

Company Registration Number: 07656245 (England & Wales)

The Spring Partnership Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019

The Spring Partnership Trust
(A company limited by guarantee)

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Reference and Administrative Details of the Company for the year ended 31 August 2019

Members	Mrs. J. Nelson Mr. S. Narracott Mr. C. Lees Mrs. V. Boaden Mr. J. Cliff (appointed 18 September 2019) Mr S. Bhalla (appointed 7 January 2019) Mr I. Stealey (appointed 7 January 2019)
Trustees	Mr. C. Lees, Chair of Trustees (term of office as chair ended 18 September 2019) Mrs. J. Brinkley, CEO and Accounting Officer Dr. I. Raitt (resigned 28 January 2019) Mrs. B. Simpson (resigned 17 September 2018) Mr. R. Taylor, Chair of Audit Committee and Chair of FARCO Mr. J. Cliff, Chair of Trustees (appointed as Chair 18 September 2019) Mrs. C. Cousins (resigned 26 November 2018) Ms. R. Punter Mr. D. Okafor Mrs. L. Falk Mr. J. Martin (resigned 21 June 2019) Ms. C. Barenbrug (appointed 27 February 2019) Ms. M. Mina (appointed 6 March 2019, resigned 21 October 2019) Mr. R. Barlow (appointed 1 April 2019)
Company registered number	07656245
Registered office	George Lane, Hayes, Bromley, Kent. BR2 7LQ.
Company secretary	Mrs. V. Bolton
Chief executive officer	Mrs. J. Brinkley
Senior management team	Mrs. J. Brinkley, CEO Mr. N. Vitarana, Headteacher at Hayes Primary School Mrs. G. Sesli, Executive Headteacher at Midfield Primary School, Leeson's Primary School and St Mary Cray Primary Academy Mrs. R. Haig, Headteacher at Dorset Road Infants School and Castlecombe Primary School Mrs. C. Sheehan, Chief Financial Officer Mrs. V. Bolton, Chief Operations 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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Chairman's Statement

I am delighted to present the Annual Accounts for The Spring Partnership Trust (TSPT) for the year ending 31 August 2019.

Following the three very pleasing inspections we had in the previous year, this year we had two more. The first at Dorset Road Infants School which repeated its former 'upper-end' 'Good' and the second at Castlecombe Primary School which improved from 'Requires Improvement' to a very good 'Good'. This latter result was particularly pleasing as it reflected the dedication and knowledge of both the current and previous Senior Leadership Team (which had started the school improvement). Congratulations too, to all staff who implemented the improvements, and for doing so while the school was being partially rebuilt around them, during the expansion of the KS2 section of the school. Working in a building site was challenging but we now have an excellent, modern and 'fit for purpose' school that is now rapidly expanding to fill the demand of the local community for school places. These facilities at Castlecombe Primary School have recently enabled them to temporarily accommodate the staff and pupils at Dorset Road Infant School due to health and safety concerns at their site.

The end of KS2 SAT results for reading, writing and mathematics demonstrate that school improvement, for those schools in need of development when joining TSPT, has sustained Best Practice in early years and phonics teaching has been shared and standards continue to rise, giving children a consistently good start to school.

The outlook for all schools throughout the UK continues to be challenging. The chronic lack of teachers coming into the profession continues to make it difficult for all schools to recruit adequately which adds to the difficulties. However, whilst we certainly have, and continue to experience the pressures all schools face, the trustees have earmarked a large proportion of schools reserves into the ongoing digital strategy plan as well as developing a trust wide curriculum. Therefore trustees have:-

- Set a balanced budget for the year 2019/20
- Continued to look for strategic opportunities to work with other multi-academy trusts where this would be beneficial to the education of our children
- Continued to identify cost saving measures – for example, contracting for landscaping services for TSPT as a whole, rather than on a school by school basis, has saved approximately £8000 per annum
- Developed an outstanding NQT development programme in order to attract high quality staff
- Given additional prominence to staff wellbeing in order to retain our outstanding staff and make The Spring Partnership Trust an attractive place to work

During the year, we have invested significantly in improving experiences for children and in streamlining our operations. In the first instance we have significantly improved the playground experience for children with the Outdoor Play and Learning (OPAL) project. All parents will have noticed how much richer the children's play is which has led to better behaviour both in and outside the classroom, a much lower accident rate, better learning and, from the children's perspective, much more fun!

We are also investing heavily in making our digital systems fit for purpose. In essence, we are building one IT system rather than the six individual school systems we 'inherited'. Once finished, our system will be more efficient, cost-effective and 'fit for purpose'. The trustees have made a significant commitment to investing reserves into this digital strategy which, as well as providing the infrastructure required to allow cloud-based and collaborative working, will also be rolled out to all pupils in order to help our children be Digital Learners who are better prepared for how technology is used in our world.

The Trust has continued to make considerable progress in working together as a whole, evidenced with the links between the schools growing ever closer, allowing teachers and leaders to share best practice more easily and to support each other as necessary. The trustees have further committed to a significant investment from reserves into the development of various elements of this consolidated curriculum which enables us to offer the following:-

Educational Benefits

Strategic planning and Governance:

- Joint strategic planning involving senior leaders to focus Trust development and school improvement accurately and sustainably
- Governor induction and training – including new Ofsted inspection framework training
- Development of school risk registers

Trust monitoring and accountability:

- Monthly finance package of support for schools
- Target tracker reporting 'multi' software and training
- Training to report information for monthly KPI cycle

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Chairman's Statement

- Peer review including leadership and management, reading 'deep dive', safeguarding, attendance systems, behaviour systems and SEND provision
- Purchase and training for 'Lessons Learned' performance management software
- Health and safety audit
- Standard systems and processes for pupil assessment and reporting (including training, where necessary)
- Purchase of NFER tests and guidance for administration
- Read, Write, Inc. (RWI) training for all schools and purchase of matching reading books where necessary

