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 2021

The Spring Partnership Trust

(A company limited by guarantee)

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The Spring Partnership Trust
(A company limited by guarantee)

Reference and Administrative Details of the Company for the year ended 31 August 2021

Members
Mrs. J. Nelson
Mr. S. Narracott
Mrs. V. Boaden (resigned 4 October 2021)
Mr. J. Cliff
Mr. S. Bhalla
Mr. I. Stealey

Trustees
Mr. J. Cliff, Chair of Trustees
Mrs. J. Brinkley, CEO and Accounting Officer
Mr. R. Taylor, Chair of Finance, Audit and Resources Committee
Miss. R. Punter
Mr. D. Okafor
Ms. K. Hawker (resigned 23 July 2021)
Ms. C. Barenbrug
Mr. R. Barlow
Mr. A. Blount
Mrs. O. Brookman
Ms. W. Cartwright (appointed 8 November 2021)
Mr. D. Terry (appointed 23 November 2021)

Company registered number
07656245

Registered office
Room 1
The Warren,
Croydon Road
Hayes, Bromley,
Kent. BR2 7AL.

Company secretary
Mrs. V. Bolton

Chief executive officer
Mrs. J. Brinkley

Senior management team
Mrs. J. Brinkley, Chief Executive Officer
Mrs. C. Sheehan, Chief Financial Officer
Mrs. V. Bolton, Chief Operations Officer
Mrs. R. Haig, Headteacher at Dorset Road Infants School and Castlecombe Primary School
Mr. N. Vitarana, Headteacher at Hayes Primary School
Mrs. G. Sesli, Executive Headteacher at Midfield Primary School, Leesons Primary School and St Mary Cray Primary Academy

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

Chairman's Statement

I am delighted to present the Annual Accounts for The Spring Partnership Trust (TSPT) for the year ending 31st August 2021.

The Spring Partnership Trust was established in 2014 and now serves over 2,000 pupils, in five Bromley primary schools and one infant school. In the last five years, we have driven a significant amount of organisational change across the family of schools, ensuring financial and educational security for the long-term benefit of the local communities they serve by:

- Improving the quality of the curriculum so that all schools are now judged good or outstanding by Ofsted.
- Providing food to our most disadvantaged families during the pandemic.
- Maintaining an unbroken chain of supply throughout periods of lockdown and school closures.
- Integrating outdoor learning and forest school into the curriculum to develop character and support health and wellbeing.
- Investing in a digital strategy so all pupils will be able to learn in a digital environment in schools and through remote learning.
- Establishing centralised finance, business and HR services which provide consistent and cost-effective services to support school leaders.
- Maximising the pupil capacity of all schools so they are a sustainable size.
- Continuing to build Trust-operated nurseries on our school sites to offer children a high-quality early start to their education.
- Planning to develop income streams through facilities lettings and children's wider opportunity clubs.

We are approved by the Department for Education as an academy sponsor and are interested in working with other school partners in the South East of England.

Our name reflects the spirit of Spring time and the associations with strength, growth and aspiration which underpin our core purpose to provide excellent learning communities and exceptional outdoor and wider opportunities.

Standards and consistency.

Partnership with purpose.

Respect and compassion.

Innovation and inspiration.

Nature and outdoor learning.

Growth and legacy.

The culture in our Trust is one of partnership and support, not individuality or competition. Our Trust policies and well-established working practices have been developed together and are embraced by all partners.

The Trust Board, Local Advisory Councils and executive leaders work in partnership to develop consistent and high-quality practice so that together, we serve the best interests of our children and communities. We are pleased for each other when we achieve success and support each other in the difficult times all schools inevitably sometimes face.

Further periods of lockdown and school closures were successfully managed due to our ongoing commitment to our Digital Strategy and development of our online teaching and learning platforms. This enabled us to deliver ongoing high quality teaching and learning during another difficult year.

The knowledge rich curriculum was implemented during the year and staff welcomed having access to a bank of excellent planning and resources for all year groups.

Together we further developed a holiday summer club for working parents "Holiday Hive" which was a successful two-week club. Alongside this, we also took part in the Holiday and Food programme to support children in the borough of Bromley.

A further restructure was launched focusing on pastoral, premises and administration staff. The Trust decided to centralise site and administrative teams so that the schools are able to specifically focus on Teaching and Learning. The Trust is prioritising mindfulness among pupils and staff which will continue to be developed in future years. A pupil support lead role replaced the family worker role with an aim to focus more on pupils needs.

Chairman's Statement

The pandemic has seen an increase in Social, Economic and Mental health issues in our cohort of pupils and our staff are looking into addressing their needs through training and staff wellbeing is a priority and will be a continued focus in current and future years.

Therefore, the Trust aims to invest further in high quality training for all staff which will be integral to their professional growth.

Finally, on behalf of the Board of Trustees, I would like to thank all our staff, both in schools and the central team, for their continued outstanding commitment to our pupils and the Trust during this past, unprecedented year.



Mr. J. Cliff
Chair of Trustees

Date: 9 December 2021

Trustees' Report
For the year ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Spring Partnership Trust operated 5 primary academies and 1 infant school in the academic year 2020/21. Its academies had a combined pupil capacity of 2,227 pupils in the year and had a roll of 2,009 pupils in October 2020, including nurseries and a Special Educational Unit. Castlecombe Primary School and Leesons 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 during the year 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 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 16 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 Advisory Councils, if the Members resolve they shall be appointed
- A minimum of 2 parent Trustees unless there are Local Advisory Councils 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 12 committee meetings. The training and induction provided for new Trustees depends on their previous experience. All new Trustees are given a tour of the schools and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as 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 Advisory Council Members (previously referred to as Local Committee Members) joining a Local Advisory Council (previously referred to as Local Committee).

Trustees' Report
For the year ended 31 August 2021

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 Advisory Council Members to encourage involvement in decision making at all levels.

