

Company Registration Number: 07656245 (United Kingdom)

The Spring Partnership Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017

The Spring Partnership Trust
(A company limited by guarantee)

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Foreword by the Chairman of The Spring Partnership Trust For the year ended 31 August 2017

I am delighted to present the Annual Accounts for The Spring Partnership Trust for the year ending 31 August, 2017.

This year has seen the most profound changes to our organisation when we were joined by Castlecombe, Leesons and Midfield Primary Schools and Dorset Road Infant School. At the very outset, I would like to recognise the trust that the senior leaders and governors of these four schools have placed in The Spring Partnership Trust to enable their continuous improvement and financial security in what continues to be a challenging educational landscape.



I also want to recognise the great goodwill and the enormous effort with which directors, governors, senior leaders and staff have tackled the unique challenges posed by sudden and rapid expansion, as we strive to integrate all parts of our business.

Our pupils' overall achievement and attainment measured by end of KS2 results has generally been excellent this year and a testament to the teaching staff who as ever go 'above and beyond'. A Monitoring Visit at Castlecombe confirmed that under new Leadership and Governance, rapid progress is being made while Leesons had a Good Ofsted Inspection in March 2017. After the year end we had three inspections in quick succession. At St Mary Cray in October 2017 the Inspector concluded that Leadership and Management together with Early Years Provision were both 'Outstanding' which demonstrates huge progress since we first sponsored the school. Hayes was also inspected and received a very good

'Good' inspection report. Finally, Midfield was also inspected and to our delight was 'Outstanding' overall. These excellent results are a testament to the effectiveness of the multi-academy trust model to drive improvement.

Operationally, we have made great strides to co-ordinate various functions (e.g. finance and HR) with a view to building sophisticated and 'fit for purpose' business processes across the whole Trust. Again, this has taken unparalleled effort by support staff.

We have also made good progress towards integrating our governance throughout The Spring Partnership Trust. I am very grateful to all the Chairs of our schools for their support during this process. We have continued to 'professionalise' our governance and this, together with our vision and strategy, was recognised by us winning in September 2017 the NGA Outstanding Award for Governance in a MAT.

Through our growth and development, we can now offer the following benefits of being in a larger group of schools working together with equal status:-



Educational benefits

- Established networks of teachers and leaders to develop policy and share good practice.
- Behaviour and SEND support team to support Headteachers and build capacity for inclusion.
- Greater professional development opportunities in a larger organisation.
- Enhanced recruitment and retention rates in a period of teacher shortages.
- Succession planning, training and development to ensure excellent leaders for every school.
- More rapid school improvement – collective focus on teaching and learning.

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Foreword by the Chairman of The Spring Partnership Trust For the year ended 31 August 2017 - cont

- Quality assurance of educational standards through reviews of standards led by the EHT every half term. Schools open to a review process are more likely to continuously improve.
- Central standards development team to offer support in specialist areas.
- Executive Headteacher to co-ordinate and broker school-to-school support and challenge, and secondly, to monitor the performance of each school with the Headteacher and to set strategic targets.



A central team of business, finance, IT, Premises and HR leaders frees up Headteachers to focus on teaching and learning

- Expert advice on admissions, exclusions, behaviour, safeguarding, governance and health and safety
- Economies of scale through joint SLAs, contracts and procurement
- Expert staff dedicated to bidding for grants for specific school development projects increases the chance of success
- Consistent financial reporting across all schools with monthly management accounts to help Headteachers and Local Committee Members monitor their year to date operating budget spends
- CFO and finance team with accountancy qualifications
- The specialist, centralised finance and business team has a more sophisticated and knowledgeable oversight than is afforded by stand-alone academies. They also have strength in depth to cover for (say) absences, which would be difficult for standalone schools to accommodate.
- A team of caretakers manage school sites, support each other with specific jobs and provide cover where needed.
- Planned upgrade in IT systems resulting in improved data security, reduced costs overall and centralised IT support.
- Preparation for the General Data Protection Regulation will be co-ordinated and implemented by the central team.

Turning to the future, our focus will be on continuing to integrate our schools into a co-ordinated whole. We are developing plans to expand further both by the creation of additional spaces and by seeking more partner schools, especially those in priority areas needing additional support. The future promises to be exciting and dynamic.

My thanks to all of you who have made this possible.

A handwritten signature in blue ink, appearing to read 'Clive Lees'.

Clive Lees
Chairman of the Board of Directors, The Spring Partnership Trust.

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Reference and Administrative Details of the Multi-academy trust, its trustees and Advisers For the year ended 31 August 2017

Members	Mrs. J.E. Nelson Mr. S.G. Narracott Mr. C. Lees Mr. R.E. Lane Mr. K.J. Osborne (resigned 12 May 2017)
Trustees	Mr. C. Lees, Chair of Trustees Mrs. J.P. Brinkley, CEO/Executive Headteacher and Accounting Officer Mr. K. Colville (resigned 1 February 2017) Mrs. J.A Covill (resigned 25 January 2017) Mrs. J.E. Nelson Dr. I. Raitt Mrs. B.D. Simpson Mrs. J. Tagg (resigned 20 July 2017) Mr. R. Taylor, Chair of Audit Committee and Chair of FARCO Mr. M. Gibbs (resigned 20 July 2017) Mr. J. Cliff (appointed 2 December 2016) Mr. P. Verghese (appointed 1 February 2017) Mr. M. Cousins (appointed 2 December 2016) (resigned 28 April 2017) Sir. R. Boshier (appointed 17 October 2016) (resigned 10 July 2017) Mr. S. Nagappan (appointed 15 June 2017) Mrs M. Brighty (appointed 17 July 2017)
Company registered number	07656245
Company name	The Spring Partnership Trust
Registered office	George Lane Hayes, Bromley Kent. BR2 7LQ
Company secretary	Mrs. V. Bolton
Chief executive officer	Mrs. J.P. Brinkley
Senior management team	Mrs. J.P. Brinkley, CEO, Executive Headteacher and Acting Headteacher at Dorset Road Infant School Mr. N. Vitarana, Headteacher at Hayes Primary School, Acting Headteacher at Castlecombe Primary School Mrs. G. Sesli, Headteacher at Midfield Primary School Mr. A. Lowing, Headteacher at St Mary Cray Primary Academy Mrs. A. Rush, Headteacher at Leeson's Primary School Mrs. C. Sheehan, Chief Financial Officer
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants and Statutory Auditors Thames House, Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Lloyds TSB 6-8, Market Square Bromley Kent BR1 1NA

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Trustees' Report

For the year ended 31 August 2017

The trustees present their annual report and auditors' report of the multi-academy trust for the year ended 31 August 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The multi-academy trust was incorporated on 2 June 2011 as a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the multi-academy trust.

The trustees are also the directors of the multi-academy trust for the purposes of company law. Details of the trustees, who served throughout the year except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The multi-academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees and other officers. The multi-academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the multi-academy trust. Details of the insurance cover are provided in note 14 to the financial statements.

Method of recruitment and appointment or election of trustees

Under the terms of the Articles in place throughout the year, the multi-academy trust shall have the following trustees:

- up to 10 trustees, appointed by the members;
- the CEO/Executive Headteacher;
- up to 3 chairs of Local Governing Bodies, if the Members resolve they shall be appointed;
- a minimum of 2 parent trustees unless there are Local Governing Bodies which include at least two Parent Members;
- Any additional trustees allowed under the Articles.