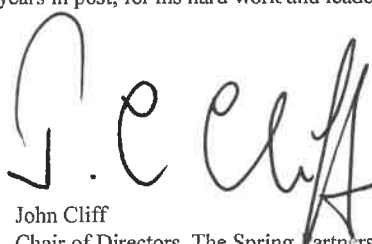
Schools – tailored provision:

- Support for staff with regular 'talk to me' forums with an approachable CEO
- Preparation and support for Ofsted inspection
- Moderation of writing
- Spring NQT programme
- Spring Middle Leader Programme

Additional specialist capacity from experienced leaders in:

- Reading, Writing and Mathematics
- Assessment and feedback
- EYFS development (SLE)
- Curriculum planning
- SEND (especially ASD expertise from the unit at Midfield Primary School)
- Behaviour management and inclusion
- Wellbeing and mindfulness training for staff and pupils
- Experienced nurture group specialist
- Attendance officer
- 'Train the trainer' accredited safeguarding lead
- 'Read, Write, Inc' coach and experienced phonics 'manager'
- Outdoor play and learning leaders
- Forest School training centre

As ever, I would like to thank, on behalf of the board of trustees, all of our staff for their outstanding commitment to the children in our care delivering outstanding education (and all the support functions) to nearly 2000 children, in a challenging financial environment, can never be appreciated too much. Finally, I would like to thank Clive Lees, my predecessor, whose term of office ended on 18th September 2019 after 4 years in post, for his hard work and leadership taking the trust forward with a sound base for the future.



John Cliff
Chair of Directors, The Spring Partnership Trust.

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Trustees' Report
For the year ended 31 August 2019

The trustees present their annual report together with the financial statements and auditors' report of the multi-academy trust for the year ended 31 August 2019. The Spring Partnership Trust operated 6 primary academies in the Academic Year 2018/19. Its academies had a combined pupil capacity of 2,160 pupils in the year and had a roll of 1,971 pupils in October 2018, including nurseries and Special Educational Unit. Castlecombe Primary School and Leeson Primary School are continuing their expansion to two forms of entry for KS2 and throughout, respectively.

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 15 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
- 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 6 times and there were 20 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 trustee. 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 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).

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Trustees' Report
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Organisation structure

The organisational structure consists of four levels: the Members, the trustees and the Senior Management Group, with additional responsibility devolved at school level to middle management staff and local committees to encourage involvement in decision making at all levels.

The structure of the Senior Management Group consists of the Executive Headteacher, Headteachers/Head of Schools, for each of the academies, the CEO, the CFO and the COO. These leaders control the multi-academy trust at an executive level, implementing the policies laid down by the trustees and reporting back to them. Members of 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. Appointment boards for the most senior posts in the Senior Management Group always contain a trustee.

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 to account, ensuring financial probity, viability and securing value for money.

Arrangements for setting pay and remuneration of key management personnel

FRS 102 requires details of the arrangement for setting pay and remuneration of the academies' key management personnel. The key personnel within the multi-academy trust are the trustees, the CEO, the CFO, the COO and the Executive Head Teacher and 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 14.

The CEO, CFO, 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, an appropriately qualified external adviser may assist 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 and the CEO pay range has been agreed by Trust Board.

Details of remuneration paid to key management personnel are set out in note 14.

Trade union facility time

Relevant union officials	
<i>Number of employees who were relevant union officials during the year</i>	<i>Full time equivalent employee number</i>
1	0.6

Percentage of time spent on facility time	
<i>Percentage of time</i>	<i>Number of employees</i>
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	
Total cost of facility time	£139
Total pay bill	£9,061,385
Percentage of the total pay bill spent on facility time	0.00002%

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	0%

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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 Academy 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 have an independently run Parent Teacher Association which is not a registered charity. It is not part of the multi-academy trust but it organises various fundraising events to provide facilities for the pupils of Dorset Road Infant School.

Midfield Primary School have an independently run Parent Teacher Association which is not a registered charity. It is not part of the multi-academy trust but it organises various fundraising events to provide facilities for the pupils of Midfield Primary School.

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.

Objectives, strategies and activities

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.

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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:-

- A variety of in-house clubs – e.g. Phonics, Book Making, Clubercise, Rubic/Maths
- School musical clubs – e.g. Orchestras, Choirs, Djembe Drums
- 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 and singing lessons as well as providing opportunities for every child to learn a brass instrument
- Computing Hub for Bromley
- Karate
- Minecraft
- Spanish club
- Arts and Craft clubs
- Gymnastics and Street Dance
- Gardening and 'Eco' clubs
- Science clubs
- Lego Club
- Creative writing
- Mediation/Relaxation
- Performing arts, drama and musical theatre
- Coding club
- Korfbal, tennis, football, netball, rugby and multi-sport clubs
- Cycling, cross country and running clubs
- 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:

- Volunteer Police Cadets
- The Bromley 'Big Foot Go Ride' weekly bikeclub
- Netball club for adults
- Swimstars swimming club
- Aquakids swimming club
- Warren junior football club
- 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.

Equal opportunities

The trustees are proud of the diversity and inclusive culture in the work place. They 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.

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STRATEGIC REPORT

Achievements and performance

The trustees were very pleased overall 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:

Castlecombe Primary School
www.castlecombe.bromley.sch.uk

Dorset Road Infants School
www.dorsetroad.bromley.sch.uk

Hayes Primary School
www.hayes-pri.bromley.sch.uk

Leesons Primary School
www.leesons.bromley.sch.uk

Midfield Primary School
www.midfield.bromley.sch.uk

St Mary Cray Primary Academy
www.st-marycray.bromley.sch.uk

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.

FINANCIAL REVIEW

The 2018-19 year has been stable with no new academies joining the multi-academy trust.