The structure of the Senior Management Group consists of the Executive Headteacher, Headteachers/Heads of School 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 13d.

Trade union facility time

Relevant union officials	
Number of employees who were relevant union officials during the year	*Full time equivalent employee number*
4	3.46

Percentage of time spent on facility time	
Percentage of time	*Number of employees*
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	
Total cost of facility time	£0
Total pay bill	£9,681,409
Percentage of the total pay bill spent on facility time	0%

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

Related parties and other connected charities and organisations

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 Leesons 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 Leesons 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.

Engagement with employees (including disabled persons)

During the academic year 2020/21, the Trust has taken active steps to ensure that the suggestions, views and interests of staff are captured through staff surveys. The analysis of these surveys are reported to the HR committee and several initiatives such as the implementation of a staff wellbeing day, alignment of the curriculum to reduce teacher workload and development of an accessible bank of teaching plans and resources, have been introduced.

Employees are kept informed through regular newsletters detailing any new developments in the Trust.

The Trust, supported by its senior leaders, has recently made a further difficult decision to restructure further categories of support staff which was required to ensure the financial sustainability of the Trust. Staff affected have been supported throughout the process and the Trust has endeavoured to mitigate redundancies by redeploying staff where possible.

The Trust is an inclusive employer:

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.

Engagement with suppliers, customers and others in a business relationship with the Trust

Throughout the year, the Trust has sought to balance the benefits of maintaining strong partnering relationships with key suppliers alongside the need to obtain value for money.

The central finance team is constantly striving to improve and develop controls and processes to support our academies.

The central business and finance team supported their colleagues in schools during lockdown by ensuring that their supply chain was unaffected and the business services of the Trust were uninterrupted.

The Trust also submits bi-annual payment practices report which constantly highlights the effective processes and fast turnaround of processing payments for its suppliers.

Trustees' Report
For the year ended 31 August 2021

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**
  Trustees, Local Advisory Councils and school leaders are highly effective in fulfilling their duties to provide the best possible education in each individual school.

- **School Improvement**
  All schools offer an excellent education to all their pupils through rigorous academic standards, an inspirational curriculum and challenging personal development opportunities.

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

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

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

Public benefit
The Spring Partnership Trust schools cater for children aged 3 -11 and strive to promote and support the advancement of education within the Bromley area. The schools provide an extensive programme of educational and recreational activity, all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. This has been hampered by the pandemic and periods of school closure. However, our nurseries continued to run to support critical workers and parents and when allowed, wrap around care services have also been maintained.

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.

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.

STRATEGIC REPORT

Achievements and performance
There is no attainment data to report for the academic year 2020-21 due to the COVID-19 pandemic resulting in the cancellation of all statutory testing in the primary education sector.

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) (Target 100% capacity / Current 89%)
- Reception intake of pupils (Target 100% capacity / Current 93%)
- General financial stability - aim for expenditure not to exceed income (and preferably to match it) each year
- Salary Costs to ESFA Revenue Income (Target of 75% / Actual 76%)
- Level of unrestricted reserves to mitigate areas of high risk (Target of 7% of unrestricted reserves to current ESFA income / AY20/21 4% /AY19/20 6%)
- In year surplus to support on trust wide school improvement
- Value for money through joint procurement (Target 90% /Current 68%)

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.

Promoting the success of the Trust
The Board in its decision-making has consistently acted in a way to have regard to:

- *The likely consequences of any decision in the long term*
  The strategic aims of The Spring Partnership Trust focus on school improvement and delivering the best education and related outcomes for each of its pupils. All key decisions that will have an impact on the long-term future are discussed at the relevant sub-committee and Board. For major and long-running projects, the Board receives regular updates to ensure that there is appropriate oversight and that appropriate action is taken where necessary. The Integrated Curriculum Financial Planning exercise ensures that the Trust will provide an effective and outstanding curriculum which requires an effective use of resources.

- *The interest of the company's employees.*
  The Trust ensures that it is financially sustainable by monitoring its key performance indicators and carefully investing in its staff and resources. The Trust ensures it treats staff fairly and equitably. The impact of major decisions on staff are discussed by the Board which also receives regular updates on staff pay, health & safety and safeguarding. The Board receives a summary of the annual engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

- *The need to foster the company's business relationships with suppliers, customers and others*
  The Board receives information on high-level issues arising from relationships with suppliers or other stakeholders. Where appropriate the Board discusses the nature of the relationships it wants with key stakeholders and the wider school community and there are clear processes for engagement through social media platforms and open events.

- *The impact of the company's operations on the community and the environment*
  The multi-academy trust's key objective is to provide education for its academies' students. The Board receives regular updates in terms of the monitoring of the funds received from the ESFA and that they are used efficiently and effectively.

- *The desirability of the Trust maintaining a reputation for high standards of business conduct*
  The nature of The Spring Partnership Trust's work as a charitable education institution makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards of education are maintained. The executive team will also update the Board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

- *The need to act fairly as between members of the company*
  The academy trust is an independent entity. As a limited by guarantee company, the Trust has Members, and at 31 August 2021 had 6 Members. Members all have equal voting rights. As responsibility to conduct the Trust's business sits with the Trustees, the Members adopt an 'eyes on and hands off' to avoid compromising the Board's discretion.

Financial review

The 2020/21 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 2021 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 £13.98m for the year, an increase from £12.34m in the prior year.

Total income included capital grant funding of £1.52m (*2020: £484k*), which was boosted by Condition Improvement Funding (CIF) grants of £1.4m (*2020: £433k*) for specific capital projects.

Excluding capital income, the multi-academy trust's income on revenue income funds for 2020/21 amounted to £12.38m compared to £11.86m in the previous. Within this category £12.14m *(2020: £11.57m)* relates to funding for educational operations, detailed in note 5, with DfE/ESFA grant funding the greatest element.