The multi-academy trust may also have any co-opted trustee appointed according to the Articles.

Policies and procedures adopted for the induction and training of trustees

During the year under review the board of trustees met 7 times and there were 12 committee meetings. The training and induction provided for new trustees depends on their previous experience. All new trustees are given a tour of the schools and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. New trustees attend an induction course provided by an external training provider and have access to a full programme of courses which they may choose to attend, based on their role and experience. Trustees are invited to attend strategic leadership events hosted half-termly by the CEO/Executive Headteacher to keep abreast of educational changes and to contribute to discussions about the strategic direction of The Spring Partnership Trust. The procedure outlined above also applies to new Local Committee Members (previously referred to as Governors) joining a Local Committee (previously referred to as Local Governing Body).

Organisation structure

The organisational structure consists of four levels: the members, the trustees, the Senior Management Group and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

As a result of the new schools joining the Trust (Castlecombe Primary School and Dorset Road Infant School from 1st September 2016 and Leeson's Primary School and Midfield Primary School from 1st December 2016) the structure of the Senior Management Group has adapted. From 1st September 2016 the Group consists of the Headteachers of each of the academies, the CEO and the CFO and not the Assistant and Deputy Headteachers.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the multi-academy trust by the use of budgets and making major decisions about the direction of the multi-academy trust, capital expenditure and senior staff appointments. Additional trustee responsibilities include setting the vision and ethos of the multi-academy trust, holding the CEO/Executive Headteacher to account, ensuring financial probity, viability and securing value for money.

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Trustees' Report (continued)

For the year ended 31 August 2017

During the year, the Senior Management Group comprised the CEO/Executive Headteacher, the Headteachers of the Spring Partnership multi-academy trust schools, and the Chief Finance Officer (CFO). These leaders control the multi-academy trust at an executive level, implementing the policies laid down by the trustees and reporting back to them. The Senior Management Group are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Management Group always contain a trustee.

Arrangements for setting pay and remuneration of key management personnel

FRS 102 requires details of the arrangement for setting pay and remuneration of the academy's key management personnel. The key personnel within the multi-academy trust are the trustees, the CEO/Executive Headteacher, the CFO and the Headteachers.

Trustees, with the exception of staff trustees, are not remunerated although they may claim reasonable expenses. Details of staff trustees' remuneration and expenses are set out in note 13.

The CEO/Executive Headteacher and Headteachers' pay is determined in accordance with the multi-academy trust's Pay Policy and takes into account whether performance management objectives for the year have been met. In the case of the CEO/Executive Headteacher, an appropriately qualified external adviser assists the trustees in determining what the performance management objectives should be and whether they have been met. Actual levels of pay are determined with reference to School Teachers' Pay and Conditions Document.

Details of remuneration paid to key management personnel are set out in note 11.

Risk management

The trustees have assessed the major risks to which the multi-academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the multi-academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the multi-academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The multi-academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected organisations, including related parties

The Hayes Primary School Parent Teacher Association is a separately registered charity, registration number 299114. It is not part of the multi-academy trust but it organises various fundraising events to provide facilities for the pupils of Hayes Primary School.

Friends of St. Mary Cray Primary School is a further separately registered charity, registration number 1094583, with the common aim of organising events for the benefit of pupils at St Mary Cray Primary Academy.

The Castlecombe Primary School Parent Teacher Association is a separately registered charity, registration number 281439. It is not part of the multi-academy trust but it organises various fundraising events to provide facilities for the pupils of Castlecombe Primary School.

The Leeson's Primary School Parent Staff & Friends Association (PSFA) is independently run and is not a separately registered charity. It is not part of the multi-academy trust but it organises various fundraising events to provide facilities for the pupils of Leeson's Primary School.

Dorset Road Infant School and Midfield Primary School do not have a Parent Teacher Association.

The Spring Partnership Trust was a member of the Realise Academy Partnership Trust (RAPT) (company number 08785038) - which is an umbrella trust of local schools who work together to raise standards of education for local children - until the date at which the Spring Partnership resigned on the 7th February 2017. In addition to The Spring Partnership Trust having been a member of the company the CEO/Executive Headteacher, Mrs. J. Brinkley and the current Chair of Trustees, Mr. C. Lees, were directors of RAPT until 7th February 2017.

OBJECTIVES AND ACTIVITIES

Object and aims

The multi-academy trust's principal object and activity is to manage the schools' provision of education to pupils between the ages of 3 and 11.

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Trustees' Report (continued)
For the year ended 31 August 2017

Objectives, strategies and activities

The strategic intention objectives focused specifically on the following in 2016 - 17:

As a multi-academy trust we have clear strategic aims built on our mission and values. Our three year business plan sets out the following objectives to ensure that as a multi-academy trust, the public, parents and stakeholders have confidence in our approach;

Leadership and Governance

Directors, Local Committee Members and school leaders are highly effective in fulfilling their duties to provide the best possible education in each individual school.

School Improvement

All schools are high performing and offer an excellent education to all their pupils through rigorous academic standards, an inspirational curriculum and challenging personal development opportunities.

Continuous professional development

Carefully designed bespoke continuous professional development packages for our academies will attract and develop excellent staff.

Integrated support and shared services

The multi-academy trust has business arrangements that facilitate growth, deliver value for money, minimise risk and concentrate valuable resources on teaching and learning in schools.

Partnerships

A wide range of partnerships with other schools and multi-academy trusts will continue to be developed through school development activities, professional networking and the good reputation of the multi-academy trust.

Public benefit

The Spring Partnership Trust schools cater for children aged 3 -11 and strive to promote and support the advancement of education within the Bromley area. The schools provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. A small example of the opportunities available to our students include:-

- School Choirs;
- School Orchestras;
- Specialist sports coaches employed to develop sport and fitness from EYFS through to the end of KS2;
- Bromley Youth Music Trust - providing tutors in school for a range of music lessons, singing lessons providing opportunities for every child to learn a brass instrument;
- Computing Hub for Bromley;
- Ukelele band;
- Working with local secondary schools to provide opportunities to develop sporting skills and discover new sports;
- Jujitsu club;
- Gardening and 'Eco' clubs;
- Cross country and running clubs; and
- Chess clubs.

Wherever possible the multi-academy trust also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- The Police Cadets and Scout Groups;
- The Bromley 'Go Ride' weekly bikeclub;
- Multi sports including Korfbal and football; and
- Stagecoach performing arts.

In setting the schools' objectives and planning their activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the multi-academy trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

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Trustees' Report (continued)
For the year ended 31 August 2017

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The multi-academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The policy of the multi-academy trust is to support recruitment and retention of students and employees with disabilities. The multi-academy trust does this by adapting the physical environment and by making support resources available.

STRATEGIC REPORT

Achievements and performance

The trustees were very pleased with the main academic achievement in the period. The summary of results for each of the schools can be found by following the links below to the school websites:

Hayes Primary School

<http://www.hayes-pri.bromley.sch.uk/492/our-performance-key-stage-results>

St Mary Cray Primary Academy

<http://www.st-marycray.bromley.sch.uk/our-2017-results/>

Castlecombe Primary School

<http://www.castlecombe.bromley.sch.uk/page/?title=Key+Stage+Results&pid=53>

Dorset Road Infants School

<http://dorsetroad.bromley.sch.uk/information/>

Leesons Primary School

<http://www.leesons.bromley.sch.uk/school-information/data-and-attainment/>

Midfield Primary School

<http://www.midfield.bromley.sch.uk/latest-pupil-performance-information/>

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the multi-academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key financial performance indicators

The trustees consider that the following are key performance indicators for the multi-academy trust:

- Pupil numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability - aim for expenditure not to exceed income (and preferably to match it) each year;
- Salary Costs to ESFA Revenue Income, to Total Income and as a percentage of Total Expense;
- Pupil Teacher Ratio;
- Average Teacher Cost;
- Proportion of budget spent on Senior Leaders; and,
- Spend per pupil for non-pay expenditure

Trustees continue to develop the use of key financial performance indicators together with other key performance indicators relevant to the running of a multi-academy trust.