Most of the multi-academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

The Statement of Financial Activities (SoFA) reports incoming resources of £12.1m for 2018/19, down from £16.6m in 2017/18. The reduction occurred predominantly because the prior year included significant exceptional capital grant funding and a donation of almost £5m relating to the value of the buildings constructed by the Local Authority and handed over to the multi-academy trust.

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Financial review – cont.

Excluding capital income and the prior year building donation, the multi-academy trust's income for 2018/19 amounted to £11.5m compared to £11.1m in 2017/18. This £400k increase was largely attributable to:

- A £164k increase in core General Annual Grant funding
- A £50k rise in Other DfE/ESFA grants, mainly due to the new teachers' pay grant
- A £141k rise in Other Government Grants from the Local Authority following an increase in bulge and nursery funding

The incoming resources for the year have not been sufficient to cover total resources expended of £12.8m (2018: £12.0m) resulting in net expenditure for the year of £686k (2018: net income of £4.7m), as shown on the Statement of Financial Activities ("SoFA"). The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was a reduction of £2.5m (2018: increase of £7.8m which is also after a revaluation gain). It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the multi-academy trust's academies.

Excluding movements on tangible fixed assets, the LGPS defined benefit pension liability and revenue to capital transfers the multi-academy trust suffered a deficit on operational revenue funds for the year of £83k (2018: £29k), as reconciled from the SoFA below:

		2019 (£000s)	2018 (£000s)
Overall net movement in funds for the year per SoFA		(2,488)	7,755
<u>Add:</u>			
Decrease / (increase) attributable to fixed asset fund	See A	(59)	(7,308)
LGPS actuarial (gain)/loss	See B	1,802	(973)
LGPS service and interest costs	See B	589	369
Total movement in year on revenue funds		(156)	(157)
Revenue to capital transfers		73	128
Operational surplus /(deficit) on revenue funds		(83)	(29)

(A) The movement on restricted fixed asset funds comprises capital grant income received during the year less depreciation charged on capitalised assets purchased from such funds, notably the school buildings. Since these do not relate to day-to-day operational matters the movement on fixed asset funds is excluded from the operational result.

(B) The Balance Sheet carries the trust's share of the deficit on the Local Government Pension Scheme. A detailed report has been prepared by an actuary detailing the movement in the deficit during the year. The movement is in two parts: (1) the actuarial gain relates to movement linked to the assumptions made by the actuary, (2) other movements comprising (i) net interest costs (ii) current service costs - the value of benefits accrued by members over the accounting period less contributions paid and (iii) past service costs for additional benefits granted during the year. Again since the LGPS movement do not relate to operational matters these have been excluded from the operational result. The significant increase in the LGPS liability during 2018-19 relates to a number of issues which are described in note 2 to the financial statements explaining critical accounting estimates and judgements.

At 31 August 2019, the net book value of fixed assets was £32.7m and movements in tangible fixed assets are shown in notes 18 and 19 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 2019 of £29.6m (2018: £32.1m). These funds included restricted fixed asset funds of £32.7m (2018: £32.6m) and revenue reserves of £1.0m (2018: £1.2m) split across restricted and unrestricted funds.

The only fund in deficit was the LGPS pension reserve of £4.1m (2018: £1.7m). The increase in this reserve during the year has arisen because of the actuarial loss that occurred in the financial year along with the other pension current service and finance costs. The deficit is not a concern and 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 the multi-academy trust are fixed until 1 April 2020.

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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
- *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

Fundraising

The Spring Partnership Trust does not engage in fundraising activities of its own. Any fundraising is generally done via the Parent Teacher Association at the local school.

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 develop and enhance governance with particular emphasis on creating governance structures suitable for an expanding multi-academy trust
- Continue to drive forward improvement in partner schools by sharing best practice models from within and beyond the multi-academy trust
- Continue to develop the impact of the multi-academy trust in order that research and leading practice result in better quality of provision in the wider education system
- Recruit, retain and develop an outstanding teaching, management and support staff team
- Continue to invest in standardising and improving the curriculum for all our schools
- Continue to invest in the implementation of the digital strategy to enable our schools to function more effectively and to encourage our pupils to become digital learners
- Continue to seek resolution for the Dorset Road Infant School

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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
- 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, and signed on the board's behalf by:



Mr. J. Cliff, Chair of Trustees



Mrs. J. Brinkley, Accounting Officer

Date: 9 December 2019

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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, 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 6 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	6	6
Mrs. J. Brinkley, CEO	5	6
Dr. I. Raitt	2	2
Mr. R. Taylor, Chair of Audit Committee and FARCO	4	6
Mr. J. Cliff	3	5
Mrs. C. Cousins	1	1
Ms. R. Punter	5	6
Mr. D. Okafor	4	6
Mrs. L. Falk	1	6
Mr. J. Martin	4	5
Ms. C. Barenbrug	1	3
Ms. M. Mina	2	3
Mr. R. Barlow	3	3

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

- Regularly updating the Scheme of Delegation for 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
- Reviewing the effectiveness of governance at school level and intervening as necessary

The Finance and Resources Committee (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. Brinkley	5	5
Mr. R. Taylor	5	5
Mr. J. Cliff	4	5
Mrs. C. Cousins	1	1
Ms. C. Barenbrug	2	2

The Spring Partnership Trust

(A company limited by guarantee)

Governance Statement

The Audit Committee is 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	0	1
Mrs. C. Cousins	1	1
Miss R. Punter	2	2

At least 3 trustees, including the CEO, attend each Audit Committee meeting. Mrs. J. Brinkley, the CEO and Accounting Officer, attended one Audit Committee meeting 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 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
- 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 Spring Partnership Trust
(A company limited by guarantee)

Governance Statement

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
- 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
- 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 terms basis, the audit company 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 2019, 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 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 and signed on their behalf, by:



Mr. J. Cliff, Chair of Trustees



Mrs. J. Brinkley, Accounting Officer

Date: 9 December 2019

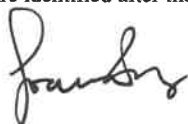
The Spring Partnership Trust
(A company limited by guarantee)

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi-academy trust, 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 2018.