The multi-academy trust received specific funding from the DfE/ESFA this year to help with its response to the Covid-19 pandemic. In particular catch-up premium of £157k was provided to support the multi-academy trust to help children catch up on missed learning opportunities during the pandemic.

As it had done in the previous year, the pandemic continued to have a significant negative impact on some of the multi-academy trust's self-generated income. Note 4 reveals a further drop in income from facilities and services, which includes the income from the breakfast club and after school club provisions and also lettings, and in a 'normal' year the trustees would expect this self-generated income to be considerably higher, approaching £400k in 2018/19.

Total expenditure for the year was £14.63m (*2020: £12.78m*), however this included various costs that do not relate to the day-to-day running of the multi-academy trust's academies. This year total expenditure included an impairment charge of £1.59m to write down the cost of the Dorset Road Infant School building that has been deemed no longer suitable for educational operations since the year end, which is included within the expenditure through the restricted fixed asset fund. The remainder of the expenditure in this fund related to depreciation charges to write off the value of the fixed assets, held on the balance sheet, over the assets' useful lives. Finally, expenditure through the restricted fund included a £529k charge which forms part of the total movement in the Local Government Pension Scheme (LGPS) deficit carried on the balance sheet.

Therefore whilst the SoFA shows net expenditure over income for the year of £658k (*2020: £435k*), this does not represent an operational result. Indeed the overall movement in funds for the year was a reduction of £1.13m (*2020: an increase of £4.17m*) after other recognised gains and losses, this year solely relating to the actuarial loss arising on the LGPS.

The most meaningful result to consider is the movement on revenue income funds, however this does not directly appear on the SoFA. The table below has therefore been included as a reconciliation to the £358k (*2020: £172k*) increase in revenue income funds:

	2021 (£000s)	**2020 (£000s)**
Overall net movement in funds for the year per SoFA	**(1,128)**	**4,177**
Add:		
Decrease / (increase) attributable to fixed asset fund	487	(3,896)
LGPS actuarial (gain)/loss	470	(705)
LGPS service and interest costs	529	596
Total movement in year on revenue income funds	**358**	**172**
Revenue to capital transfers	215	155
Operational surplus /(deficit) on revenue funds	**573**	**327**

The table also shows the operational surplus prior to revenue to capital transfers, which account for fixed asset additions purchased with revenue funding.

At 31 August 2021, the net book value of fixed assets was £35.82m 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 2021 of £32.68m *(2020: £33.81m)*. These funds included restricted fixed asset funds of £36.10m *(2020: £36.60m)* and revenue reserves of £1.54m *(2020: £1.18m)* split across restricted and unrestricted funds.

The only fund in deficit was the LGPS pension reserve of £4.95m *(2020: £3.96m)*. The actuarial assumptions behind the pension scheme movement are explained in accounting policy 1.11 and pension note 32. The carried deficit at 31 August 2021, and the rise during the year, 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 multi-academy trust, 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 set until 1 April 2023.

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. The Trustees will always try and match income with expenditure in the current year as they set and manage a balance budget. They will only carry forward reserves that it considers necessary and will have a clear expenditure plan that will benefit all pupils having regard for:

- The Trust strategic plan
- Forecast of levels of income and expenditure in future years
- Analysis of any further development needs and opportunities that could not be met out of annual income

Trustees have set a reserves policy of a minimum of £50,000 of unrestricted funds. This has been set to allow for contingencies in insurance excess payments.

Trustees have adopted fund pooling for General Annual Grant, Universal Infant Free School Meals, Teacher's Pay and Pension grants, Bulge funding and Devolved Formula Capital. All other funds are still accounted for at academy level.

Principal risks and uncertainties
The main risks to which the multi-academy trust is exposed, are summarised below. For each of these risks, the probability, impact and severity 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* - a decrease in public funding and other income streams
- *Ongoing rising costs*
- *Special Educational Funding* - levels that don't cover the cost of providing adequate support the needs of SEND pupils
- *Increased needs of pupils with Social, Economic and Mental Health issues*
- *Impact of the pandemic on teaching & learning outcomes and social development as well as pupils & staff wellbeing*
- *Covid restrictions impacting on income generation*
- *Cyber threats*

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.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data	**1 September 2020 to 31 August 2021**	*1 September 2019 to 31 August 2020*
Energy consumption used to calculate emissions (kWh)	**2,350,808**	*2,123,061*
Energy consumption break down (kWh) (optional) i. gas, ii. electricity, iii. transport fuel	 i. 1,826,104 ii. 524,704 iii. Omitted	 i. *1,579,581* ii. *543,480* iii. *Omitted*
Scope 1 emissions in metric tonnes CO2e Gas consumption	334.47	290.44
Scope 2 emissions in metric tonnes CO2e Purchased electricity	111.41	126.71
Scope 3 emissions in metric tonnes CO2e Business travel in employee owned vehicles Transmissions and Distribution losses	 0.11 9.86	 7.29 10.9
Total gross emissions in metric tonnes CO2e	**455.85**	435.33
Intensity ratio Tonnes CO2e per pupil	0.23	0.22

Quantification and Reporting Methodology:
The Trust has followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Location based Conversions factors issued by BEIS for 2020 have been used at all stages of the calculations, no market-based conversion factors have been used.

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency
Our schools have a mixture of smart meters, sensor-controlled lighting, halogen lamps and solar panels to improve energy efficiency. Across all sites the Trust has significantly increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

PLANS FOR FUTURE PERIODS

The Trustees' main plans for future periods are:

- Further develop the quality of teaching and learning through teacher-mentoring programmes so that a greater proportion of schools are graded outstanding.
- The completion of the amalgamation of Castlecombe Primary School and Dorset Road Infant School into Elmstead Wood Primary School to benefit the pupils in the local community.
- Growth of Trust business development resulting in expansion of nurseries to allow pupils to benefit from early interventions.
- Rapid completion of the Trust's digital strategy so all pupils have access to high-quality remote learning and a digital environment in school.
- Enhance the Trust's capacity to deliver on the estates management plan through income savings generated by recent staffing restructures so the Trust sustains its financial viability.
- Actively seek further partners through building relationships with other schools and marketing education support services such as staff development and curriculum resources.
- Continue to develop and enhance governance with particular emphasis on creating governance structures suitable for an expanding multi-academy trust.