The trustees monitor these financial performance indicators to ensure they are managed appropriately.

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Trustees' Report (continued)

For the year ended 31 August 2017

Financial review

Since the multi-academy trust has expanded from two to six academies during the year the financial performance is heavily influenced by the value of the net assets inherited and transferred in. The Statement of Financial Activities ("SoFA") reveals a net movement in funds of a little over £19m – unfortunately this is not a reflection of cash income the multi-academy trust and its academies have received. Just over £9m reflected within incoming resources relates to the value of net assets transferred into the multi-academy trust from the joining schools. Full details of the joining schools – one new converter, two single academies transferring in, and one academy transferring from a neighbouring multi-academy trust – are provided in notes 31 and 32 to the accounts.

Three other numbers have a significant impact on the overall net movement in funds:

- A revaluation of £5.3m to increase the carrying value of the Hayes Primary School land and buildings to its most recent valuation;
- Capital income, shown in the restricted fixed asset fund, of £4.3m. This comprises Condition Improvement Funding and other capital grants of £2.9m from the Education & Skills Funding Agency ("ESFA"), plus £1.4m reflected as a capital donation from the London Borough of Bromley in respect of building work at two of the academies (reflected in these accounts as assets under construction);
- An actuarial gain of £892k on the Local Government Pension Scheme ("LGPS"), part of the total movement in the multi-academy trust's share of the scheme's overall deficit.

The SoFA is difficult to read to gain an immediate understanding of the financial result for the year.

Most of the multi-academy trust's recurrent operational income is obtained from ESFA in the form of grants, the use of which is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). The constraints of the Academies Accounts Direction and charity accounting requirements mean that the SoFA unhelpfully shows net expenditure of £1.6m on restricted funds. The true revenue result is hidden away and hard to see from this key primary statement. The apparent large deficit on restricted funds per the SoFA is not a concern because this includes:

- Net liabilities of £1.2m relating to inherited LGPS deficits, shown within the £9m value of net assets transferred into the multi-academy trust from the joining schools; and
- Restricted expenditure on the SoFA includes £341k relating to non-cash pension charges which form part of the overall movement in the LGPS liabilities during the year. These charges are required to be accounted for as a cost for the year.

The 'true' result on restricted revenue funds, after stripping out these two items, and after transfers to the fixed asset fund, is a more modest deficit of £80k which has arisen due to timing issues. This is manageable, and overall across the multi-academy trust there are cumulative restricted revenue funds of £397k carried forward into 2017/18.

Due to a surplus on unrestricted funds the overall result on revenue funds – again after transfers to capital funds – is lower still at £20k. The trustees are therefore confident that, with solid total revenue reserves of £1.3m, the multi-academy trust remains on a sound financial footing.

At 31 August 2017, the net book value of fixed assets was £24m and movements in tangible fixed assets are shown in note 13 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

The multi-academy trust held fund balances at 31 August 2017 of £24.4m. These funds included restricted fixed asset funds of £25.3m, revenue reserves of £1.3m as noted in the financial review (across restricted and unrestricted funds) less the LGPS pension reserve deficit of £2.3m.

The LGPS pension reserve is the only fund in deficit at 31 August 2017. The increase in the year has been explained in the financial review above and largely relates to liabilities inherited when schools joined the multi-academy trust. The underlying deficit has actually fallen this year. The deficit shown does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators (London Borough of Bromley), and current employer contributions due by multi-academy trust have been fixed for three years until 1 April 2020.

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Trustees' Report (continued)
For the year ended 31 August 2017

Principal risks and uncertainties

The main risks that the multi-academy trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Operational and reputational* - this covers risks to the running of the schools (including the capacity of staff and buildings to meet the needs of pupils) and their performance in delivering the curriculum.
- *Financial* - covering risks to the multi-academy trust's financial position, including revenue streams, cost control and cash management.

The risks to which the multi-academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes. External incidents can also disrupt the activities of the schools.

Financial and risk management objectives and policies

The multi-academy trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risk arising from the multi-academy trust's financial activities is making a deficit from unforeseen but necessary expenditure incurred in the year. The multi-academy trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

The multi-academy trust is also exposed to interest rate risk and credit risk as part of its normal activities:

- *Interest rate risk* - the multi-academy trust earns interest on cash deposits. With interest rates currently low, the directors will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the multi-academy trust's assets.
- *Credit risk* - this arises from the possibility that amounts owed to the multi-academy trust will not be repaid. The multi-academy trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Reserves policy

The trustees review the reserve levels of the multi-academy trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

PLANS FOR FUTURE PERIODS

The trustees' main plans for future periods are:

- Continue to expand the multi-academy trust to provide improved education to a wider community;
- Recruit, retain and develop an outstanding teaching, management and support staff team;
- Continue to develop and enhance governance with particular emphasis on creating governance structures suitable for an expanding multi-academy trust; and
- Develop recognised capability to improve achievement and progress with member schools being at least 'Good'.

DISCLOSURE OF INFORMATION TO AUDITORS


In so far as the trustees are aware:


- there is no relevant audit information of which the multi-academy trust's auditors are unaware; and
- the trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered in due course.

This report, incorporating the Strategic report, was approved by the board of trustees, as the company directors, on 7 December 2017 and signed on the board's behalf by:


Mr. C. Lees, Chair of Trustees


Mrs. J. Brinkley, Accounting Officer

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO/Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Spring Partnership Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. C. Lees, Chair of Trustees	7	7
Mrs. J.P. Brinkley, CEO/Executive Headteacher	7	7
Mr. K. Colville	1	3
Mrs. J.A. Covill	3	3
Mrs. J.E. Nelson	7	7
Dr. I. Raitt	7	7
Mrs. B.D. Simpson	5	7
Mrs. J. Tagg	5	7
Mr. R. Taylor, Chair of Audit Committee and FARCO	7	7
Mr. M. Gibbs	3	7
Mr. J. Cliff	5	5
Mr. M. Cousins	3	3
Sir. R. Bosher	3	5
Mr. P. Verghese	2	4
Mr. S. Nagappan	1	1

Mrs. M. Brighty was appointed as a trustee on 17 July 2017, and no meetings were held between then and 31 August 2017.

Throughout the year, the board of trustees continually reviewed its arrangements for governance. In particular this involved: -

- Regularly updating the Scheme of Delegation of Governance Functions to ensure its relevance, 'fitness for purpose' and that it reflects the full range of the board's statutory responsibilities;
- Reviewing the effectiveness and impact of trustees;
- Reviewing the composition of the board of trustees and recruiting additional trustees with the skills necessary for the board to discharge its responsibilities effectively; and,
- Reviewing the effectiveness of governance at school level and intervening as necessary.

