated this route to employment through a range of channels.

In line with wider trends, the increased number of more vulnerable students, particularly those suffering with mental health difficulties, has received considerable attention again in the year, alongside an assessment of the internal and external provisions in place to give effective and timely support for individuals affected. Following scrutiny over how Pupil Premium has been allocated during the year to provide a range of intervention strategies, trustees are satisfied that this supplementary income has been effectively used to support disadvantaged students to make progress at least fairly comparable to the levels being achieved by their peers and that results support the efficacy of the actions taken.

The trustees believe that the academies should provide a caring, positive, safe and stimulating environment for students, where students' moral, social and physical development is promoted and protected. The trustees aim to create an environment where students feel comfortable and able to confide in any of the members of staff at the academies. In this respect, trustees follow statutory safeguarding guidance and good practice for ensuring the safeguarding children, including appropriate training for staff, volunteers and members of the board.

Against a backdrop where the recruitment of suitably qualified and experienced teachers in some subjects has continued to present difficulties, staffing levels have generally been sufficiently maintained and turnover effectively managed. Trustees have supported the headteachers in their efforts in this regard through the continuation of professional development opportunities, the effective use of a performance management system, anticipatory succession planning and collaboration within the trust. Nevertheless, with employment costs continuing to be the most significant element of the academies' annual expenditure, economies, where appropriate, have been achieved to ensure that these costs have not exceeded the budgetary provision for the year.

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**TRUSTEES' REPORT (CONTINUED)**  
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The trust board composition has continued to be appropriately sustained with a wide range of experience in the fields of education, commerce, legal profession and industry amongst its members. These attributes have contributed to effective control, strong challenge and positive ambition of and for the academies, their students, their staff and the communities which they serve. The extent of the expertise has also meant that the board has been able to support the senior management team with further capital building projects which have been approved to further enhance the facilities available for students across the trust.

**a. Equality act compliance and objectives**

As an educational establishment, the Charitable Company is in a strong position to effectively perform its statutory duties under the Equality Act 2010 in relation to both its staff and its students. The Charitable Company is committed to advancing equality of opportunity, fostering good relations and tackling discrimination against individuals and groups irrespective of gender, disability and ethnicity.

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

**c. Promoting the long-term success and viability of the trust**

The long-term planning process builds on the trust's current position and considers the following factors:

- the key objectives of the trust
- the principal risks and uncertainties faced by the trust, as described in this report, as well as emerging risks, such as Covid-19
- current and future government policy
- the prevailing economic climate
- opportunities for increased efficiency and value-for-money, for example through the use of technology
- the management of the trust's financial resources, including its investments

The trust monitors and reviews risks periodically at each board meeting.

**Financial review**

Most of the Charitable Company's income is obtained from the Department for Education ("DfE") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

On 1 March 2020 the assets and liabilities of Thomas Telford University Technical College (formally West Midlands University Technical College) were transferred to the trust.

The trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful lives of the assets concerned. During the year ended 31 August 2020, total expenditure of £29,613,026 (2019: £27,090,114) was fully covered by recurrent grant funding from the DfE together with other incoming resources. Before taking into account the

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**TRUSTEES' REPORT (CONTINUED)**  
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movement on the pension provision the excess of income over expenditure for the year was £6,813,633 (2019: £1,523,325).

At 31 August 2020 the net book value of fixed assets was £74,116,872 (2019: £65,513,823) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academies.

**a. Reserves policy**

The trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and the nature of reserves. The trustees have determined that the level of reserves, which are not invested in fixed assets at the year end, of £6,653,012 (2019: £7,205,093), is adequate for its immediate needs. The currently perceived needs of the trust are considered to be around 100% of grant income in order to cover operating expenditure to complete an academic year. Operating expenditure for this purpose is defined as total resources expended excluding depreciation. The investment funds retained by the academies are also intended to ensure its ability to maintain and develop the fabric of the academy buildings and to continue to provide students with state of the art facilities in the longer term.

As well as being able to operate the academies through to the end of an academic year, which over a 12 month period would cost £21 million, the trust is also accumulating reserves to enable it to construct additional buildings as part of its student numbers expansion programme.

**b. Investment policy**

Excess funds are invested in a manner commensurate with the perceived need. Short term investments are made in interest bearing cash accounts and other liquid forms. Funds set aside to meet longer term needs are invested in a portfolio managed by Brewin Dolphin Limited.

The investments have generally performed in line with the trustees' expectations.

**c. Principal risks and uncertainties**

The trustees have a comprehensive risk management process in place to identify and monitor the risks faced by the academies. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, progress, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards identified higher risk areas.

**d. Risk Management**

The trustees confirm that all material risks to which the Charitable Company is exposed are continually reviewed and systems have been established to manage and mitigate the risks identified. Further details can be found within the governance statement.

**Fundraising**

The Charitable Company had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Streamlined energy and carbon reporting**

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

	<b>2020</b>
Energy consumption used to calculate emissions (kWh):	<b>8,145,495</b>
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>	
Gas consumption	<b>983.02</b>
<b>Total scope 1</b>	<b>983.02</b>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>	
Purchased electricity	<b>699.48</b>
<b>Total gross emissions (in tonnes of CO2 equivalent)</b>	<b>1,682.50</b>
Tonnes of CO2 equivalent per pupil	<b>0.39</b>

The trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

**Plans for future periods**

The academies will continue to strive to improve the levels of performance of their students at all levels and will continue their efforts to ensure that students secure employment or places in higher education when they leave.