I confirm that I and the multi-academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the multi-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 2018.

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. Brinkley
Chief Executive Officer and Accounting Officer

Date: 9 December 2019

The Spring Partnership Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

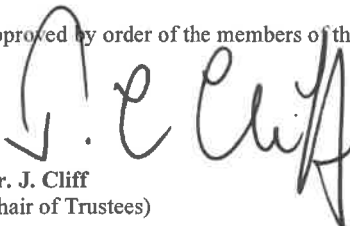
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr. J. Cliff
(Chair of Trustees)

Date: 9 December 2019

The Spring Partnership Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members as a body of The Spring Partnership Trust

Opinion

We have audited the financial statements of The Spring Partnership Trust (the 'multi-academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the multi-academy trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the multi-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 multi-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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

The Spring Partnership Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members as a body of The Spring Partnership Trust (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the multi-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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the multi-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 multi-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 multi-academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable multi-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 charitable multi-academy trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable multi-academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 16 December 2019

The Spring Partnership Trust
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 August 2011 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 26 August 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Spring Partnership Trust's for the year ended 31 August 2019 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

The Spring Partnership Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Spring Partnership Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 16 December 2019

The Spring Partnership Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	17,592	13,731	629,407	660,730	5,607,083
Charitable activities		301,555	10,748,086	-	11,049,641	10,673,720
Other trading activities		391,683	-	-	391,683	363,815
Investments	6	1,251	-	-	1,251	1,454
Total income		712,081	10,761,817	629,407	12,103,305	16,646,072
Expenditure on:						
Raising funds	8	84,570	-	-	84,570	30,834
Charitable activities	9	714,900	11,346,687	643,007	12,704,594	11,946,435
Total expenditure		799,470	11,346,687	643,007	12,789,164	11,977,269
Net expenditure		(87,389)	(584,870)	(13,600)	(685,859)	4,668,803
Transfers between funds	25	(118,924)	46,082	72,842	-	-
Net movement in funds before other recognised gains/(losses)		(206,313)	(538,788)	59,242	(685,859)	4,668,803
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	-	-	2,113,000
Actuarial losses on defined benefit pension schemes	31	-	(1,802,000)	-	(1,802,000)	973,000
Net movement in funds		(206,313)	(2,340,788)	59,242	(2,487,859)	7,754,803
Reconciliation of funds:						
Total funds brought forward		787,239	(1,298,574)	32,633,686	32,122,351	24,367,548
Net movement in funds		(206,313)	(2,340,788)	59,242	(2,487,859)	7,754,803
Total funds carried forward		580,926	(3,639,362)	32,692,928	29,634,492	32,122,351

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

The notes on pages 24 to 53 form part of these financial statements.

The Spring Partnership Trust
(A company limited by guarantee)
Registered number: 07656245

Balance sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	18	25,029	34,084
Tangible assets	19	32,650,111	32,577,652
		<u>32,675,140</u>	<u>32,611,736</u>
Current assets			
Stocks	20	5,784	11,055
Debtors	21	698,098	519,182
Cash at bank and in hand		1,477,674	2,766,803
		<u>2,181,556</u>	<u>3,297,040</u>
Creditors: amounts falling due within one year	22	(1,098,594)	(2,085,004)
Net current assets		<u>1,082,962</u>	<u>1,212,036</u>
Total assets less current liabilities		<u>33,758,102</u>	<u>33,823,772</u>
Creditors: amounts falling due greater than one year	23	(59,610)	(28,421)
Net assets excluding pension liability		<u>33,698,492</u>	<u>33,795,351</u>
Defined benefit pension scheme liability	31	(4,064,000)	(1,673,000)
Total net assets		<u><u>29,634,492</u></u>	<u><u>32,122,351</u></u>
Funds of the multi-academy trust			
Restricted funds:			
Fixed asset funds	25	32,692,928	32,633,686
Restricted income funds	25	424,638	374,426
Pension reserve	25	(4,064,000)	(1,673,000)
Total restricted funds	25	<u>29,053,566</u>	<u>31,335,112</u>
Unrestricted income funds	25	<u>580,926</u>	<u>787,239</u>
Total funds		<u><u>29,634,492</u></u>	<u><u>32,122,351</u></u>

The financial statements on pages 21 to 33 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

Mr. J. Cliff
Chair of Trustees

Mrs. J. Brinkley
Chief Executive Officer and Accounting Officer

Date: 9 December 2019

The notes on pages 24 to 53 form part of these financial statements.

The Spring Partnership Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	27	(1,271,223)	1,253,422
Cash flows from investing activities	29	(41,682)	(1,214,708)
Cash flows from financing activities	28	23,776	-
Change in cash and cash equivalents in the year		(1,289,129)	38,714
Cash and cash equivalents at the beginning of the year		2,766,803	2,728,089
Cash and cash equivalents at the end of the year	30	1,477,674	2,766,803

The notes on pages 24 to 53 form part of these financial statements

The Spring Partnership Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate 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 incoming resources are recognised when the multi-academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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.

The Spring Partnership Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Expenditure on raising funds**

This 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.

- **Charitable activities**

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

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the multi-academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

1.7 Intangible assets

Intangible assets costing £5,000 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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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The Spring Partnership Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £5,000 individually or £10,000 for projects are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities.

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

The multi-academy trust has adopted the revaluation model to revalue land and buildings 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 estimated useful lives are as follows:

Freehold property	- 50 years
Long-term leasehold property	- 125 years
Furniture and equipment	- 4 to 7 years
Property improvements	- 5 to 50 years
Computer equipment	- 3 years

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

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

1.9 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.

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 21. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 22 and 23. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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For the year ended 31 August 2019

1. Accounting policies (continued)

1.11 Operating leases

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 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.

1.13 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 funders where the asset acquired or created is held for a specific purpose.