The FARCO is a committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the schools effectively, and to ensure the schools provide a safe educational environment. Another of FARCO's responsibilities is routine budget setting and monitoring.

Attendance at FARCO meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs. J.E. Nelson	4	5
Mrs. J.P. Brinkley	4	5
Mr. R. Taylor	5	5
Mr. J. Cliff	2	3

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Governance Statement (continued)

The Audit Committee is also a sub-committee of the FARCO. Its purpose is to review the risks to internal financial control of the multi-academy trust, liaising with internal and external auditors as necessary. During the year the Audit Committee has considered the risks the multi-academy trust faces, and directed the work of the internal auditors towards these areas.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. R. Taylor, Chair of Audit Committee	2	2
Mr. C. Lees	2	2

At least 3 trustees, including the CEO/Executive Headteacher, attend each Audit Committee meeting.

Mrs. J.P. Brinkley, the CEO/Executive Headteacher and Accounting Officer, attended both Audit Committee meetings held during the year in an advisory capacity, however she is not a formal member of the Audit Committee.

Review of Value for Money

As Accounting Officer, the CEO/Executive Headteacher has responsibility for ensuring that the multi-academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the multi-academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the multi-academy trust has delivered improved value for money during the year by ensuring that the principles of economy, efficiency and effectiveness are applied in all aspects of school resourcing including staffing.

These include:

- Educational assessment materials;
- Behaviour outreach services;
- HR consultancy;
- Payroll services;
- School improvement reviews;
- Audit services;
- Legal services; and
- Insurance.

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 multi-academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Spring Partnership Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the multi-academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the multi-academy trust's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

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Governance Statement (continued)

The Risk and Control Framework – cont

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed UHY Hacker Young, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the multi-academy trust's financial systems. On a termly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year ended 31 August 2017 the internal audit work has been delivered as planned, and no material control issues have arisen. Matters which have been brought to our attention have been dealt with in a timely manner.

Review of Effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the multi-academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the FARCO and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the board of trustees on 7 December 2017 and signed on their behalf, by:



Mr. C. Lees, Chair of Trustees



Mrs. J.P. Brinkley, Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Spring Partnership Trust I have considered my responsibility to notify the multi-academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the multi-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 2016.

I confirm that I and the multi-academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the multi-academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



Mrs. J.P. Brinkley, CEO/Executive Headteacher and Accounting Officer

Date: 7 December 2017

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Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

The Trustees (who act as governors of The Spring Partnership Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 on 7 December 2017 and signed on its behalf by:



Mr. C.H. Lees
Chair of Trustees

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Independent Auditors' Report on the Financial Statements to the Members of The Spring Partnership Trust

Opinion

We have audited the financial statements of The Spring Partnership Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the 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 trust'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.

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. Our opinion on the financial statements does not cover the 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.

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Independent Auditors' Report on the Financial Statements to the Members of The Spring Partnership Trust

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 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 trust 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust's 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. The description forms part of our Auditor's report.



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ
Date: 14 December 2017

The Spring Partnership Trust
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Independent Reporting Accountants' Assurance Report on Regularity to The Spring Partnership Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 August 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Spring Partnership Trust during the year 1 September 2016 to 31 August 2017 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 The Spring Partnership Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Spring Partnership Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Spring Partnership Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Spring Partnership Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Spring Partnership Trust's funding agreement with the Secretary of State for Education dated 30 June 2014, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 14 December 2017

The Spring Partnership Trust
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion (see note 32)	2	25,178	(110,000)	1,095,000	1,010,178	-
Transfer from existing academies into the trust (see note 31)	2	423,919	(1,155,431)	8,804,510	8,072,998	-
Other donations and capital grants	2	39,158	-	4,352,669	4,391,827	1,166,473
Charitable activities	3	419,755	9,013,917	-	9,433,672	4,362,818
Other trading activities	4	126,205	5,942	-	132,147	124,071
Investments	5	1,238	-	-	1,238	871
Total income		1,035,453	7,754,428	14,252,179	23,042,060	5,654,233
Expenditure on:						
Raising funds	4	89,386	5,942	-	95,328	88,128
Charitable activities	6	348,872	9,394,686	378,936	10,122,494	4,368,488
Total expenditure	7	438,258	9,400,628	378,936	10,217,822	4,456,616
Net income / (expenditure) before transfers		597,195	(1,646,200)	13,873,243	12,824,238	1,197,617
Transfers between Funds	21	(88,135)	(39,456)	127,591	-	-
Net income / (expenditure) before other recognised gains and losses		509,060	(1,685,656)	14,000,834	12,824,238	1,197,617
Gains on revaluations of fixed assets	16	-	-	5,299,297	5,299,297	-
Actuarial gains/(losses) on defined benefit pension schemes	26	-	892,000	-	892,000	(591,000)
Net movement in funds		509,060	(793,656)	19,300,131	19,015,535	606,617
Reconciliation of funds:						
Total funds brought forward		413,191	(1,086,198)	6,025,020	5,352,013	4,745,396
Total funds carried forward		922,251	(1,879,854)	25,325,151	24,367,548	5,352,013

The notes on pages 21 to 46 form part of these financial statements.

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Registered number: 07656245

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	2016 £
Fixed assets				
Intangible assets	15		43,139	-
Tangible assets	16		24,162,115	6,035,568
			<u>24,205,254</u>	<u>6,035,568</u>
Current assets				
Stocks	17	1,116	-	
Debtors	18	1,646,239	480,786	
Cash at bank and in hand		2,728,089	1,278,453	
		<u>4,375,444</u>	<u>1,759,239</u>	
Creditors: amounts falling due within one year	19	(1,902,045)	(1,168,193)	
Net current assets			<u>2,473,399</u>	<u>591,046</u>
Total assets less current liabilities			<u>26,678,653</u>	<u>6,626,614</u>
Creditors: amounts falling due after more than one year	20		(34,105)	(13,601)
Net assets excluding pension scheme liabilities			<u>26,644,548</u>	<u>6,613,013</u>
Defined benefit pension scheme liability	26		(2,277,000)	(1,261,000)
Net assets including pension scheme liabilities			<u>24,367,548</u>	<u>5,352,013</u>
Funds of the academy				
Restricted income funds:				
Restricted income funds	21	397,146	174,802	
Restricted fixed asset funds	21	25,325,151	6,025,020	
		<u>25,722,297</u>	<u>6,199,822</u>	
Restricted income funds excluding pension liability				
Pension reserve		(2,277,000)	(1,261,000)	
		<u></u>	<u></u>	
Total restricted income funds			23,445,297	4,938,822
Unrestricted income funds	21		922,251	413,191
			<u>922,251</u>	<u>413,191</u>
Total funds			<u>24,367,548</u>	<u>5,352,013</u>

The financial statements on pages 18 to 46 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:



Mr. C.H. Lees
Chair of Trustees

The notes on pages 21 to 46 form part of these financial statements.