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 2021

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 to 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:

Trustee	Meetings attended	Out of a possible
Mr. J. Cliff, Chair of Trustees	6	6
Mrs. J. Brinkley, CEO	6	6
Mr. R. Taylor, Chair of Finance, Audit and Resources	6	6
Miss. R. Punter	6	6
Mr. D. Okafor	4	6
Ms K Hawker	4	6
Ms. C. Barenbrug	5	6
Mr. R. Barlow	6	6
Mr A Blount	6	6
Mrs O Brookman	2	5

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, Audit 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:

Trustee	Meetings attended	Out of a possible
Mrs. J. Brinkley	5	5
Mr. R. Taylor	5	5
Mr. J. Cliff	5	5
Ms. C. Barenbrug	4	5
Miss. R. Punter	5	5

The purpose of the Finance, Audit and Resources Committee (FARCO) remains the review of internal financial control risks of the multi-academy trust, liaising with internal and external auditors as necessary. During the year, the Finance, Audit and Resources Committee has considered the risks the multi-academy trust faces, and directed the work of the internal auditors towards these areas.

Governance Statement

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 aspects include:

- Educational assessment materials
- HR consultancy
- Payroll services
- School improvement reviews
- Audit services
- Legal services
- Insurance
- Implementation of an estates management programme
- Ongoing investment in respect of the digital strategy and remote learning
- Procurement
- Credit control

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 2020 to 31 August 2021and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by 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

Governance Statement

The Board of Trustees has decided to appoint Baxters & Co as their internal auditor.

During the year ended 31 August 2021, the internal scrutiny work has been delivered as planned and no material control issues have arisen. There were three remote 'visits' during the year Areas covered during the year were:

Visit 1 (January 2021)	-	Payroll & HR and income pooling
Visit 2 (March 2021)	-	Purchases & accounting systems
Visit 3 (May 2021)	-	Review of Pupil Premium Grant allocation and expenditure

A written report was submitted to FARCO after each visit and no significant issues requiring immediate attention were identified. Other 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 work of the internal 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 Finance, Audit and Resources 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

Date: 9 December 2021

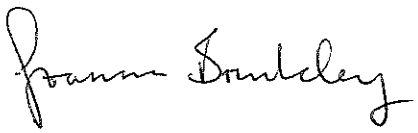
Mrs. J. Brinkley
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Spring Partnership Trust I have considered my responsibility to notify the multi-academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2020.

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 2020.

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
Accounting Officer

Date: 9 December 2021

Statement of Trustees' responsibilities
For the Year Ended 31 August 2021

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

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

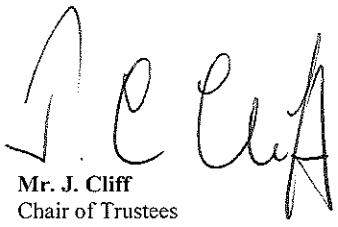
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 2021

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

Opinion

We have audited the financial statements of The Spring Partnership Trust (the 'multi-academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the multi-academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academies Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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

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.

UHY Kent LLP

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

Date: 14 December 2021

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

In accordance with the terms of our engagement letter dated 5 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Spring Partnership Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 for the year ended 31 August 2021 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.

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



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

Date: 14 December 2021

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Income from:						
Donations and capital grants	3	6	6	1,595	1,607	*503*
Funding for educational operations	5	160	11,984	-	12,144	*11,572*
Other trading activities	4	225	-	-	225	*268*
Investments	6	-	-	-	-	*1*
Total income		391	11,990	1,595	13,976	*12,344*
Expenditure on:						
Raising funds	8	20	-	-	20	*28*
Multi-academy trust's educational operations	9	339	11,978	2,297	14,614	*12,751*
Total expenditure		359	11,978	2,297	14,634	*12,779*
Net income/(expenditure)		32	12	(702)	(658)	*(435)*
Transfers between funds	24	(119)	(96)	215	-	-
Net movement in funds before other recognised gains/(losses)		(87)	(84)	(487)	(658)	*(435)*
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	-	-	*3,907*
Actuarial (losses)/gains on defined benefit pension schemes	32	-	(470)	-	(470)	*705*
Net movement in funds		(87)	(554)	(487)	(1,128)	*4,177*
Reconciliation of funds:						
Total funds brought forward		557	(3,334)	36,589	33,812	*29,635*
Total funds carried forward	24	470	(3,888)	36,102	32,684	*33,812*

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

The notes on pages 26 to 52 form part of these financial statements.

Balance Sheet
As at 31 August 2021

	Note		2021 £000		*2020 £000*
Fixed assets					
Intangible assets	18		7		*16*
Tangible assets	19		35,816		*36,425*
			35,823		*36,441*
Current assets					
Stocks	20	12		*17*	
Debtors	21	1,154		*291*	
Cash at bank and in hand		2,204		*2,521*	
		3,370		*2,829*	
Creditors: amounts falling due within one year	22	(1,508)		*(1,453)*	
Net current assets			1,862		*1,376*
Total assets less current liabilities			37,685		*37,817*
Creditors: falling due after more than one year	23		(47)		*(50)*
Net assets excluding pension liability			37,638		*37,767*
Defined benefit pension scheme liability	32		(4,954)		*(3,955)*
Total net assets			32,684		*33,812*
Funds of the multi-academy trust					
Restricted funds:					
Fixed asset funds	24	36,102		*36,589*	
Restricted income funds	24	1,066		*621*	
Pension reserve	24	(4,954)		*(3,955)*	
Total restricted funds	24		32,214		*33,255*
Unrestricted income funds	24		470		*557*
Total funds			32,684		*33,812*

The financial statements on pages 23 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mr. J. Cliff
(Chair of Trustees)

Mrs. J. Brinkley
(Accounting Officer)

Date: 9 December 2021

The notes on pages 26 to 52 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £000	*2020 £000*
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	26	(192)	*1,053*
Cash flows from investing activities	28	(123)	*-*
Cash flows from financing activities	27	(2)	*(10)*
Change in cash and cash equivalents in the year		(317)	*1,043*
Cash and cash equivalents at the beginning of the year		2,521	*1,478*
Cash and cash equivalents at the end of the year	29, 30	2,204	*2,521*

The notes on pages 26 to 52 form part of these financial statements

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Spring Partnership Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

All income is recognised 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.