Looking forward to 2020/21 and beyond, the academies will continue to ensure consistently high standards in education for the students. In furtherance of the academies strategies and in order to aid the delivery of the charitable objectives, the academies will continue to:

- review the operational and governance structures to ensure that they operate in the most efficient and cost effective way; and
- invest in facilities and equipment to improve the fabric of the buildings and to provide an environment conducive to learning.

It is the intention to incorporate additional academies into the trust when opportunities arise both in the primary and secondary sectors, there is no set time frame for the expansion. Any prospective academies will have to fit the criteria and pass the due diligence tests required by the trust.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Funds held as custodian**

The Charitable Company acts as an agent in distributing bursary funds and grants from the ESFA. Payments received 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. In some instances the trust can use a proportion of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

**Disclosure of information to auditor**

Insofar as the trustees are aware:

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

**Auditor**

The appointment of the current auditors, Crowe U.K. LLP, will be continued in accordance with Section 487 (2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 1 December 2020 and signed on its behalf by:



**RJ Harrison OBE**  
Chairman

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

The trust board has delegated the day to day responsibility to the Executive Advisor, 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 Thomas Telford Multi Academy Trust and the Secretary of State for Education. The Executive Advisor is also responsible for reporting to the trust board any material weaknesses or breakdowns in internal control.

**Governance**

In response to government advice regarding the spread of Covid-19, the trust board did not convene in the normal way for two of its four scheduled meetings. Trustees agreed to adopt alternative arrangements by which to instead deal with the important matters of the termly agenda and the attendance details below reflect the trust board's full participation with this process.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C E Tonks	3	4
EE Tutchener-Ellis	3	4
PWS Brewis	3	4
JF Bowater	4	4
RJ Harrison OBE, Chairman	4	4
VJ Evans	4	4
CH Whittington	3	4
R Taylor	4	4

Regardless of the circumstances affecting the meeting programme, the trust board has determined that it has been able to continue to maintain effective oversight during the year and particularly during the pandemic. The governing board has determined that it is able to convene on a termly basis and maintain effective oversight particularly as the chair of the board of trustees has been in routine contact with the Executive Advisor Headmaster to monitor progress and to remain informed of any pertinent issues associated with this situation or other routine matters at the trust. From March 2020, there was an increase in the level of inter-meeting email communications to the board and this method of communication provided the most appropriate way for trustees to be kept updated. Trustees also continued to receive monthly reports relating to the financial position of the trust, in accordance with the normal protocol relating to the same. In accordance with the Trust's Articles of Association, the trustees have appointed committees for each of the academies which are known as Local Governing Boards ("LGBs"). The LGBs operate under the Terms of Reference and Scheme of Delegation, as agreed by the trust board, and also meet termly to monitor progress and hold senior leaders to account. Trustees receive monthly reports which are prepared to confirm the financial position of the academies and, additionally, are provided with periodic reports in relation to matters such as the progress being made towards various strategic objectives. Email communications have, therefore, continued to be an effective way in which the board can remain informed between meetings, although the option of convening of any additional meetings during the year always remains available, if required.

The process of recruiting a trustee to satisfy the current vacancy on the board has been affected by the pandemic situation, although progress in this regard is anticipated over the course of the new academic year.

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**GOVERNANCE STATEMENT (CONTINUED)**

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The trust board, during the course of the year, has managed many aspects of running the multi academy trust, the students' performance being their main priority although alongside this other issues such as student mental health, improving the performance of curriculum departments where required, managing the physical security of the site along with cyber security and balancing annual income to expenditure have provided challenges during the course of the year.

The evaluation of the actions taken in relation to the challenges and the wellbeing and results of the student's bear testament to the fact that the actions taken by the trust board have been effective.

As set out under the organisational information, the trustees delegate a number of functions to the local governing board of each academy. Each local governing board meets a minimum of three times throughout the year to govern the affairs of the individual academies. This includes scrutinising examination outcomes, progress with improvement plans and financial planning for the year. Routine skills audits are completed, particularly where a vacancy arises to ensure that the membership of each local governing board remains balanced with a broad range of knowledge and expertise amongst the members.

#### **Governance Review**

At the June 2017 trust board meeting, the results of a detailed review were discussed. The review was undertaken to ensure that the board was meeting its obligations as set out in the most recent edition of the DfE's Trustees' Handbook. The board was satisfied that it was meeting its core obligations and had used educational performance and financial data as part of its process of exercising proper control, judgement and challenge. A number of fringe issues were also discussed, with required actions or agreements being made. Trustees have an ongoing brief to identify and satisfy any specific areas for improvement in the normal course of their role.

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

As Accounting Officer, the Executive Advisor has responsibility for ensuring that the 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 trust board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the trust has delivered improved value for money during the year by:

Improving educational results. The trustees believe that the most effective demonstration of value for money is in the educational achievements of the academies students.

Ensuring that standards of teaching and learning are continually improved, the academies operate a programme of observation of lessons, is visited by inspectors, and undertakes a comparison of results from entry to Key Stage 3 and from there to GCSE, to assess the added value.

In terms of general governance and oversight of academy trust finances, the academies benefit from the provision of a suitably qualified and independent audit check. The independent auditor reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the trust board termly.

The trust board reviews and challenges the budget each year and is mindful of the need to balance expenditure against income to ensure that the academy trust remains a 'going concern', when assessed by reference to strict accounting standards. The trust board reviews the Annual Accounts and the External Auditors' Management Report in detail each year.

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**GOVERNANCE STATEMENT (CONTINUED)**

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The trust board also receives termly budget monitoring reports and investigates deviations from the plan.