The Spring Partnership Trust
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Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	23	586,324	826,448
Cash flows from investing activities:			
Interest from investments		1,238	871
Purchase of intangible fixed assets		(45,275)	-
Purchase of tangible fixed assets		(2,055,598)	(1,260,127)
Capital grants from DfE/ESFA		2,894,294	1,080,894
Capital funding received from sponsors and others		13,545	62,297
Cash transferred in on conversion		25,178	-
Net cash provided by/(used in) investing activities		833,382	(116,065)
Cash flows from financing activities:			
Cash inflows from new borrowing		29,930	15,544
Net cash provided by financing activities		29,930	15,544
Change in cash and cash equivalents in the year		1,449,636	725,927
Cash and cash equivalents brought forward		1,278,453	552,526
Cash and cash equivalents carried forward	24	2,728,089	1,278,453

The notes on pages 21 to 46 form part of these financial statements.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

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 multi-academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Spring Partnership Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Income

All income is recognised once the multi-academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the multi-academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.4 Expenditure

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

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

Expenditure on charitable activities are costs incurred on the multi-academy trust's educational operations, including support costs and those costs relating to the governance of the multi-academy trust appointed to charitable activities.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	- 20% straight line
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1.6 Tangible fixed assets and depreciation

All individual assets costing more than £1,000 are capitalised. A high threshold of £3,000 applies for group purchases where a number of assets are purchased as part of one original purchase order or project.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Improvements to freehold	- 2-20% straight line
Improvements to leasehold	- 2-10% straight line
Fixtures and fittings	- 15-25% straight line
Computer equipment	- 33.33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating income and expenditure account.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.7 Revaluation of tangible fixed assets

The multi-academy trust has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

1.10 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.

1.11 Liabilities and provisions

Liabilities and provisions 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 multi-academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the multi-academy trust's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in notes 19 and 20. 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 instruments. Amounts due to the multi-academy trust's wholly owned subsidiary are held at face value less any impairment.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.13 Taxation

The multi-academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the multi-academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Pensions

Retirement benefits to employees of the multi-academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 multi-academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the multi-academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi-academy trust at the discretion of the Trustees.

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

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

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

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Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from local authority on conversion (see note 32)	25,178	(110,000)	1,095,000	1,010,178	-
Transfer from existing academies into the trust (see note 31)	423,919	(1,155,431)	8,804,510	8,072,998	-
Subtotal	449,097	(1,265,431)	9,899,510	9,083,176	-
Donations	39,158	-	13,545	52,703	23,282
Capital grants	-	-	2,894,294	2,894,294	1,143,191
Donated fixed assets	-	-	1,444,830	1,444,830	-
Subtotal	39,158	-	4,352,669	4,391,827	1,166,473
	488,255	(1,265,431)	14,252,179	13,475,003	1,166,473
<i>Analysis of 2016 by fund</i>	<i>23,282</i>	<i>-</i>	<i>1,143,191</i>	<i>1,166,473</i>	

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Notes to the Financial Statements
For the Year Ended 31 August 2017

3. Funding for the multi-academy's trust educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,506,036	7,506,036	3,688,448
Other DfE/ESFA grants	-	897,472	897,472	367,245
DfE/ESFA Family revenue grants	-	-	-	10,000
	-	8,403,508	8,403,508	4,065,693
Other government grants				
Local authority grants	-	482,171	482,171	76,715
Local authority - Special educational projects	-	128,238	128,238	-
	-	610,409	610,409	76,715
Other funding				
Special facilities	164,555	-	164,555	96,599
Educational trips	98,758	-	98,758	21,748
Pupil meals	118,127	-	118,127	78,764
Teacher training	38,315	-	38,315	23,299
	419,755	-	419,755	220,410
	419,755	9,013,917	9,433,672	4,362,818
<i>Analysis of 2016 total by fund</i>	220,410	4,142,408	4,362,818	

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Notes to the Financial Statements
For the Year Ended 31 August 2017

4. Trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Trading income				
Hire of facilities	37,380	-	37,380	26,442
Supply teacher insurance claims	16,493	-	16,493	275
Other income	15,535	-	15,535	12,487
Sales of goods	7,345	-	7,345	737
Educational consultancy	49,452	-	49,452	84,130
Nursery fees	-	5,942	5,942	-
	<u>126,205</u>	<u>5,942</u>	<u>132,147</u>	<u>124,071</u>
Fundraising / trading expenses				
Charitable payments	18,667	-	18,667	3,723
Purchase of trading items	4,774	-	4,774	-
Wages and salaries	65,945	5,942	71,887	84,405
	<u>89,386</u>	<u>5,942</u>	<u>95,328</u>	<u>88,128</u>
Net income from trading activities	<u>36,819</u>	<u>-</u>	<u>36,819</u>	<u>35,943</u>

In 2016, of the total income from trading activities, £124,071 was to unrestricted funds.

In 2016, of the total expenditure from trading activities, £88,128 was to unrestricted funds.

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income - local cash	1,238	-	1,238	871
	<u>1,238</u>	<u>-</u>	<u>1,238</u>	<u>871</u>
<i>Analysis of 2016 total by fund</i>	<u>871</u>	<u>-</u>	<u>871</u>	

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for the multi-academy trust's educational operations	348,872	9,773,622	10,122,494	4,368,488
	<u>348,872</u>	<u>9,773,622</u>	<u>10,122,494</u>	<u>4,368,488</u>
<i>Analysis of 2016 total by fund</i>	<u>149,747</u>	<u>4,218,741</u>	<u>4,368,488</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2017

7. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising / trading	71,887	-	23,441	95,328	88,128
Funding for the multi-academy trust's educational operations:					
Direct costs	6,177,452	377,178	772,124	7,326,754	3,157,879
Support costs	1,510,581	391,838	893,321	2,795,740	1,210,609
	<u>7,759,920</u>	<u>769,016</u>	<u>1,688,886</u>	<u>10,217,822</u>	<u>4,456,616</u>
<i>Analysis of 2016 total</i>	<u>3,386,016</u>	<u>322,276</u>	<u>748,324</u>	<u>4,456,616</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Funding for the multi-academy trust's educational operations	7,326,754	2,795,740	10,122,494	4,368,488
<i>Analysis of 2016 total</i>	<u>3,157,879</u>	<u>1,210,609</u>	<u>4,368,488</u>	

Analysis of direct costs

	Total 2017 £	Total 2016 £
Other direct staff costs	85,407	38,667
Educational supplies	212,988	129,618
Staff related insurance	15,210	-
Technology costs	93,894	29,088
Educational consultancy	254,498	123,550
Other direct costs	110,127	35,370
Wages and salaries	4,954,554	2,108,462
National insurance	420,131	166,118
Pension cost	802,767	370,608
Depreciation	377,178	156,398
	<u>7,326,754</u>	<u>3,157,879</u>
<i>Analysis of 2016</i>	<u>3,157,879</u>	

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Notes to the Financial Statements
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total 2017 £	Total 2016 £
Staff wages and salaries	1,510,581	656,423
Other support staff costs	13,473	12,574
Staff related insurance	3,022	-
Technology costs	82,920	34,333
Maintenance of premises	138,470	56,653
Special facilities	27,694	4,436
Cleaning and caretaking	93,512	21,377
Operating lease rentals	21,775	1,067
Rates	49,385	29,566
Energy	88,964	49,251
Security	21,353	9,031
Transport	5,074	9,364
Catering	400,744	209,114
Legal and professional fees	80,587	7,627
Governance costs	85,457	38,205
Other support costs	172,729	71,588
	<u>2,795,740</u>	<u>1,210,609</u>
<i>Analysis of 2016</i>	<u>1,210,609</u>	

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Amortisation of intangible fixed assets	2,136	-
Depreciation of tangible fixed assets:		
- owned by the charity	375,042	156,398
Operating lease rentals	<u>21,689</u>	<u>8,779</u>

10. Auditors' remuneration

	2017 £	2016 £
Fees payable to the multi-academy trust's auditor and its associates for the audit of the multi-academy trust's annual accounts	17,000	10,200
Fees payable to the multi-academy trust's auditor and its associates in respect of:		
Audit-related assurance services	4,000	1,805
Internal audit services	5,070	2,475
All other non-audit services not included above	<u>-</u>	<u>545</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2017

11. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,573,729	2,603,174
Social security costs	480,663	188,347
Operating costs of defined benefit pension schemes	1,359,633	497,853
	<u>7,414,025</u>	<u>3,289,374</u>
Apprenticeship levy	7,186	-
Supply teacher costs	309,947	96,642
Staff restructuring costs	28,762	-
	<u>7,759,920</u>	<u>3,386,016</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	1,412	-
Severance payments	27,350	-
	<u>28,762</u>	<u>-</u>

The severance payment of £27,350 was provided for a non-contractual severance payment to one employee. The redundancy payment also related to one individual.