- **Donated fixed assets**

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

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

- **Expenditure 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.

Where relevant expenditure is shown inclusive of any irrecoverable VAT.

1.5 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.

1.6 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.

Amortisation is provided on the following basis:

Computer software	-	20 %

1.7 Tangible fixed assets

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

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

1. **Accounting policies (continued)**

1.7 Tangible fixed assets (continued)

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:

Depreciation is provided on the following bases:

Freehold property	- 2%
Long-term leasehold property	- Over lease term
Furniture and equipment	- 15 - 25%
Computer equipment	- 33%
Property improvements	- 2 - 20%

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

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 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.

1.10 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. Accounting policies (continued)

1.11 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.

1.12 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.

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 32, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

The "McCloud/Sargeant judgements". These employment tribunal cases relate to all public sector pension schemes and not specifically to the academy trust. These cases relate 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 a past service cost adjustment was made, within staff costs, in the trusts 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021.

In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Donations	6	6	73	85	*19*
Capital grants	-	-	1,522	1,522	*484*
	6	6	1,595	1,607	*503*
Analysis of 2020 total by fund	*16*	*3*	*484*	*503*	

During 2020/21 the multi-academy trust received ICT equipment from the Government under the free laptop and tablet scheme which has been valued at £73k, following the applicable accounting policy.

4. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Income from facilities and services	185	-	185	*242*
Insurance claims	11	-	11	*9*
Staff consultancy	2	-	2	*5*
Nursery fees	25	-	25	*10*
Catering income	2	-	2	*2*
	225	-	225	*268*
Analysis of 2020 total by fund	*266*	*2*	*268*	

5. Funding for educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	*As restated Total funds 2020 £000*
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,942	8,942	*8,776*
Other DfE/ESFA grants				
Rates reclaim	-	50	50	*51*
Pupil premium and service premium	-	589	589	*606*
Universal infant free school meals	-	267	267	*283*
PE and Sports grant	-	113	113	*113*
Teachers' pay and pension grants	-	414	414	*406*
Others	-	40	40	*15*
	-	10,415	10,415	*10,250*
Other Government grants				
Local authority grants	-	547	547	*443*
Local authority - Special educational projects	-	340	340	*310*
Local authority - Early years	-	445	445	*287*
Other local authority revenue grants	-	27	27	*9*
	-	1,359	1,359	*1,049*
Other income from the multi-academy trust's educational operations	160	31	191	*236*
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	157	157	-
Other COVID-19 funding	-	2	2	*3*
	-	159	159	*3*
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	20	20	*34*
	160	11,984	12,144	*11,572*
Analysis of 2020 total by fund	*197*	*11,375*	*11,572*	

5. Funding for educational operations (continued)

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department of Education and ESFA, the multi-academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The multi-academy trust received Covid catch up premium, which relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). The costs incurred in respect of this funding totalled £80k, and the remaining £77k will be spent in 2021/22.

The multi-academy trust has been eligible to claim additional funding in the current year from government support schemes in response to the Coronavirus outbreak.

- The multi-academy trust furloughed its before and after school club staff under the government's Coronavirus Job Retention Scheme. The funding relates to staff costs which are included within notes 7 and 10 as appropriate.
- Other claims were made for free school meal vouchers issued during lockdown. There costs are included in notes 7 and 10 as appropriate.

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Bank interest	-	-	*1*
Analysis of 2020 total by fund	*1*	*1*	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	*Total 2020 £000*
Expenditure on fundraising trading activities:					
Direct costs	3	15	2	20	*28*
Funding for educational operations:					
Direct costs	8,539	2,263	588	11,390	*9,501*
Support costs	1,822	676	726	3,224	*3,250*
	10,364	2,954	1,316	14,634	*12,779*
Analysis of 2020 total by type	*10,071*	*1,287*	*1,421*	*12,779*	

7. Expenditure (continued)

Included within premises related expenditure for direct educational operations is £1,158k of long-term leasehold property impairment. This is shown in note 19 and explained in note 37.

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Premises costs	15	15	*10*
Learning resources	-	-	*2*
Catering expenditure	2	2	*2*
Wages and salaries	3	3	*14*
	20	20	*28*
Analysis of 2020 total by fund	*28*	*28*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Funding for educational operations	339	14,275	14,614	*12,751*
Analysis of 2020 total by fund	*439*	*12,312*	*12,751*	

10. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000	*Total funds 2020 £000*
Funding for educational operations	11,390	3,224	14,614	*12,751*
Total 2020	*9,501*	*3,250*	*12,751*	

Analysis of support costs

	Total funds 2021 £000	*Total funds 2020 £000*
Staff costs	1,822	*1,811*
Other staff expenses	3	*2*
Technology costs	96	*106*
Maintenance of premises	209	*165*
Other premises costs	467	*485*
Transport	2	*7*
Catering	445	*490*
Legal and professional	84	*70*
Governance costs	4	*20*
Other support costs	92	*94*
	3,224	*3,250*

11. Analysis of specific expenses

Included within expenditure are the following transactions:

Gifts made by the multi-academy trust totalled £630.
The gifts were to 5 members of staff across the Trust in appreciation of work they had carried out above and beyond their remit which benefited all within the school community. 4 staff members received the bulk of this due to them redecorating sections of their school during the summer break. The cost of this would otherwise have needed to have been contracted out at a greater cost.