The academies take a prudent approach to expenditure generally. As some 70% of each academy's income is expended on staffing, the staffing structure and composition is reviewed regularly by the trust board to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives agreed in the academies Development Plan.

The senior management team monitor and review as necessary expenditure within each budget category and make adjustments based on the effectiveness of strategies introduced in previous years, changes in the curriculum offer and any new strategies identified in the academies' Development Plans.

The academies regularly benchmark their financial performance against other schools and academy trusts to demonstrate comparatively that the academies provide good value for money.

Tender exercises are periodically undertaken to ensure that high value contracts in particular are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

The academies collaborate with a number of other schools and academy trusts to achieve best value, notably by way of bulk purchasing economies. Departmental budget holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other academies and economies of scale. They ensure that suppliers compete on the grounds of cost, quality, suitability, product and after sales support.

The senior management team apply principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the academies;
- the targeting of resources to best improve standards and the quality of education provision;
- the use of resources to best support the various educational needs of all students; and
- long term planning for future maintenance and capital spend requirements.

The academies have developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures in place include:

- competitive tendering procedures;
- procedures for accepting "best value" quotes, which may not necessarily be the cheapest (e.g. suitability for purpose and quality and durability of product); and
- internal project management of major new buildings and equipment installations.
- reviewing controls and managing risks.

The trust's systems 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.

Monthly budget monitoring reports are produced and reviewed by the Director of Finance and the Accounting Officer and any necessary remedial actions taken to address any significant variances that may have an impact on the financial performance for the year or in the longer term.

The academies ensure that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

A separate investment fund for longer term needs is managed by specialist advisors at Brewin Dolphin Limited. Targets are set for capital growth and income generation and performance is regularly reviewed by the trustees, including through meetings with the managers.

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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Insurance levels are reviewed annually and used cost effectively to manage risks.

The trustees continually monitor the reserves of the academy trust as detailed in the Trustees' Report above.

**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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Thomas Telford Multi Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

The 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 trust board;
- regular reviews by the trust board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties;
- identification and management of risks

The trust board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Crowe U.K. LLP, the external auditor, to perform additional checks.

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

- Detailed payroll checks.
- Review of board minutes.
- Review of budgets and management accounts.
- Sample testing of accounting systems.

On a termly basis, the external auditor reports to the trust board through the trust board on the operation of the systems of control and on the discharge of the trust board's financial responsibilities.

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The trustees can report that the internal audit function has been fully exercised during the year under review and no material control deficiencies were found and therefore no remedial action has been required.

**Review of effectiveness**

As accounting officer, the Executive Advisor 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 trust board and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees and signed on their behalf by:



**R.J. Harrison OBE**  
Chairman  
Date: 1 December 2020



**Sir Kevin Satchwell**  
Accounting Officer

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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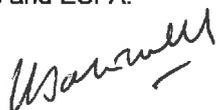
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Sir Kevin Satchwell**  
Accounting Officer  
Date: 1 December 2020

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

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

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

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

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



**R J Harrison OBE**  
Chairman  
Date: 1 December 2020

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THOMAS TELFORD MULTI ACADEMY TRUST**

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### **Opinion**

We have audited the financial statements of Thomas Telford Multi Academy Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

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

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

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

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THOMAS TELFORD MULTI ACADEMY TRUST (CONTINUED)**

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**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THOMAS TELFORD MULTI ACADEMY TRUST (CONTINUED)**

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**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THOMAS TELFORD MULTI ACADEMY TRUST (CONTINUED)**

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*H. C. Drew*

**Helen Drew (Senior Statutory Auditor)**

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date 14 December 2020

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THOMAS  
TELFORD MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 04/05/2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thomas Telford Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Thomas Telford Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Thomas Telford Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Thomas Telford Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Thomas Telford Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Thomas Telford Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the Charitable Company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Charitable Company and specific transactions identified from our review.

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Conclusion**

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

*Crowe U.K. LLP*

Reporting Accountant  
**Crowe U.K. LLP**

Statutory Auditor

Date 14 December 2020

**THOMAS TELFORD MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and capital grants:					
3					
Transfer from local authority on conversion	27,000	(239,000)	8,997,757	8,785,757	2,756,690
Other donations and capital grants	-	1,192,578	257,452	1,450,030	1,306,370
Charitable activities	1,144,960	24,801,255	-	25,946,215	24,138,474
5	301,865	-	-	301,865	334,969
<b>Total income</b>	<b>1,473,825</b>	<b>25,754,833</b>	<b>9,255,209</b>	<b>36,483,867</b>	<b>28,536,503</b>
<b>Expenditure on:</b>					
Raising funds	30,011	-	-	30,011	31,704
Charitable activities	1,264,325	25,849,521	2,469,169	29,583,015	27,058,410
<b>Total expenditure</b>	<b>1,294,336</b>	<b>25,849,521</b>	<b>2,469,169</b>	<b>29,613,026</b>	<b>27,090,114</b>
Net (losses)/gains on investments	(57,208)	-	-	(57,208)	76,936
<b>Net income/(expenditure)</b>	<b>122,281</b>	<b>(94,688)</b>	<b>6,786,040</b>	<b>6,813,633</b>	<b>1,523,325</b>
Transfers between funds					
18	(201,308)	(1,615,701)	1,817,009	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>	<b>(79,027)</b>	<b>(1,710,389)</b>	<b>8,603,049</b>	<b>6,813,633</b>	<b>1,523,325</b>

**THOMAS TELFORD MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Net movement in funds before other recognised (losses)/gains brought forward</b>	<b>(79,027)</b>	<b>(1,710,389)</b>	<b>8,603,049</b>	<b>6,813,633</b>	<b>1,523,325</b>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	-	(4,096,000)	-	(4,096,000)	(1,718,000)
	<b>(79,027)</b>	<b>(5,806,389)</b>	<b>8,603,049</b>	<b>2,717,633</b>	<b>(194,675)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	7,205,093	(5,063,536)	65,513,823	67,655,380	67,850,055
Net movement in funds	(79,027)	(5,806,389)	8,603,049	2,717,633	(194,675)
<b>Total funds carried forward</b>	<b>7,126,066</b>	<b>(10,869,925)</b>	<b>74,116,872</b>	<b>70,373,013</b>	<b>67,655,380</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 58 form part of these financial statements.