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

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

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, 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 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 31, of £311k.

There will also be an increase in the cost of benefits from 1 September 2019.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 31. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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Notes to the financial statements
For the year ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	17,592	13,731	-	31,323	5,011,945
Capital grants	-	-	629,407	629,407	595,138
	<u>17,592</u>	<u>13,731</u>	<u>629,407</u>	<u>660,730</u>	<u>5,607,083</u>
<i>Total 2018</i>	<u>14,390</u>	<u>8,400</u>	<u>5,584,293</u>	<u>5,607,083</u>	

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,580,612	8,580,612	8,416,593
Other DfE/ESFA grants	-	1,145,420	1,145,420	1,094,815
	<u>-</u>	<u>9,726,032</u>	<u>9,726,032</u>	<u>9,511,408</u>
Other government grants				
Local authority grants	-	722,054	722,054	646,979
Local authority - Special educational projects	-	261,971	261,971	213,984
Other government grants	-	18,350	18,350	-
	<u>-</u>	<u>1,002,375</u>	<u>1,002,375</u>	<u>860,963</u>
Other educational income				
Student catering income	127,749	-	127,749	126,750
Educational trips	94,237	-	94,237	115,917
Other income	79,569	14,035	93,604	58,682
Notional apprenticeship levy income	-	5,644	5,644	-
	<u>301,555</u>	<u>19,679</u>	<u>321,234</u>	<u>301,349</u>
	<u>301,555</u>	<u>10,748,086</u>	<u>11,049,641</u>	<u>10,673,720</u>
<i>Analysis of 2018 total by fund</i>	<u>291,349</u>	<u>10,382,371</u>	<u>10,673,720</u>	

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5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Income from facilities and services	324,783	-	324,783	283,393
Insurance claims	34,550	-	34,550	52,490
Staff consultancy	13,527	-	13,527	7,075
Nursery fees	13,554	-	13,554	18,689
Catering income	5,269	-	5,269	2,168
	<u>391,683</u>	<u>-</u>	<u>391,683</u>	<u>363,815</u>
<i>Analysis of 2018 total by fund</i>	<u>341,594</u>	<u>22,221</u>	<u>363,815</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	<u>1,251</u>	<u>1,251</u>	<u>1,454</u>

All investment income in 2018 was unrestricted.

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Notes to the financial statements
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7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total</i> <i>2018</i> <i>£</i>
Expenditure on fundraising trading activities:					
Direct costs	59,067	16,690	8,813	84,570	30,834
Expenditure on educational operations:					
Direct costs	7,868,019	608,936	835,943	9,312,898	8,861,064
Support costs	2,020,101	557,143	814,452	3,391,696	3,085,371
	<u>9,947,187</u>	<u>1,182,769</u>	<u>1,659,208</u>	<u>12,789,164</u>	<u>11,977,269</u>
<i>Analysis of 2018 total by type</i>	<u>9,143,506</u>	<u>990,905</u>	<u>1,842,858</u>	<u>11,977,269</u>	

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds</i> <i>2018</i> <i>£</i>
Premises costs	16,690	16,690	952
Learning resources	3,545	3,545	4,118
Catering costs	5,268	5,268	-
Wages and salaries	59,067	59,067	25,764
	<u>84,570</u>	<u>84,570</u>	<u>30,834</u>

All fundraising costs in 2018 were unrestricted.

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9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funding for the multi-academy trust's educational operations	714,900	11,989,694	12,704,594	11,946,435
<i>Analysis of 2018 total by fund</i>	696,981	11,249,454	11,946,435	

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Funding for the multi-academy trust's educational operations	9,312,898	3,391,696	12,704,594	11,946,435
<i>Total 2018</i>	8,861,064	3,085,371	11,946,435	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	7,868,019	7,372,123
Depreciation and amortisation	608,936	506,974
Other staff expenses	129,871	133,527
Educational supplies	145,676	256,663
Staff related insurance	7,500	5,215
Technology costs	117,071	162,507
Educational consultancy	313,058	271,877
Other direct costs	122,767	152,178
	9,312,898	8,861,064

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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	2,020,101	1,745,619
Other staff expenses	3,484	6,559
Technology costs	100,491	97,145
Maintenance of premises and equipment	185,520	164,788
Cleaning and caretaking	151,528	103,111
Rates	62,452	58,680
Energy	142,686	126,610
Security	14,957	30,742
Operating lease rentals	36,087	22,799
Transport	4,418	2,816
Catering	454,349	429,441
Legal and professional fees	74,713	91,289
Governance costs	23,520	24,505
Other support costs	117,390	181,267
	3,391,696	3,085,371

11. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £
Gifts made by the trust	601
Unrecoverable debts	2,295

Gifts: - The total gifts value is made up of a number of transactions for flowers and vouchers at no more than £25 per head in accordance with the Trust's gifts policy.

Unrecoverable debts: - These relate to unpaid parental balances owed on extended school services

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12. Net expenditure

Net expenditure for the year includes:

	2019	<i>2018</i>
	£	<i>£</i>
Operating lease rentals	36,087	22,799
Depreciation of tangible fixed assets	599,881	497,948
Amortisation of intangible assets	9,055	9,055
	<u>645,023</u>	<u>539,802</u>

13. Auditors' remuneration

	2019	<i>2018</i>
	£	<i>£</i>
Fees payable to the multi-academy trust's auditor and its associates for the audit of the multi-academy trust's annual accounts	14,000	14,000
Fees payable to the multi-academy trust's auditor and its associates in respect of:		
Audit-related assurance services	2,550	4,360
All taxation advisory services not included above	-	1,500
Internal audit services	3,870	3,570
Other assurance services not included above	400	400
Other non-audit services not included above	820	170
	<u>21,640</u>	<u>24,900</u>

14. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	<i>2018</i>
	£	<i>£</i>
Wages and salaries	7,147,832	6,710,110
Social security costs	632,818	583,113
Pension costs	1,868,201	1,561,660
	<u>9,648,851</u>	<u>8,854,883</u>
Agency staff costs	256,522	288,623
Staff restructuring costs	41,814	-
	<u>9,947,187</u>	<u>9,143,506</u>

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14. Staff costs (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2019	<i>2018</i>
	£	£
Redundancy and severance payments	41,814	-
	<u>41,814</u>	<u>-</u>

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

The individual values of non-statutory/non-contractual severance were £13,700, £5,000 and £1,000.

c. Staff numbers

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Leadership	21	26
Teachers	93	88
Administration and support	233	236
	<u>347</u>	<u>350</u>

The average headcount expressed as full-time equivalents was:

	2019	<i>2018</i>
	No.	<i>No.</i>
Management	21	25
Teachers	80	71
Administration and support	164	151
	<u>265</u>	<u>247</u>

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14. Staff costs (continued)

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	-	1

e. Key management personnel

The key management personnel of the multi-academy trust comprises the staff trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi-academy trust was £582,625 (2018: £622,597).

15. Central services

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

- Chief executive officer
- Chief financial officer and central finance team
- Clerking
- Audit and assurance
- Human Resources consultancy and administration
- Monitoring, assessments and reporting
- Legal and other consultancy
- School improvement work
- Procurement expertise
- Trust wide IT provision
- Payroll services
- Public relations
- Outreach behaviour services

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

Each academy pays a 'top slice' of their General Annual Grant (GAG) income to the multi-academy trust's central services fund. This payment is at a set percentage of GAG which is reviewed and agreed annually. The top slice percentage is reduced for new academies joining the multi-academy trust part way through the year.

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15. Central services (continued)

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Castlecombe Primary School	204,887	167,284
Dorset Road Infant School	98,255	88,903
Hayes Primary School	86,815	74,306
Leesons Primary School	36,467	30,300
Midfield Primary School	124,399	99,051
St. Mary Cray Primary Academy	168,826	132,625
Total	719,649	592,469

16. 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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2019 £	2018 £
Mrs. J. Brinkley, Chief Executive Officer and Accounting Officer	120,000 - 125,000	135,000 - 140,000
Pension contributions paid	15,000 - 20,000	20,000 - 25,000

During the year ended 31 August 2019, expenses were reimbursed or paid directly to 1 Trustee (2018 - to 1 Trustee) broken down as follows:

	2019 £	2018 £
Travel	105	101
Telephone and stationery	22	18
	127	119

17. 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 academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,090 (2018: £2,601). The cost of this insurance is included in the total insurance cost.

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18. Intangible assets

	£
Cost	
At 1 September 2018	45,275
At 31 August 2019	<u>45,275</u>
Amortisation	
At 1 September 2018	11,191
Charge for the year	9,055
At 31 August 2019	<u>20,246</u>
Net book value	
At 31 August 2019	<u>25,029</u>
At 31 August 2018	<u><u>34,084</u></u>

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19. Tangible fixed assets

	Freehold and Long-term leasehold property £	Freehold and Long-term leasehold property improvements £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	24,265,897	4,408,630	4,840,567	560,852	258,365	34,334,311
Additions	-	21,036	539,057	73,146	39,101	672,340
Transfers between classes	3,816,076	1,047,457	(4,863,533)	-	-	-
At 31 August 2019	28,081,973	5,477,123	516,091	633,998	297,466	35,006,651
Depreciation						
At 1 September 2018	920,020	255,898	-	358,497	222,244	1,756,659
Charge for the year	312,154	180,883	-	78,870	27,974	599,881
At 31 August 2019	1,232,174	436,781	-	437,367	250,218	2,356,540
Net book value						
At 31 August 2019	26,849,799	5,040,342	516,091	196,631	47,248	32,650,111
At 31 August 2018	23,345,877	4,152,732	4,840,567	202,355	36,121	32,577,652

Freehold and Long-term leasehold land and buildings are revalued upon receipt of the DfE's Whole Government Accounts valuations.

The multi-academy trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2019 £	2018 £
Freehold property	12,419,365	8,812,190
Long-term leasehold property	7,186,555	7,237,226
	19,605,920	16,049,416

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19. Tangible fixed assets (continued)

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2019	<i>2018</i>
	£	<i>£</i>
Freehold land	5,268,000	5,268,000
Long-term leasehold land	1,374,000	1,374,000
	<u>6,642,000</u>	<u>6,642,000</u>

20. Stocks

	2019	<i>2018</i>
	£	<i>£</i>
Finished goods and goods for resale	5,784	11,055
	<u>5,784</u>	<u>11,055</u>

21. Debtors

	2019	<i>2018</i>
	£	<i>£</i>
Due within one year		
Trade debtors	14,995	56,602
Other debtors	140,565	92,334
Prepayments and accrued income	542,538	370,246
	<u>698,098</u>	<u>519,182</u>

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22. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	9,640	17,053
Trade creditors	234,009	313,596
Other taxation and social security	147,569	130,951
Other creditors	151,267	135,576
Accruals and deferred income	556,109	1,487,828
	<u>1,098,594</u>	<u>2,085,004</u>
	2019 £	2018 £
Deferred income at 1 September 2018	246,468	211,889
Resources deferred during the year	248,738	246,468
Amounts released from previous periods	(246,468)	(211,889)
	<u>248,738</u>	<u>246,468</u>

Deferred income comprises £166,719 (2018: £174,624) ESFA Universal Infant Free School Meals grant, £27,382 (2018: £22,507) Rates relief grant, £54,549 (2018: £39,337) for educational trips and other amounts £88 (2018: £10,000).

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

	2019 £	2018 £
Other loans	59,610	28,421

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	21,048	5,684

The amounts provided for within other loans relate to interest-free concessionary Salix Loans, provided to the multi-academy trust by the Department of Education. The total loan of £69,250 (2018: £45,474) is repayable at £9,641 (2018: £5,684) per annum over 8 years.