Cash losses totalled £6,431, including an individual amount above £5,000 of £5,989.
The individual cash loss over £5,000 was the result of a bank mandate fraud. Following on from the single instance, the multi-academy trust has strengthened its procedures to mitigated further occurences.

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	*2020 £000*
Operating lease rentals	38	*36*
Depreciation of tangible fixed assets	666	*600*
Amortisation of intangible assets	9	*9*
Impairment	1,588	*-*

13. Auditors' remuneration

	2021 £000	*2020 £000*
Fees payable to the multi-academy trust's auditor and its associates for the audit of the multi-academy trust's annual accounts	15	*14*
Fees payable to the multi-academy trust's auditor and its associates in respect of:		
Audit-related assurance services	3	*3*
Internal audit services	-	*3*
All non-audit services not included above	-	*1*

In the previous year the external auditors provided an internal audit service using segregated teams. Following the update to auditing ethical standards, and subsequently the Academies Financial Handbook, prohibiting the same firm from conducting both services, during 2020/21 the internal audit service was provided by another firm of auditors, as explained further on page 15.

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	*2020 £000*
Wages and salaries	7,404	*7,191*
Social security costs	626	*604*
Pension costs	2,157	*2,130*
	10,187	*9,925*
Agency staff costs	69	*36*
Staff restructuring costs	108	*110*
	10,364	*10,071*

14. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2021 £000	*2020 £000*
Redundancy payments	105	*80*
Severance payments	-	*30*
Other restructuring costs	3	-
	108	*110*

b. Staff numbers

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

	2021 No.	*2020 No.*
Leadership	18	*21*
Teachers	99	*93*
Administration and support	208	*233*
	325	*347*

The average headcount expressed as full-time equivalents was:

	2021 No.	*2020 No.*
Leadership	17	*19*
Teachers	85	*83*
Administration and support	126	*129*
	228	*231*

c. Higher paid staff

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

	2021 No.	*2020 No.*
In the band £60,001 - £70,000	6	*6*
In the band £80,001 - £90,000	1	*2*
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	1	*1*

14. Staff (continued)

c. Higher paid staff (continued)

d. Key management personnel

The key management personnel of the multi-academy trust comprise the Trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi-academy trust was £653,391 *(2020 £622,179)*.

15. Central services and fund pooling

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

- Executive leadership
- Business and finance management
- Governance, audit and assurance
- Human resources consultancy and administration
- Payroll services
- Legal consultancy
- Procurement services
- Trust estates and facilities management
- IT provision and support
- School improvement, including monitoring, assessments and reporting
- Insurance
- Credit control

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

From 1 September 2020, the multi-academy trust made use of fund pooling. Under this arrangement the pooled funds include the General Annual Grant, Local Authority Bulge, Teachers' Pay and Pension grants, Universal Infant Free School Meals, and Devolved Formula Capital. All in year movements clear to pooled funds held by the Central Services function at the end of the year.

The actual amounts charged during the year were as follows:

	2021	*2020*
	£000	*£000*
Castlecombe Primary School	-	*80*
Dorset Road Infant School	-	*33*
Hayes Primary School	-	*179*
Leesons Primary School	-	*120*
Midfield Primary School	-	*164*
St. Mary Cray Primary Academy	-	*92*
Total	-	*668*

16. Trustees' remuneration and expenses

One Trustee, the Chief Executive Officer (CEO), has been paid remuneration and received related pension benefits from her employment with the multi-academy trust. The CEO only receives remuneration in respect of services she provides undertaking her role under her contract of employment. The value of remuneration and pension benefits was as follows:

		2021	*2020*
		£000	*£000*
Mrs. J. Brinkley, CEO and Accounting Officer	Remuneration	125 - 130	*120 - 125*
	Pension contributions paid	30 - 35	*25 - 30*

During the year ended 31 August 2021, no travel and stationery expenses were reimbursed or paid directly to Trustees *(2020: £154 to 1 Trustee)*.

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 2021 was £386 *(2020 - £381)*. The cost of this insurance is included in the total insurance cost.

18. Intangible assets

	Computer software £000
Cost	
At 1 September 2020	45
At 31 August 2021	45
Amortisation	
At 1 September 2020	29
Charge for the year	9
At 31 August 2021	38
Net book value	
At 31 August 2021	7
At 31 August 2020	*16*

19. Tangible fixed assets

	Freehold and Long-term leasehold property £000	Freehold and Long-term leasehold property improvements £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost and valuation						
At 1 September 2020	31,893	6,065	342	670	333	39,303
Additions	-	14	1,451	-	180	1,645
Transfers between classes	-	987	(987)	-	-	-
At 31 August 2021	31,893	7,066	806	670	513	40,948
Depreciation						
At 1 September 2020	1,448	654	-	502	274	2,878
Charge for the year	311	226	-	58	71	666
Impairment charge	1,264	324	-	-	-	1,588
At 31 August 2021	3,023	1,204	-	560	345	5,132
Net book value						
At 31 August 2021	28,870	5,862	806	110	168	35,816
At 31 August 2020	*30,445*	*5,411*	*342*	*168*	*59*	*36,425*

Upon receipt of the DfE's Sector Annual Report and Accounts, the values of Freehold and long-term leasehold land and buildings are compared and revalued if deemend appropriate.