**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 04798185**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	74,116,872	65,513,823
Investments	15	8,700,688	8,800,466
		<u>82,817,560</u>	<u>74,314,289</u>
<b>Current assets</b>			
Debtors	16	573,676	612,306
Cash at bank and in hand		2,606,996	2,755,977
		<u>3,180,672</u>	<u>3,368,283</u>
Creditors: amounts falling due within one year	17	(3,116,219)	(2,799,192)
<b>Net current assets</b>		<u>64,453</u>	<u>569,091</u>
<b>Total assets less current liabilities</b>		<u>82,882,013</u>	<u>74,883,380</u>
<b>Net assets excluding pension liability</b>		<u>82,882,013</u>	<u>74,883,380</u>
Defined benefit pension scheme liability	24	(12,509,000)	(7,228,000)
<b>Total net assets</b>		<u><u>70,373,013</u></u>	<u><u>67,655,380</u></u>

**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 04798185**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	74,116,872	65,513,823
Restricted income funds	18	1,639,075	2,164,464
Restricted funds excluding pension asset	18	<u>75,755,947</u>	<u>67,678,287</u>
Pension reserve	18	<u>(12,509,000)</u>	<u>(7,228,000)</u>
<b>Total restricted funds</b>	18	<b>63,246,947</b>	<b>60,450,287</b>
<b>Unrestricted income funds</b>	18	<b>7,126,066</b>	<b>7,205,093</b>
<b>Total funds</b>		<b><u>70,373,013</u></b>	<b><u>67,655,380</u></b>

The financial statements on pages 25 to 58 were approved and authorised for issue by the trustees and are signed on their behalf, by:



**RJ Harrison OBE**  
Chairman  
Date: 1 December 2020

The notes on pages 30 to 58 form part of these financial statements.

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**THOMAS TELFORD MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>1,318,053</b>	1,192,720
<b>Cash flows from investing activities</b>	21	<b>(42,346)</b>	26,737
<b>Change in cash and cash equivalents in the year</b>		<b>1,275,707</b>	1,219,457
Cash and cash equivalents at the beginning of the year		<b>3,040,497</b>	1,821,040
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<b>4,316,204</b>	<b>3,040,497</b>

The notes on pages 30 to 58 form part of these financial statements

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

Thomas Telford Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Company status**

The trust is a company limited by guarantee, incorporated in England & Wales, registered number 04798185. The registered office is Thomas Telford School, Old Park, Telford, Shropshire, TF3 4NW. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the trust.

**1.3 Going concern**

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

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**THOMAS TELFORD MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.4 Income**

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

Donated services are recognised when the trust has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the trust of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services are recognised on the basis of the value of the gift to the trust which is the amount the trust would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

• **Transfer of existing academies into the trust**

Where assets and liabilities are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within 'Income from Donations and Capital Grants'

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

to the net assets acquired.

**1.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

**1.6 Expenditure**

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy 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's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

**1.7 Tangible fixed assets**

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

L/Term Leasehold Property	- 50 years
Computer equipment	- 4 years
Fixtures and fittings	- 7 years
Motor vehicles	- 4 years
Other fixed assets	- 10 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments held as fixed assets are shown at cost less provision for impairment.

**1.9 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.10 Taxation**

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

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

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 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 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.

**1.14 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

**1.15 Pensions**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.15 Pensions (continued)**

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.

**1.16 Agency arrangements**

The trust acts as an agent in distributing bursary funds and grants from the ESFA. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust can use a proportion of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

**1.17 Business combinations**

The transfer into the trust of Thomas Telford UTC involves the transfer of identifiable assets and liabilities and the operation of the UTC for £NIL consideration and has been accounted for under the acquisition method of accounting.

The assets and liabilities transferred to the trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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 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 24, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Sponsorship	-	801,690	-	<b>801,690</b>
Donations	-	390,888	-	<b>390,888</b>
Capital grants	-	-	257,452	<b>257,452</b>
Transfer on business combinations	27,000	(239,000)	8,997,757	<b>8,785,757</b>
	<u>27,000</u>	<u>953,578</u>	<u>9,255,209</u>	<u><b>10,235,787</b></u>
	<u>27,000</u>	<u>953,578</u>	<u>9,255,209</u>	<u><b>10,235,787</b></u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Sponsorship	-	712,289	-	712,289
Donations	-	323,358	-	323,358
Capital grants	-	-	270,723	270,723
Transfer on business combinations	130,690	(954,000)	3,580,000	2,756,690
	<u>130,690</u>	<u>81,647</u>	<u>3,850,723</u>	<u>4,063,060</u>
	<u>130,690</u>	<u>81,647</u>	<u>3,850,723</u>	<u>4,063,060</u>

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**4. Funding for the trust's provision of education**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	-	21,529,731	21,529,731
Other DfE/ESFA grants	-	2,709,787	2,709,787
	-	24,239,518	24,239,518
<b>Local Authority grants</b>			
	-	500,723	500,723
	-	500,723	500,723
<b>Other income from the academy trust's educational operations</b>			
Catering income	622,339	-	622,339
Transport income	65,829	-	65,829
Other incoming resources	456,792	-	456,792
	1,144,960	-	1,144,960
<b>Exceptional government funding</b>			
Coronavirus Job Retention Scheme grant	-	51,600	51,600
Coronavirus exceptional support	-	9,414	9,414
	-	61,014	61,014
	1,144,960	24,801,255	25,946,215

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £9,414 of premises costs and free school meal costs before the introduction of the National Voucher Scheme. These costs are included in notes 7 and 9 below as appropriate.