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

	2017 No.	2016 No.
Management	18	10
Teachers	80	33
Administration and support	204	98
	<u>302</u>	<u>141</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Management	17	10
Teachers	65	29
Administration and support	118	43
	<u>200</u>	<u>82</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2017

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was as stated below. For clarity, where staff have worked for the multi-academy trust for only part of the year, for example, where additional schools have joined the multi-academy trust, the employee benefits below are not full twelve month figures::

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	1	1
In the band £ 70,001 - £ 80,000	1	-
In the band £ 80,001 - £ 90,000	1	1

The above employees all participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these members of staff amounted to £36,993 (2016: £25,299).

The key management personnel of the multi-academy trust comprises the staff trustees and senior management team (including senior leadership team as noted on page 1). The total amount of employee benefits (including employer pensions contributions) received by key management personnel for their services to the multi-academy trust was £505,036 (2016: £685,662).

12. Central services

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

- Chief executive officer
- Finance
- Clerking
- Audit and assurance
- Human Resources consultancy and administration
- Monitoring, assessments and reporting
- Legal and other consultancy
- School improvement work

The multi-academy trust charges for these services on the following basis:

Each academy pays a 'top slice' of their General Annual Grant income to the multi-academy trust's central services fund. This payment is at a set percentage of 6%. The top slice percentage is reduced for new academies joining the multi-academy trust part way through the year.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Hayes Primary School	146,896	-
St. Mary Cray Primary Academy	71,500	-
Castlecombe Primary School	64,464	-
Dorset Road Infant School	26,513	-
Leesons Primary School	39,665	-
Midfield Primary School	54,328	-
	<hr/>	<hr/>
Total	403,366	-

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Notes to the Financial Statements
For the Year Ended 31 August 2017

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the multi-academy trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
Mrs. J.P. Brinkley, CEO/Executive Headteacher and Accounting Officer	Remuneration	85,000-90,000	85,000-90,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £240 (2016 - £214) were reimbursed to 1 Trustee (2016 - 2).

14. Trustees' and Officers' Insurance

In accordance with normal commercial practice the multi-academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi-academy trust. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,601 (2016 - £1,518).

Midfield Primary School and Leeson Primary School had opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi-academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

Midfield Primary School and Leeson Primary School joined the multi-academy trust's commercial insurance during October 2017.

15. Intangible fixed assets

	Computer Software £
Cost	
Additions	45,275
At 31 August 2017	45,275
Amortisation	
Charge for the year	2,136
At 31 August 2017	2,136
Carrying amount	
At 31 August 2017	43,139

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Notes to the Financial Statements
For the Year Ended 31 August 2017

16. Tangible fixed assets

	Freehold property £	Improvements to freehold £	Long-term leasehold property £	Improvements to leasehold £
Cost or valuation				
At 1 September 2016	3,068,785	934,793	1,702,000	517,263
Additions	-	86,473	-	643,902
Inherited on conversion / Transfers in from existing academies	6,429,000	56,304	3,132,000	-
Disposals	-	-	-	-
Transfer between classes	-	346,459	-	-
Revaluation surplus	5,299,297	-	-	-
At 31 August 2017	14,797,082	1,424,029	4,834,000	1,161,165
Depreciation				
At 1 September 2016	213,776	52,009	48,253	4,741
Charge for the year	175,343	53,285	667	12,746
Transfers in from existing academies	223,321	-	32,448	-
On disposals	-	-	-	-
At 31 August 2017	612,440	105,294	81,368	17,487
Net book value				
At 31 August 2017	14,184,642	1,318,735	4,752,632	1,143,678
At 31 August 2016	2,855,009	882,784	1,653,747	512,522
	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 September 2016	164,146	144,223	-	6,531,210
Additions	42,656	35,204	2,692,193	3,500,428
Inherited on conversion / Transfers in from existing academies	264,697	67,513	143,044	10,092,558
Disposals	(2,638)	-	-	(2,638)
Transfer between classes	-	-	(346,459)	-
Revaluation surplus	-	-	-	5,299,297
At 31 August 2017	468,861	246,940	2,488,778	25,420,855
Depreciation				
At 1 September 2016	97,040	79,823	-	495,642
Charge for the year	76,555	57,510	-	376,106
Transfers in from existing academies	97,973	34,130	-	387,872
On disposals	(880)	-	-	(880)
At 31 August 2017	270,688	171,463	-	1,258,740
Net book value				
At 31 August 2017	198,173	75,477	2,488,778	24,162,115
At 31 August 2016	67,106	64,400	-	6,035,568

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For the Year Ended 31 August 2017

16. Tangible fixed assets (continued)

Included in freehold property is land at valuation of £3,693,000 (2016: £nil), which not depreciated.

Included in freehold property is land at cost of £1,359,000 (2016: £1,000,000), which not depreciated.

Included in leasehold property is land at cost of £1,022,000 (2016: £386,000), which not depreciated.

Land and Buildings valuation at 31 August 2017 is as follows:

	Land and buildings £
At cost	14,331,785
At valuation:	
Depreciated replacement cost as at 31 August 2016	5,299,297
	<u>19,631,082</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	14,331,785	4,770,785
Accumulated depreciation	(624,187)	(262,029)
Net book value	<u>13,707,598</u>	<u>4,508,756</u>

17. Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,116	-

18. Debtors

	2017 £	2016 £
Trade debtors	130,364	93,574
Other debtors	292,920	213,915
Prepayments and accrued income	1,222,955	173,297
	<u>1,646,239</u>	<u>480,786</u>

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Notes to the Financial Statements
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19. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Other loans	11,369	1,943
Trade creditors	485,960	690,416
Other taxation and social security	135,143	-
Other creditors	136,716	1,440
Accruals and deferred income	1,132,857	474,394
	<u>1,902,045</u>	<u>1,168,193</u>
	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	114,743	81,721
Resources deferred during the year	211,889	114,743
Amounts released from previous years	(114,743)	(81,721)
Deferred income at 31 August 2017	<u>211,889</u>	<u>114,743</u>

Deferred income comprises £163,278 (2016: £75,456) ESFA Universal Infant Free School Meals grant, £nil (2016: £5,583) Rates relief grant, £48,611 (2016: £33,704) for educational trips and pupil meals income received in advance.