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:

	2021 £000	*2020 £000*
Freehold property	11,981	*12,200*
Long-term leasehold property	6,148	*7,135*
	18,129	*19,335*

19. Tangible fixed assets (continued)

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

	2021 £000	*2020 £000*
Freehold land	5,268	*5,268*
Long-term leasehold land	8,131	*8,131*
	13,399	*13,399*

20. Stocks

	2021 £000	*2020 £000*
Resources	12	*17*

21. Debtors

	2021 £000	*2020 £000*
Due within one year		
Trade debtors	12	*2*
Other debtors	124	*57*
Prepayments and accrued income	1,018	*232*
	1,154	*291*

22. Creditors: Amounts falling due within one year

	2021 £000	*2020 £000*
Other loans	11	*10*
Trade creditors	233	*299*
Other taxation and social security	159	*146*
Other creditors	175	*151*
Accruals and deferred income	930	*847*
	1,508	*1,453*

	2021 £000	*2020 £000*
Deferred income at 1 September 2020	220	*249*
Resources deferred during the year	195	*220*
Amounts released from previous periods	(220)	*(249)*
	195	*220*

Deferred income comprises £156k (*2020: £168k*) ESFA Universal Infant Free School Meals grant, £29k (*2020: £29k*) Rates Relief grant, £4k (*2020: £nil*) Local authority grants, £nil (*2020: £23*k) Educational trips and £6k (*2020: £nil*) Other balances.

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

	2021 £000	*2020 £000*
Other loans	47	*50*

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

	2021 £000	*2020 £000*
Payable or repayable by instalments	4	*11*

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.

24. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General funds	557	391	(359)	(119)	-	470
Restricted general funds						
General Annual Grant	307	8,942	(8,477)	(477)	-	295
Other DfE/ESFA	293	1,653	(1,330)	-	-	616
Other government	-	917	(1,288)	371	-	-
Nursery	28	451	(328)	-	-	151
Other restricted	(7)	27	(26)	10	-	4
Pension reserve	(3,955)	-	(529)	-	(470)	(4,954)
	(3,334)	11,990	(11,978)	(96)	(470)	(3,888)
Restricted fixed asset funds						
Intangible fixed assets	16	-	(9)	-	-	7
Tangible fixed assets	36,425	73	(2,254)	1,572	-	35,816
Salix loan	(60)	-	(9)	11	-	(58)
Capital grant	208	1,522	(25)	(1,368)	-	337
	36,589	1,595	(2,297)	215	-	36,102
Total Restricted funds	33,255	13,585	(14,275)	119	(470)	32,214
Total funds	33,812	13,976	(14,634)	-	(470)	32,684

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 fund is used to track other grant money received from the DfE/ESFA and connected bodies, and included Teachers' Pension and Teachers' Pay Grants, Pupil Premium and Universal Infant Free School Meals grants. This year the fund also includes Covid catch-up premium and other Covid funding as detailed in note 5.

(iii) The other government fund comprises of local authority special educational needs grant income for the SEND provisions. A transfer from GAG during the year of £371k, was to cover the shortfall in funding against staffing costs for the provision. The nursery fund comprises of local authority early year grant income for the nursery provisions.

24. Statement of funds (continued)

(iv) The other Restricted fund accounts for all other income received for a specific purpose.

(v) The Pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

(vi) 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 of £215k represent capital items purchased during the year from revenue reserves, and the repayment of salix loans.

Under the funding agreement with the Secretary of State, the multi-academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

	Balance at 1 September 2019 £000	*Income £000*	*Expenditure £000*	*Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 August 2020 £000*
Unrestricted funds						
General funds	*581*	*481*	*(468)*	*(37)*	-	*557*
Restricted general funds						
General Annual Grant	*200*	*8,776*	*(8,574)*	*(95)*	-	*307*
Other DfE/ESFA	*100*	*1,518*	*(1,325)*	-	-	*293*
Other government	*119*	*1,065*	*(1,143)*	*(13)*	-	*28*
Nursery	*6*	*21*	*(24)*	*(10)*	-	*(7)*
Pension reserve	*(4,064)*	-	*(596)*	-	*705*	*(3,955)*
	(3,639)	*11,380*	*(11,662)*	*(118)*	*705*	*(3,334)*
Restricted fixed asset funds						
Intangible fixed assets	*25*	-	*(9)*	-	-	*16*
Tangible fixed assets	*32,650*	-	*(617)*	*485*	*3,907*	*36,425*
Salix loan	*(69)*	-	-	*9*	-	*(60)*
Capital grant	*87*	*483*	*(23)*	*(339)*	-	*208*
	32,693	*483*	*(649)*	*155*	*3,907*	*36,589*
Total Restricted funds	*29,054*	*11,863*	*(12,311)*	*37*	*4,612*	*33,255*
Total funds	*29,635*	*12,344*	*(12,779)*	-	*4,612*	*33,812*

24. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	*2020 £000*
Castlecombe Primary School	202	*140*
Dorset Road Infant School	30	*13*
Hayes Primary School	240	*245*
Leesons Primary School	184	*41*
Midfield Primary School	451	*603*
St. Mary Cray Primary Academy	117	*118*
Central services	312	*18*
Total before fixed asset funds and pension reserve	1,536	*1,178*
Restricted fixed asset fund	36,102	*36,589*
Pension reserve	(4,954)	*(3,955)*
Total	32,684	*33,812*

From 1 September 2020, the multi-academy trust made use of fund pooling, as detailed in note 15. All in year movements clear to pooled funds held by the Central Services function at the end of the year.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	*Total 2020 £000*
Castlecombe Primary School	880	116	17	74	1,087	*1,646*
Dorset Road Infant School	214	17	1	5	237	*458*
Hayes Primary School	1,977	215	12	89	2,293	*2,695*
Leesons Primary School	1,474	84	19	76	1,653	*2,059*
Midfield Primary School	1,967	160	27	107	2,261	*2,594*
St. Mary Cray Primary Academy	883	123	25	50	1,081	*1,383*
Central services	1,193	1,061	56	1,449	3,759	*1,318*
Multi-academy trust	8,588	1,776	157	1,850	12,371	*12,153*

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	*Total 2020 £000*

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

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	35,816	35,816
Intangible fixed assets	-	-	7	7
Current assets	470	2,563	337	3,370
Creditors due within one year	-	(1,497)	(11)	(1,508)
Creditors due in more than one year	-	-	(47)	(47)
Provisions for liabilities and charges	-	(4,954)	-	(4,954)
Total	470	(3,888)	36,102	32,684