- Sandwell Academy and Thomas Telford UTC furloughed some of their catering staff and Redhill Primary Academy furloughed some of its breakfast and after-school club staff under the government's CJRS. The funding received of £51,600 relates to staff costs in respect of 23 staff which are included within note 10 below as appropriate.

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**4. Funding for the trust's provision of education (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	-	20,222,218	20,222,218
Other DfE/ESFA grants	-	1,595,009	1,595,009
	-	21,817,227	21,817,227
 Local Authority grants	-	332,989	332,989
	-	332,989	332,989
 <b>Other income from the academy trust's educational operations</b>			
Catering income	924,722	-	924,722
Transport income	94,092	-	94,092
Other incoming resources	969,444	-	969,444
	1,988,258	-	1,988,258
	1,988,258	22,150,216	24,138,474

**5. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Investment income	293,443	293,443
Bank interest receivable	8,422	8,422
<b>Total 2020</b>	<b>301,865</b>	<b>301,865</b>

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**5. Investment income (continued)**

	<i>Unrestricted funds 2019</i>	<i>Total funds 2019</i>
	£	£
Investment income	334,781	334,781
Bank interest receivable	188	188
<i>Total 2019</i>	<u>334,969</u>	<u>334,969</u>

**6. Expenditure**

	<b>Staff Costs 2020</b>	<b>Premises 2020</b>	<b>Other 2020</b>	<b>Total 2020</b>
	£	£	£	£
Expenditure on raising funds:	-	-	30,011	<b>30,011</b>
Provision of education:				
Direct costs	15,595,394	2,615,995	2,369,363	<b>20,580,752</b>
Allocated support costs	6,680,817	1,361,167	960,279	<b>9,002,263</b>
<b>Total 2020</b>	<u>22,276,211</u>	<u>3,977,162</u>	<u>3,359,653</u>	<u>29,613,026</u>

	<i>Staff Costs 2019</i>	<i>Premises 2019</i>	<i>Other 2019</i>	<i>Total 2019</i>
	£	£	£	£
Expenditure on raising funds:	-	-	31,704	31,704
Provision of education:				
Direct costs	13,917,495	2,471,777	2,908,391	19,297,663
Support costs	5,813,245	1,295,393	652,109	7,760,747
<i>Total 2019</i>	<u>19,730,740</u>	<u>3,767,170</u>	<u>3,592,204</u>	<u>27,090,114</u>

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**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Provision of education	20,580,752	9,002,263	<b>29,583,015</b>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Provision of education	19,297,663	7,760,747	<b>27,058,410</b>

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Premises costs	<b>540,451</b>	609,114
Other support costs	<b>907,977</b>	865,361
Legal costs	<b>21,633</b>	28,325
Governance costs	<b>30,671</b>	11,423
Staff costs	<b>6,680,815</b>	5,560,245
Depreciation	<b>820,716</b>	686,279
	<b>9,002,263</b>	<b>7,760,747</b>

Included within governance costs are any costs associated with the strategic, as opposed to day-to-day, management of the trust's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

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**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	2,469,168	1,981,844
Operating lease rentals	87,260	90,594
	2,556,428	2,062,932

**9. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the trust's auditor for the audit of the trust's annual accounts	23,400	22,700
Fees payable to the trust's auditor in respect of: All other non-audit services not included above	4,775	6,500
	28,175	29,200

**10. STAFF COSTS**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	16,679,709	15,138,590
Social security costs	1,459,149	1,338,818
Pension costs	4,121,986	3,037,166
	22,260,844	19,514,574
Agency staff costs	7,132	216,166
Staff restructuring costs	8,235	-
	22,276,211	19,730,740

Staff restructuring costs comprise:

Severance payments	8,235	-
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**10. STAFF COSTS (continued)**

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,235 (2019: £NIL). Individually, the payments were: £3,500 and £4,735.

**c. Staff numbers**

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

	<b>2020</b> <b>No.</b>	<b>2019</b> <b>No.</b>
Teachers	<b>310</b>	294
Administration and support	<b>323</b>	292
Management	<b>4</b>	4
	<b>637</b>	<b>590</b>

**d. Higher paid staff**

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

	<b>2020</b> <b>No.</b>	<b>2019</b> <b>No.</b>
In the band £60,001 - £70,000	<b>15</b>	14
In the band £70,001 - £80,000	<b>6</b>	4
In the band £80,001 - £90,000	<b>2</b>	1
In the band £90,001 - £100,000	<b>1</b>	1
In the band £110,001 - £120,000	<b>-</b>	1
In the band £120,001 - £130,000	<b>2</b>	1
In the band £130,001 - £140,000	<b>1</b>	1

**e. Key management personnel**

The key management personnel of the 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 was £333,691 (2019 £323,358).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**11. Trustees' remuneration and expenses**

During the year, no trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, travel and subsistence expenses totalling £323 were reimbursed or paid directly to 1 trustee (2019 - £656 to 2 trustees).

**12. Central services**

No central services were provided by the trust to its academies during the year and no central charges arose.