At 31 August 2018, no instalments had been taken by the Department of Education and has resulted in a loan balance falling due within one year of £17,053. During the year to 31 August 2019 the Department of Education revised the payment terms of the existing loans. £33,406 of new Salix Loans were introduced during the year to 31 August 2019.

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24. Financial instruments

	2019	<i>2018</i>
	£	<i>£</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	1,477,674	2,766,803
Financial assets that are debt instruments measured at amortised cost	445,759	336,860
	<u>1,923,433</u>	<u>3,103,663</u>
	2019	<i>2018</i>
	£	<i>£</i>
Financial liabilities		
Financial liabilities measured at amortised cost	(761,898)	(1,736,006)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors. For goods sold to a customer on short term credit, a trade debtor is recognised at the undiscounted amount of cash receivable from that entity, which is normally the invoice price.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors and net wages creditors. For goods purchased from a supplier on short term credit, a trade creditor is recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

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25. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	787,239	712,081	(799,470)	(118,924)	-	580,926
Restricted general funds						
General Annual Grant	214,930	8,580,612	(8,646,701)	50,892	-	199,733
Other DfE/ESFA	136,354	1,145,420	(1,182,253)	-	-	99,521
Other Government	22,095	1,008,019	(907,733)	(3,385)	-	118,996
Other Restricted	1,047	27,766	(21,000)	(1,425)	-	6,388
Pension reserve	(1,673,000)	-	(589,000)	-	(1,802,000)	(4,064,000)
	(1,298,574)	10,761,817	(11,346,687)	46,082	(1,802,000)	(3,639,362)
Restricted fixed asset funds						
Intangible assets	34,084	-	(9,055)	-	-	25,029
Tangible assets	32,577,652	-	(599,881)	672,340	-	32,650,111
Salix loans	(15,544)	-	(31,760)	(21,946)	-	(69,250)
Capital grants	37,494	629,407	(2,311)	(577,552)	-	87,038
	32,633,686	629,407	(643,007)	72,842	-	32,692,928
Total Restricted funds	31,335,112	11,391,224	(11,989,694)	118,924	(1,802,000)	29,053,566
Total funds	32,122,351	12,103,305	(12,789,164)	-	(1,802,000)	29,634,492

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.
- (iii) The Other government grants fund is used to track grants provided by the local authority and other government departments.
- (iv) The Pension 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 purchases during the year from revenue reserves.

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25. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	<i>2018</i>
	£	<i>£</i>
Castlecombe Primary School	115,791	112,732
Dorset Road Infant School	1,138	11,813
Hayes Primary School	234,616	272,881
Leesons Primary School	79,927	298,115
Midfield Primary School	483,940	405,463
St. Mary Cray Primary Academy	90,152	112,455
Central services	-	(51,794)
Total before fixed asset funds and pension reserve	1,005,564	1,161,665
Restricted fixed asset fund	32,692,928	32,633,686
Pension reserve	(4,064,000)	(1,673,000)
Total	29,634,492	<i>32,122,351</i>

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	<i>Total 2018</i>
	£	£	£	£	£	<i>£</i>
Castlecombe Primary	1,079,270	143,862	28,710	257,670	1,509,512	1,543,976
Dorset Road Infant	351,568	52,910	4,776	102,155	511,409	501,140
Hayes Primary	1,829,338	325,066	36,443	553,334	2,744,181	2,836,897
Leesons Primary	1,523,165	157,263	17,456	393,972	2,091,856	1,750,621
Midfield Primary	1,978,643	213,645	21,103	492,013	2,705,404	2,433,657
St. Mary Cray Primary	1,002,559	147,192	38,749	296,551	1,485,051	1,407,710
Central services	171,109	971,597	1,984	(11,875)	1,132,815	996,294
	7,935,652	2,011,535	149,221	2,083,820	12,180,228	<i>11,470,295</i>

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25. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General funds	922,251	648,787	(687,051)	(96,748)	-	787,239
Restricted general funds						
General Annual Grant	166,477	8,416,593	(8,307,463)	(60,677)	-	214,930
Other DfE/ESFA	196,782	1,080,466	(1,139,803)	(1,091)	-	136,354
Other Government	23,887	906,393	(937,791)	29,606	-	22,095
Other Restricted	10,000	15,400	(25,003)	650	-	1,047
Pension reserve	(2,277,000)	-	(369,000)	-	973,000	(1,673,000)
	(1,879,854)	10,418,852	(10,779,060)	(31,512)	973,000	(1,298,574)
Restricted fixed asset funds						
Intangible assets	43,139	-	(9,055)	-	-	34,084
Tangible assets	24,162,115	4,893,060	(497,920)	1,907,397	2,113,000	32,577,652
Salix loans	(15,544)	-	-	-	-	(15,544)
Capital grants	1,135,441	691,233	(10,043)	(1,779,137)	-	37,494
	25,325,151	5,584,293	(517,018)	128,260	2,113,000	32,633,686
Total Restricted funds	23,445,297	16,003,145	(11,296,078)	96,748	3,086,000	31,335,112
Total funds	24,367,548	16,651,932	(11,983,129)	-	3,086,000	32,122,351

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26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	32,650,111	32,650,111
Intangible fixed assets	-	-	25,029	25,029
Current assets	580,926	1,513,592	87,038	2,181,556
Creditors due within one year	-	(1,088,954)	(9,640)	(1,098,594)
Creditors due in more than one year	-	-	(59,610)	(59,610)
Provisions for liabilities and charges	-	(4,064,000)	-	(4,064,000)
Total	580,926	(3,639,362)	32,692,928	29,634,492