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

	2017	2016
	£	£
Other loans	<u>34,105</u>	<u>13,601</u>
Included within the above are amounts falling due as follows:		
	2017	2016
	£	£
Between one and two years		
Other loans	<u>22,737</u>	<u>7,772</u>
Between two and five years		
Other loans	<u>11,368</u>	<u>5,829</u>

The amount provided for in other loans is an interest-free concessionary Salix Loan, provided to the multi-academy trust by the Department of Education. The total loan of £45,474 is repayable at £5,684 per annum over 8 years.

At 31 August 2017, the first instalment had not been taken by the Department of Education and has resulted in a current loan balance of £11,369.

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Notes to the Financial Statements
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21. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	413,191	586,356	(438,258)	360,962	-	922,251
Transfer from local authority on conversion	-	25,178	-	(25,178)	-	-
Transfer of existing academies	-	423,919	-	(423,919)	-	-
	<u>413,191</u>	<u>1,035,453</u>	<u>(438,258)</u>	<u>(88,135)</u>	<u>-</u>	<u>922,251</u>
Restricted funds						
General Annual Grant (GAG)	93,876	7,506,036	(7,533,060)	99,625	-	166,477
Other DfE/ESFA grants	69,395	897,472	(928,208)	158,123	-	196,782
Other government grants	-	610,409	(592,418)	15,896	-	33,887
Other restricted funds	11,531	5,942	(5,942)	(11,531)	-	-
Transfer of existing academies	-	301,569	-	(301,569)	-	-
Pension reserve	(1,261,000)	(1,567,000)	(341,000)	-	892,000	(2,277,000)
	<u>(1,086,198)</u>	<u>7,754,428</u>	<u>(9,400,628)</u>	<u>(39,456)</u>	<u>892,000</u>	<u>(1,879,854)</u>
Restricted Fixed Asset Funds						
Restricted Fixed Asset Funds	6,020,023	3,222,225	(378,936)	10,027,101	-	18,890,413
Capital grants	4,997	1,130,444	-	-	-	1,135,441
Revaluations	-	-	-	-	5,299,297	5,299,297
Transfer from local authority on conversion	-	1,095,000	-	(1,095,000)	-	-
Transfer from existing academies into the trust	-	8,804,510	-	(8,804,510)	-	-
	<u>6,025,020</u>	<u>14,252,179</u>	<u>(378,936)</u>	<u>127,591</u>	<u>5,299,297</u>	<u>25,325,151</u>
Total restricted funds	<u>4,938,822</u>	<u>22,006,607</u>	<u>(9,779,564)</u>	<u>88,135</u>	<u>6,191,297</u>	<u>23,445,297</u>
Total of funds	<u>5,352,013</u>	<u>23,042,060</u>	<u>(10,217,822)</u>	<u>-</u>	<u>6,191,297</u>	<u>24,367,548</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	323,734	344,335	(234,175)	(20,703)	-	413,191
	<u>323,734</u>	<u>344,335</u>	<u>(234,175)</u>	<u>(20,703)</u>	<u>-</u>	<u>413,191</u>

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21. Statement of funds (continued)

Restricted funds

General Annual Grant (GAG)	-	3,692,245	(3,520,252)	(78,117)	-	93,876
Other DfE/ESFA grants	79,139	347,746	(349,920)	(7,570)	-	69,395
Other government grants	44,178	100,069	(144,247)	-	-	-
Other restricted funds	11,508	26,647	(26,624)	-	-	11,531
Pension reserve	(645,000)	-	(25,000)	-	(591,000)	(1,261,000)
	<u>(510,175)</u>	<u>4,166,707</u>	<u>(4,066,043)</u>	<u>(85,687)</u>	<u>(591,000)</u>	<u>(1,086,198)</u>

Restricted Fixed Asset Funds

Restricted Fixed Asset Funds	4,931,837	1,138,194	(156,398)	106,390	-	6,020,023
Capital grants	-	4,997	-	-	-	4,997
	<u>4,931,837</u>	<u>1,143,191</u>	<u>(156,398)</u>	<u>106,390</u>	<u>-</u>	<u>6,025,020</u>
Total restricted funds	<u>4,421,662</u>	<u>5,309,898</u>	<u>(4,222,441)</u>	<u>20,703</u>	<u>(591,000)</u>	<u>4,938,822</u>
Total of funds	<u>4,745,396</u>	<u>5,654,233</u>	<u>(4,456,616)</u>	<u>-</u>	<u>(591,000)</u>	<u>5,352,013</u>

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

- (i) General Annual Grant "GAG" must be used for the normal running costs of the multi-academy trust's academies.
- (ii) The other DfE/ESFA grants fund is used to track non-GAG grants provided by the DfE and related bodies and this year comprises mainly Pupil Premium.
- (iii) The other government grants fund is used to track grants provided by government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfers into this fund represent capital items purchased during the year from revenue funds.
- (vi) During the year there were transfers in from two existing academies and one on conversion. Unrestricted, Restricted and Restricted fixed asset funds are shown separately in income within the respective funds. The balances are then transferred to the individual fund categories. Pension obligations transferred in and inherited on conversion are shown as negative income.

Under the funding agreement with the Secretary of State, the multi-academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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21. Statement of funds (continued)

Analysis by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Hayes Primary School	377,746	489,913
St Mary Cray Primary Academy	89,614	84,138
Castlecombe Primary School	177,452	-
Dorset Road Infant School	34,630	-
Leesons Primary School	316,323	-
Midfield Primary School	345,332	-
Central trust department	(21,700)	13,942
Total before fixed asset fund and pension reserve	1,319,397	587,993
Restricted fixed asset fund	25,325,151	6,025,020
Pension reserve	(2,277,000)	(1,261,000)
Total	24,367,548	5,352,013

The Central trust department is carrying a net deficit on its portion of the funds as follows:

	Amount of deficit £
Central trust department	(21,700)

The Central trust department has incurred a deficit as a result of centralisation set up costs in respect of finance and human resources. As part of the centralisation, the Central trust department has invested in new computer software.

The multi-academy trust is taking the following action to return the Central trust department to surplus:

The Central trust department will return to a surplus position during the academic year to 31 August 2018. This will be achieved by cost savings from centralisation and recharges to the multi-academy trust's constituent academies.

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Notes to the Financial Statements
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21. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy and the Central trust department during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Hayes Primary School	1,859,819	322,876	172,466	488,684	2,843,845	2,790,059
St Mary Cray Primary Academy	945,815	169,735	122,083	169,265	1,406,898	1,507,998
Castlecombe Primary School	859,410	164,304	98,285	181,793	1,303,792	-
Dorset Road Infant School	315,095	62,295	29,761	73,768	480,919	-
Leesons Primary School	841,685	150,994	78,590	180,574	1,251,843	-
Midfield Primary School	1,259,975	175,359	80,612	266,310	1,782,256	-
Central trust department	180,774	144,747	9,671	444,144	779,336	2,161
	<u>6,262,573</u>	<u>1,190,310</u>	<u>591,468</u>	<u>1,804,538</u>	<u>9,848,889</u>	<u>4,300,218</u>

22. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	43,139	43,139
Tangible fixed assets	-	-	24,162,115	24,162,115
Current assets	922,251	1,503,884	1,949,309	4,375,444
Creditors due within one year	-	(1,084,291)	(817,754)	(1,902,045)
Creditors due in more than one year	-	(22,447)	(11,658)	(34,105)
Provisions for liabilities and charges	-	(2,277,000)	-	(2,277,000)
	<u>922,251</u>	<u>(1,879,854)</u>	<u>25,325,151</u>	<u>24,367,548</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	6,035,568	6,035,568
Current assets	436,798	820,643	501,798	1,759,239
Creditors due within one year	(23,607)	(645,841)	(498,745)	(1,168,193)
Creditors due in more than one year	-	-	(13,601)	(13,601)
Provisions for liabilities and charges	-	(1,261,000)	-	(1,261,000)
	<u>413,191</u>	<u>(1,086,198)</u>	<u>6,025,020</u>	<u>5,352,013</u>