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £799 (2019 - £1,045). The cost of this insurance is included in the total insurance cost.

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**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Other fixed assets £	Assets under construction £	Total £
<b>Cost or valuation</b>							
At 1 September 2019	73,204,189	1,538,846	1,602,779	60,694	161,312	164,410	76,732,230
Additions	31,510	110,243	627,047	-	-	1,285,067	2,053,867
Transfer on business combination	8,620,128	236,483	161,739	-	-	-	9,018,350
At 31 August 2020	<u>81,855,827</u>	<u>1,885,572</u>	<u>2,391,565</u>	<u>60,694</u>	<u>161,312</u>	<u>1,449,477</u>	<u>87,804,447</u>
<b>Depreciation</b>							
At 1 September 2019	9,006,578	1,343,145	774,776	45,514	48,394	-	11,218,407
Charge for the year	1,851,711	83,463	508,664	9,199	16,131	-	2,469,168
At 31 August 2020	<u>10,858,289</u>	<u>1,426,608</u>	<u>1,283,440</u>	<u>54,713</u>	<u>64,525</u>	<u>-</u>	<u>13,687,575</u>
<b>Net book value</b>							
At 31 August 2020	<u>70,997,538</u>	<u>458,964</u>	<u>1,108,125</u>	<u>5,981</u>	<u>96,787</u>	<u>1,449,477</u>	<u>74,116,872</u>
At 31 August 2019	<u>64,197,611</u>	<u>195,701</u>	<u>828,003</u>	<u>15,180</u>	<u>112,918</u>	<u>164,410</u>	<u>65,513,823</u>

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**15. Fixed asset investments**

	Investment Portfolio £	Cash awaiting reinvestment £	Total £
<b>Cost or valuation</b>			
At 1 September 2019	8,515,946	284,520	8,800,466
Additions	1,342,768	(1,342,768)	-
Disposals	(3,110,025)	2,810,025	(300,000)
Unrealised loss on investments	(1,379,726)	-	(1,379,726)
Investment manager's fees	-	(36,013)	(36,013)
Realised gain on disposals	1,322,518	-	1,322,518
Investment income	-	293,443	293,443
<b>At 31 August 2020</b>	<u><u>6,691,481</u></u>	<u><u>2,009,207</u></u>	<u><u>8,700,688</u></u>

**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	33,463	19,792
Other debtors	181,878	174,554
Prepayments and accrued income	358,335	417,960
	<u><u>573,676</u></u>	<u><u>612,306</u></u>

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**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Capital creditors	335,415	312,234
Trade creditors	471,742	526,592
Other taxation and social security	354,380	332,084
Other creditors	478,517	275,414
Accruals and deferred income	1,476,165	1,352,868
	<b>3,116,219</b>	<b>2,799,192</b>
	<b>3,116,219</b>	<b>2,799,192</b>
	2020 £	2019 £
Deferred income at 1 September 2019	350,634	264,757
Transfer on business combinations	106,656	37,094
Resources deferred during the year	354,726	101,910
Amounts released from previous years	(350,634)	(53,127)
	<b>461,382</b>	<b>350,634</b>
	<b>461,382</b>	<b>350,634</b>

Deferred income relates to monies received for trips and other activities relating to next academic year, and grant income received in advance

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**18. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Unrestricted funds	7,205,093	1,473,825	(1,294,336)	(201,308)	(57,208)	7,126,066
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,664,464	21,529,731	(20,939,419)	(615,701)	-	1,639,075
Other DfE/ESFA grants	-	2,709,787	(2,709,787)	-	-	-
Local Authority grants	-	500,723	(500,723)	-	-	-
Exceptional government funding	-	61,014	(61,014)	-	-	-
Donations	500,000	1,192,578	(692,578)	(1,000,000)	-	-
Transfer on business combinations	-	90,000	(90,000)	-	-	-
Pension reserve	(7,228,000)	(329,000)	(856,000)	-	(4,096,000)	(12,509,000)
	<u>(5,063,536)</u>	<u>25,754,833</u>	<u>(25,849,521)</u>	<u>(1,615,701)</u>	<u>(4,096,000)</u>	<u>(10,869,925)</u>
<b>Restricted fixed asset funds</b>						
ESFA capital grants	55,230,830	97,056	(2,081,610)	9,018,350	-	62,264,626
Capital expenditure from GAG	3,944,740	160,396	(110,985)	796,416	-	4,790,567
Private sector	6,338,253	-	(276,574)	1,000,000	-	7,061,679
Transfer on business combinations	-	8,997,757	-	(8,997,757)	-	-
	<u>65,513,823</u>	<u>9,255,209</u>	<u>(2,469,169)</u>	<u>1,817,009</u>	<u>-</u>	<u>74,116,872</u>

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**18. Statement of funds (continued)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Total Restricted funds</b>	60,450,287	35,010,042	(28,318,690)	201,308	(4,096,000)	63,246,947
<b>Total funds</b>	<u>67,655,380</u>	<u>36,483,867</u>	<u>(29,613,026)</u>	<u>-</u>	<u>(4,153,208)</u>	<u>70,373,013</u>

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

The government capital grant funds are provided by the government for specific capital projects. Such funds continue to be treated as restricted due to ongoing restrictions imposed by the DfE and sponsors over the use and disposal of the related assets.

Transfers represent the capital expenditure purchased from GAG and to support deficit on restricted funds.

The unrestricted funds are available for use at the discretion of the trustees.

The restricted income fund relates to government funding for the provision of education by the Charitable Company.