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	32,577,652	32,577,652
Intangible fixed assets	-	-	34,084	34,084
Current assets	787,239	2,472,307	37,494	3,297,040
Creditors due within one year	-	(2,069,460)	(15,544)	(2,085,004)
Creditors due in more than one year	-	(28,421)	-	(28,421)
Provisions for liabilities and charges	-	(1,673,000)	-	(1,673,000)
Total	787,239	(1,298,574)	32,633,686	32,122,351

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Notes to the financial statements
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27. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019	2018
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(685,859)	4,668,803
Adjustments for:		
Amortisation	9,055	9,055
Depreciation	599,881	497,918
Capital grants from DfE and other capital income	(629,407)	(5,584,293)
Interest receivable	(1,251)	(1,454)
Defined benefit pension scheme cost less contributions payable	531,000	297,000
Defined benefit pension scheme finance cost	38,000	52,000
Defined benefit pension scheme administration cost	5,271	(9,939)
(Increase)/decrease in debtors	(178,916)	1,130,483
(Decrease)/increase in creditors	(978,997)	173,849
Defined benefit pension scheme administration cost	20,000	20,000
Net cash (used in)/provided by operating activities	(1,271,223)	1,253,422

28. Cash flows from financing activities

	2019	2018
	£	£
Cash inflows from new borrowing	31,760	-
Repayments of borrowing	(7,984)	-
Net cash provided by financing activities	23,776	-

29. Cash flows from investing activities

	2019	2018
	£	£
Interest	1,251	1,454
Purchase of tangible fixed assets	(672,340)	(6,800,455)
Capital grants from DfE Group	629,407	595,138
Capital funding received from sponsors and others	-	4,989,155
Net cash used in investing activities	(41,682)	(1,214,708)

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30. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£	£
Cash in hand	1,477,674	2,766,803
Total cash and cash equivalents	1,477,674	2,766,803

31. Pension commitments

The multi-academy trust's employees belong to two principal pension schemes: the Teachers' 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 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 £147,504 were payable to the schemes at 31 August 2019 (2018: £135,572) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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Notes to the financial statements
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31. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £603,000 (2018: £577,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Scheme Changes

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

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £842,000 (2018: £777,000), of which employer's contributions totalled £673,000 (2018: £623,000) and employees' contributions totalled £ 169,000 (2018: £154,000). The agreed contribution rates for future years are 23.3 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.1	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.0	2.1

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

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31. Pension commitments (continued)

	2019	<i>2018</i>
	Years	<i>Years</i>
Retiring today		
Males	23.5	23.4
Females	26.2	26.1
Retiring in 20 years		
Males	26.2	26.1
Females	28.5	28.4

Sensitivity analysis

	2019	<i>2018</i>
	£000	<i>£000</i>
Discount rate +0.1%	(260)	(178)
Discount rate -0.1%	260	178
Mortality assumption - 1 year increase	194	133
Mortality assumption - 1 year decrease	(194)	(133)
CPI rate +0.1%	263	180
CPI rate -0.1%	(263)	(180)
Pay growth +0.1%	34	-
Pay growth -0.1%	(34)	-

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

	At 31 August	<i>At 31 August</i>
	2019	<i>2018</i>
	£	<i>£</i>
Equities	4,426,000	3,805,000
Corporate bonds	888,000	738,000
Property	293,000	194,000
Cash and other liquid assets	83,000	-
Other	1,183,000	999,000
Total market value of assets	6,873,000	<i>5,736,000</i>

The actual return on scheme assets was £472,000 (2018: £440,000).

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31. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(891,000)	(925,000)
Past service cost	(311,000)	-
Interest income	175,000	125,000
Interest cost	(213,000)	(177,000)
Administrative expenses	(20,000)	(20,000)
Total amount recognised in the Statement of financial activities	(1,260,000)	(997,000)

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

	2019 £	2018 £
At 1 September	7,409,000	6,811,000
Current service cost	891,000	925,000
Interest cost	213,000	177,000
Employee contributions	168,000	157,000
Actuarial losses/(gains)	2,098,000	(656,000)
Benefits paid	(153,000)	(5,000)
At 31 August	10,626,000	7,409,000

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

	2019 £	2018 £
At 1 September	5,736,000	4,534,000
Interest income	175,000	125,000
Actuarial gains	296,000	317,000
Employer contributions	671,000	628,000
Employee contributions	168,000	157,000
Benefits paid	(153,000)	(5,000)
Administrative expenses	(20,000)	(20,000)
At 31 August	6,873,000	5,736,000

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32. Operating lease commitments

At 31 August 2019 the multi-academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	18,121	21,586
Later than 1 year and not later than 5 years	36,972	15,976
	<u>55,093</u>	<u>37,562</u>

33. Members' liability

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

34. 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 a trustees 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.

The following related party transactions took place during the year:

Income transactions with Parent Teacher Associations:

Parent Teacher Associations (PTAs) are established for the benefit of some of the multi-academy trust's academies. The multi-academy trust has no control over the PTAs but for transparency the income received by the multi-academy trust from PTAs during the year was:

£444 (2018: - £200) from Dorset Road Infant School PTA;
£700 (2018: - £4,189) from the Hayes Primary School PTA;
£1,100 (2018: - £1,445) from Midfield Primary School PTA; and
£14,267 (2018: - £nil) from St. Mary Cray Primary Academy PTA & Oasis.

Expenditure transactions:

- 1) During the year the uncle of a member of key management personnel provided decorating services at Midfield Primary school totaling £850. There were no amounts outstanding at 31 August 2019.
- 2) During the year the husband of a multi-academy trust member provided goods from his business, The Music Hub, totalling £998. There were no amounts outstanding at 31 August 2019.

In entering into these two transactions the multi-academy trust made the purchases at arms' length. Due to the relatively low value of the transactions no formal competitive tendering exercise was necessary to comply with its internal financial regulations. The individuals related to the suppliers neither participated in, nor influenced, the transactions, and therefore in entering into the transactions the multi-academy trust has complied with the requirements of the Academies Financial Handbook 2018.

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35. Controlling party

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