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	*Restricted funds 2020 £000*	*Restricted fixed asset funds 2020 £000*	*Total funds 2020 £000*
Tangible fixed assets	-	-	*36,425*	*36,425*
Intangible fixed assets	-	-	*16*	*16*
Current assets	*557*	*2,064*	*208*	*2,829*
Creditors due within one year	-	*(1,443)*	*(10)*	*(1,453)*
Creditors due in more than one year	-	-	*(50)*	*(50)*
Provisions for liabilities and charges	-	*(3,955)*	-	*(3,955)*
Total	*557*	*(3,334)*	*36,589*	*33,812*

26. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of financial activities)	(658)	(435)
Adjustments for:		
Amortisation	9	9
Depreciation	666	617
Impairment	1,588	-
Capital grants from DfE and other capital income	(1,522)	(484)
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable	443	506
Defined benefit pension scheme finance cost	68	70
Defined benefit pension scheme administration cost	18	20
Decrease/(increase) in stocks	5	(11)
(Increase)/decrease in debtors	(863)	407
Increase in creditors	54	355
Net cash (used in)/provided by operating activities	(192)	1,053

27. Cash flows from financing activities

	2021 £000	2020 £000
Cash inflows from new borrowing	9	-
Repayments of borrowing	(11)	(10)
Net cash used in financing activities	(2)	(10)

28. Cash flows from investing activities

	2021 £000	2020 £000
Interest	-	1
Purchase of tangible fixed assets	(1,645)	(485)
Capital grants from DfE Group	1,465	479
Capital funding received from sponsors and others	57	5
Net cash (used in)/provided by investing activities	(123)	-

29. Analysis of cash and cash equivalents

	2021 £000	*2020 £000*
Cash in hand and at bank	2,204	*2,521*
Total cash and cash equivalents	2,204	*2,521*

30. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,521	(317)	2,204
Debt due within 1 year	(10)	(1)	(11)
Debt due after 1 year	(50)	3	(47)
	2,461	(315)	2,146

31. Capital commitments

	2021 £000	*2020 £000*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	597	*593*

32. Pension commitments

The multi-academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £174,873 were payable to the schemes at 31 August 2021 *(2020 - £149,906)* and are included within creditors.

Teachers' Pension Scheme

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

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

32. **Pension commitments (continued)**

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,040,000 *(2020 - £888,000)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £733,000 *(2020 - £808,000)*, of which employer's contributions totalled £588,000 *(2020 - £646,000)* and employees' contributions totalled £ 145,000 *(2020 - £162,000)*. The agreed contribution rates for future years are 18.3 to 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

	2021	*2020*
	%	*%*
Rate of increase in salaries	4.3	*3.8*
Rate of increase for pensions in payment/inflation	2.9	*2.4*
Discount rate for scheme liabilities	1.7	*1.8*
Inflation assumption (CPI)	2.8	*2.3*

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

32. Pension commitments (continued)

	2021 Years	*2020 Years*
Retiring today		
Males	24.8	*24.7*
Females	27.3	*27.2*
Retiring in 20 years		
Males	22.9	*22.8*
Females	25.3	*25.2*

Sensitivity analysis

Share of scheme assets

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

	2021 £000	*2020 £000*
Equities	6,557	*5,113*
Corporate bonds	1	*1,029*
Property	488	*296*
Cash and other liquid assets	90	*62*
Asset backed securities	1,742	*1,294*
Total market value of assets	8,878	*7,794*

The actual return on scheme assets was £1,525,000 *(2020 - £653,000).*

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

	2021 £000	*2020 £000*
Current service cost	(1,031)	*(1,143)*
Past service cost	-	*(9)*
Interest income	146	*132*
Interest cost	(214)	*(202)*
Administrative expenses	(18)	*(20)*
Total amount recognised in the Statement of Financial Activities	(1,117)	*(1,242)*

32. Pension commitments (continued)

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

	2021 £000	*2020 £000*
At 1 September	11,630	*10,937*
Current service cost	1,031	*1,143*
Interest cost	214	*202*
Employee contributions	145	*162*
Actuarial losses/(gains)	1,968	*(728)*
Benefits paid	(82)	*(95)*
Past service costs	-	*9*
At 31 August	14,906	*11,630*

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

	2021 £000	*2020 £000*
At 1 September	7,675	*6,873*
Interest income	146	*132*
Actuarial gains/(losses)	1,498	*(23)*
Employer contributions	588	*646*
Employee contributions	145	*162*
Benefits paid	(82)	*(95)*
Administrative expenses	(18)	*(20)*
At 31 August	9,952	*7,675*

33. Operating lease commitments

At 31 August 2021 the multi-academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	*2020 £000*
Not later than 1 year	26	*26*
Later than 1 year and not later than 5 years	30	*58*
	56	*84*

34. Financial instruments

	2021 £000	*2020 £000*
Financial assets		
Financial assets measured at fair value through income and expenditure	2,204	*2,521*

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

35. Members' liability

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

36. Related party transactions

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

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:

£nil (*2020: £376*) from Dorset Road Infant School PTA;
£1,087 (*2020: £5,500*) from the Hayes Primary School PTA;
£nil (*2020: £2,449*) from Midfield Primary School PTA; and
£nil (*2020: £1,254*) from St. Mary Cray Primary Academy PTA.

37. Post balance sheet events

On the 31 October 2021, Dorset Road Infant School, was closed by the Department of Education, with its pupils merging with Castlecombe Primary School. On 1 November 2021, Castlecombe Primary School was renamed Elmstead Wood Primary School.

With the Dorset Road Infant School building deemed unsuitable for educational operations, the value of the building was fully impaired resulting in an impairment charge of £1,588k, as detailed in note 19.

38. 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.