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Sandwell Academy	2,750,198	2,839,488
Walsall Academy	420,539	1,332,347
Madeley Academy	5,403,093	5,125,293
Redhill Primary Academy	102,339	72,429
Thomas Telford UTC	88,972	-
<b>Total before fixed asset funds and pension reserve</b>	<u>8,765,141</u>	<u>9,369,557</u>
Restricted fixed asset fund	74,116,872	65,513,823
Pension reserve	(12,509,000)	(7,228,000)
<b>Total</b>	<u><u>70,373,013</u></u>	<u><u>67,655,380</u></u>

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**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2020 £</b>
Sandwell Academy	4,809,898	2,277,164	502,136	1,182,556	<b>8,771,754</b>
Walsall Academy	4,782,180	1,946,769	620,209	843,389	<b>8,192,547</b>
Madeley Academy	4,385,309	1,566,776	382,511	752,181	<b>7,086,777</b>
Redhill Primary Academy	1,108,975	635,888	87,291	350,346	<b>2,182,500</b>
Thomas Telford UTC	509,032	254,220	44,326	102,701	<b>910,279</b>
<b>Trust</b>	<b>15,595,394</b>	<b>6,680,817</b>	<b>1,636,473</b>	<b>3,231,173</b>	<b>27,143,857</b>

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

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2019 £</i>
Sandwell Academy	4,416,853	2,149,524	859,089	1,182,713	8,608,179
Walsall Academy	4,298,011	1,823,819	813,417	821,045	7,756,292
Madeley Academy	3,952,456	1,479,045	469,925	785,640	6,687,066
Redhill Primary Academy	1,006,659	604,373	180,414	265,287	2,056,733
<b>Trust</b>	<b>13,673,979</b>	<b>6,056,761</b>	<b>2,322,845</b>	<b>3,054,685</b>	<b>25,108,270</b>

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
Unrestricted funds	8,006,150	2,453,917	(1,621,100)	(1,710,810)	76,936	7,205,093
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,555,214	20,222,217	(20,299,529)	186,562	-	1,664,464
Other DfE/ESFA grants	-	1,595,008	(1,595,008)	-	-	-
Local Authority grants	-	332,988	(332,988)	-	-	-
Donations	-	1,035,650	(535,650)	-	-	500,000
Pension reserve	(3,832,000)	(954,000)	(724,000)	-	(1,718,000)	(7,228,000)
	<u>(2,276,786)</u>	<u>22,231,863</u>	<u>(23,487,175)</u>	<u>186,562</u>	<u>(1,718,000)</u>	<u>(5,063,536)</u>
<b>Restricted fixed asset funds</b>						
ESFA capital grants	51,704,295	270,723	(324,188)	3,580,000	-	55,230,830
Capital expenditure from GAG	4,078,143	-	(1,657,651)	1,524,248	-	3,944,740
Private sector	6,338,253	-	-	-	-	6,338,253
Transfer on business combinations	-	3,580,000	-	(3,580,000)	-	-
	<u>62,120,691</u>	<u>3,850,723</u>	<u>(1,981,839)</u>	<u>1,524,248</u>	<u>-</u>	<u>65,513,823</u>
<b>Total Restricted funds</b>	<u>59,843,905</u>	<u>26,082,586</u>	<u>(25,469,014)</u>	<u>1,710,810</u>	<u>(1,718,000)</u>	<u>60,450,287</u>

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**18. Statement of funds (continued)**

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
<b>Total funds</b>	<u>67,850,055</u>	<u>28,536,503</u>	<u>(27,090,114)</u>	<u>-</u>	<u>(1,641,064)</u>	<u>67,655,380</u>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020</b>	<b>Restricted funds 2020</b>	<b>Restricted fixed asset funds 2020</b>	<b>Total funds 2020</b>
	£	£	£	£
Tangible fixed assets	-	-	74,116,872	<b>74,116,872</b>
Fixed asset investments	7,126,066	1,574,622	-	<b>8,700,688</b>
Current assets	-	3,180,672	-	<b>3,180,672</b>
Creditors due within one year	-	(3,116,219)	-	<b>(3,116,219)</b>
Provisions for liabilities and charges	-	(12,509,000)	-	<b>(12,509,000)</b>
<b>Total</b>	<u>7,126,066</u>	<u>(10,869,925)</u>	<u>74,116,872</u>	<u><b>70,373,013</b></u>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	65,513,823	<b>65,513,823</b>
Fixed asset investments	7,205,093	1,595,373	-	<b>8,800,466</b>
Current assets	-	3,368,283	-	<b>3,368,283</b>
Creditors due within one year	-	(2,799,192)	-	<b>(2,799,192)</b>
Provisions for liabilities and charges	-	(7,228,000)	-	<b>(7,228,000)</b>
<b>Total</b>	<u>7,205,093</u>	<u>(5,063,536)</u>	<u>65,513,823</u>	<u><b>67,655,380</b></u>

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	<b>6,813,633</b>	1,523,325
<b>Adjustments for:</b>		
(Gains)/losses on investments	57,208	(76,936)
Dividends and interest from investments	<b>(293,443)</b>	(334,781)
Depreciation charges	<b>2,469,168</b>	1,981,844
(Increase)/decrease in debtors	<b>217,630</b>	(115,248)
Increase/(decrease) in creditors	<b>322,261</b>	514,664
Capital grants from DfE and other capital income	<b>(338,634)</b>	(270,724)
Defined benefit pension scheme cost less contributions payable	<b>704,000</b>	604,000
Defined benefit pension scheme finance cost	<b>152,000</b>	120,000
Defined benefit pension scheme obligation inherited	<b>329,000</b>	954,000
Net gain on assets and liabilities from business combinations	<b>(9,114,770)</b>	(3,710,690)
(Profit)/loss on sale of fixed assets	-	3,266
<b>Net cash provided by operating activities</b>	<b>1,318,053</b>	1,192,720