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23. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	12,824,238	1,197,617
Adjustment for:		
Depreciation on tangible fixed assets	376,106	156,396
Amortisation on intangible fixed assets	2,136	-
Interest from investments	(1,238)	(871)
Loss on the disposal of tangible fixed assets	1,759	-
Increase in stocks	(1,116)	-
Increase in debtors	(1,165,453)	(264,787)
Increase in creditors	724,426	856,284
Capital grants from DfE and other capital income	(2,907,839)	(1,143,191)
Defined benefit pension scheme obligation inherited	110,000	-
Defined benefit pension scheme cost less contributions payable	271,000	(3,000)
Defined benefit pension scheme finance cost	53,000	21,000
Defined benefit pension scheme administration cost	17,000	7,000
Net gain on assets and liabilities from local authority on conversion	(1,120,178)	-
Fixed assets transferred in from existing academies	(8,609,687)	-
Fixed assets donated from local authority	(1,444,830)	-
Defined benefit pension scheme obligations transferred in from existing academies	1,457,000	-
Net cash provided by operating activities	586,324	826,448

24. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	2,728,089	1,278,453
Total	2,728,089	1,278,453

25. Capital commitments

At 31 August 2017 the multi-academy trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	1,128,959	-

26. Pension commitments

The multi-academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bromley. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £135,992 were payable to the schemes at 31 August 2017 (2016 - £nil) and are included within creditors.

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Notes to the Financial Statements
For the Year Ended 31 August 2017

26. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. Until this date the employer contribution rate was 14.1%. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £511,000 (2016 - £237,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £634,000 (2016 - £304,000), of which employer's contributions totalled £510,000 (2016 - £245,000) and employees' contributions totalled £124,000 (2016 - £46,000). The agreed contribution rates for future years are 23.3% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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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Notes to the Financial Statements
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26. Pension commitments (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %

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

	2017	2016
Retiring today		
Males	23.3	25.5
Females	26.0	28.5
Retiring in 20 years		
Males	25.9	23.2
Females	28.3	25.6

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	6,657,000	2,824,000
Discount rate -0.1%	6,965,000	2,956,000
Mortality assumption - 1 year increase	6,931,000	2,941,000
Mortality assumption - 1 year decrease	6,691,000	2,839,000
CPI rate +0.1%	6,972,000	2,959,000
CPI rate -0.1%	6,650,000	2,821,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	3,458,000	1,215,000
Corporate bonds	636,000	253,000
Cash and other liquid assets	63,000	14,000
Other	377,000	147,000
Total market value of assets	4,534,000	1,629,000

The actual return on scheme assets was £666,000 (2016 - £291,000).

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Notes to the Financial Statements
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26. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(841,000)	(242,000)
Interest income	79,000	48,000
Interest cost	(132,000)	(69,000)
Admin expenses	(17,000)	(7,000)
Total	(911,000)	(270,000)

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	2,890,000	1,688,000
Upon conversion	219,000	-
Transferred in on academies joining the trust	3,089,000	-
Current service cost	841,000	242,000
Interest cost	132,000	69,000
Employee contributions	138,000	59,000
Actuarial (gains)/losses	(492,000)	835,000
Benefits paid	(6,000)	(3,000)
Closing defined benefit obligation	6,811,000	2,890,000

Movements in the fair value of the multi-academy trust's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	1,629,000	1,043,000
Interest income	79,000	48,000
Actuarial losses	400,000	244,000
Employer contributions	570,000	245,000
Employee contributions	138,000	59,000
Benefits paid	(6,000)	(3,000)
Admin expenses	(17,000)	(7,000)
Closing fair value of scheme assets	2,793,000	1,629,000

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27. Operating lease commitments

At 31 August 2017 the total of the multi-academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	23,836	3,806
Between 1 and 5 years	31,519	-
Total	<u>55,355</u>	<u>3,806</u>

28. Members' liability

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

29. Related party transactions

Owing to the nature of the multi-academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the multi-academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the multi-academy trust's financial regulations and normal procurement procedures.

Hayes Primary School PTA

During the year, Hayes Primary School received £16,251, of which £13,545 related to capital expenditure. (2016 : £16,609).

St Mary Cray Academy PTA

During the year, St Mary Cray Primary School received £nil (2016 : £1,750).

30. Ultimate controlling party

The multi-academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

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Notes to the Financial Statements
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31. Transfer of existing academies into the multi-academy trust

Castlecombe Primary School

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Long-term leasehold property	2,014,552	-	2,014,552
Fixtures and fittings	42,279	-	42,279
Computer equipment	14,808	-	14,808
Debtors due within one year	53,804	-	53,804
Cash in bank and in hand	194,536	-	194,536
Liabilities			
Creditors due within one year	(85,830)	-	(85,830)
Pensions			
Pensions - pension scheme assets	455,000	-	455,000
Pensions - pension scheme liabilities	(827,000)	-	(827,000)
Net assets	<u>1,862,149</u>	<u>-</u>	<u>1,862,149</u>

Leesons Primary School

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Freehold property	3,123,450	-	3,123,450
Fixtures and fittings	62,195	-	62,195
Computer equipment	8,271	-	8,271
Debtors due within one year	61,564	-	61,564
Cash in bank and in hand	251,306	-	251,306
Liabilities			
Creditors due within one year	(16,254)	-	(16,254)
Pensions			
Pensions - pension scheme assets	544,000	-	544,000
Pensions - pension scheme liabilities	(1,053,000)	-	(1,053,000)
Net assets	<u>2,981,532</u>	<u>-</u>	<u>2,981,532</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2017

31. Transfer of existing academies into the multi-academy trust (continued)

Midfield Primary School

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Freehold property	3,093,933	-	3,093,933
Improvements to freehold	58,130	-	58,130
Fixtures and fittings	52,251	-	52,251
Computer equipment	10,305	-	10,305
Assets under construction	143,044	-	143,044
Debtors due within one year	103,802	-	103,802
Cash in bank and in hand	556,620	-	556,620
Liabilities			
Creditors due within one year	(188,077)	-	(188,077)
Creditors due after one year	(24,692)	-	(24,692)
Pensions			
Pensions - pension scheme assets	633,000	-	633,000
Pensions - pension scheme liabilities	(1,209,000)	-	(1,209,000)
Net assets	3,229,316	-	3,229,316

32. Conversion to an academy

On 01 September 2016 Dorset Road Infant School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred immediately to The Spring Partnership Trust from London Borough of Bromley for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets				
Leasehold land and buildings	-	-	1,085,000	1,085,000
- Other tangible fixed assets	-	-	10,000	10,000
Budget surplus/(deficit) on LA funds	25,178	-	-	25,178
LGPS pension surplus/(deficit)	-	(110,000)	-	(110,000)
Net assets/(liabilities)	25,178	(110,000)	1,095,000	1,010,178

The above net assets include £25,178 that were transferred as cash.

The transfer agreement from London Borough of Bromley for Dorset Road Infant School, includes the standard 125 year leasehold term of the land and buildings.