**21. Cash flows from investing activities**

	2020 £	2019 £
Dividends and interest from investments	<b>293,443</b>	334,781
Proceeds from the sale of tangible fixed assets	-	21,000
Purchase of tangible fixed assets	<b>(2,366,100)</b>	(1,691,559)
Capital grants from DfE	<b>338,634</b>	270,724
Proceeds from the sale of investments	<b>2,810,025</b>	1,618,819
Purchase of investments	<b>(1,342,768)</b>	(694,812)
Cash transferred from business combinations	<b>224,420</b>	167,784
<b>Net cash (used in)/provided by investing activities</b>	<b>(42,346)</b>	26,737

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**22. Analysis of cash and cash equivalents**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>2,606,996</b>	2,755,977
Cash awaiting reinvestment	<b>1,709,208</b>	284,520
<b>Total cash and cash equivalents</b>	<b>4,316,204</b>	<i>3,040,497</i>

**23. Analysis of changes in net debt**

	<b>At 1 September 2019</b>	<b>Cash flows</b>	<b>At 31 August 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>2,755,977</b>	<b>(148,981)</b>	<b>2,606,996</b>
	<b>2,755,977</b>	<b>(148,981)</b>	<b>2,606,996</b>

**24. Pension commitments**

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

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

Contributions amounting to £369,325 were payable to the schemes at 31 August 2020 (2019 - £275,874) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,528,727 (2019 - £1,591,497).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £895,990 (2019 - £964,000), of which employer's contributions totalled £598,339 (2019 - £647,000) and employees' contributions totalled £ 297,651 (2019 - £190,000). The agreed contribution rates for future years are 16.8 to 21.4 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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.

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**24. Pension commitments (continued)**

**Principal actuarial assumptions**

	2020 %	2019 %
Discount rate for scheme liabilities	1.45	2.16
Rate of increase for pensions in payment/inflation	2.20	2.34
Inflation assumption (CPI)	2.84	3.79

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.30	22.05
Females	24.46	24.80
<i>Retiring in 20 years</i>		
Males	23.96	24.00
Females	26.24	26.85

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	21,018	15,288
Discount rate -0.1%	17,990	16,165
Mortality assumption - 1 year increase	22,609	16,336
Mortality assumption - 1 year decrease	16,818	15,129

The trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	7,032,000	6,954,000
Government bonds	990,000	805,000
Other bonds	1,227,000	1,089,000
Property	854,000	867,000
Cash and other liquid assets	671,000	373,000
Other	2,313,000	2,096,000
<b>Total market value of assets</b>	<b>13,087,000</b>	<b>12,184,000</b>

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**24. Pension commitments (continued)**

The actual return on scheme assets was £178,000 (2019 - £616,000).

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

	2020 £	2019 £
Current service cost	687,000	416,000
Interest on obligation	152,000	120,000
Admin expenses	12,000	11,000
Past service cost	5,000	177,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>856,000</b>	<b>724,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>19,412,000</b>	<b>14,599,000</b>
Transferred in on existing academies joining the trust	644,000	1,164,000
Employee contributions	216,000	190,000
Actuarial losses	3,832,000	2,035,000
Benefits paid	(356,000)	(234,000)
Current service cost	1,423,000	418,000
Interest cost	422,000	177,000
Past service cost	5,000	-
<b>At 31 August</b>	<b>25,598,000</b>	<b>18,349,000</b>

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**24. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>12,184,000</b>	<i>10,767,000</i>
Transferred in on existing academies joining the trust	<b>315,000</b>	<i>210,000</i>
Actuarial losses/(gains)	<b>(264,000)</b>	<i>317,000</i>
Employer contributions	<b>734,000</b>	<i>647,000</i>
Employee contributions	<b>216,000</b>	<i>190,000</i>
Benefits paid	<b>(358,000)</b>	<i>(234,000)</i>
Interest on assets	<b>270,000</b>	<i>298,000</i>
Administration expenses	<b>(12,000)</b>	<i>(11,000)</i>
<b>At 31 August</b>	<b>13,085,000</b>	<i>12,184,000</i>

**25. Operating lease commitments**

At 31 August 2020 the trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	<b>50,921</b>	<i>81,080</i>
Later than 1 year and not later than 5 years	<b>63,704</b>	<i>94,357</i>
	<b>114,625</b>	<i>175,437</i>

**26. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**27. Members' liability**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Agency arrangements**

The trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £118,578 (2019: £101,883) and disbursed £117,631 (2019: £96,546) from the fund. An amount of £10,560 (2019: £9,613) is included within accruals and deferred income relating to undistributed funds.

**29. Transfer of existing academies into the academy**

**Thomas Telford University Technical College**

	<b>Value reported by transferring trust £</b>	<b>Transfer in recognised £</b>
<b>Tangible fixed assets</b>		
Long-term leasehold property	8,620,128	8,620,128
Furniture and equipment	236,483	236,483
Computer equipment	161,739	161,739
<b>Current assets</b>		
Debtors due within one year	178,909	178,909
Cash at bank and in hand	224,382	224,382
<b>Liabilities</b>		
Creditors due within one year	(306,884)	(306,884)
<b>Pensions</b>		
Pensions - pension scheme liabilities	(329,000)	(329,000)
<b>Net assets</b>	<u>8,785,757</u>	<u>8,785,757</u>