

Company Registration No. 11425513 (England and Wales)

SPA EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

SPA EDUCATION TRUST

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SPA EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Bridget Gilchrist – Appointed 7th December 2020
Rachel Landau – Appointed 20th June 2018
Joseph Wood – Appointed 20th June 2018

Members who served within the last 12 months

Anupriya Dwivedi – Resigned 11th July 2023

Trustees (Directors)

Nicola Beaumont – Appointed 11th July 2023
Stephanie Lea – Appointed 1st September 2022
David May – Appointed 11th July 2023
Holly McAlpine – Appointed 7th December 2020
Krys McInnis – Appointed 20th June 2018
William Page – Appointed 20th June 2018
Soulaf Rizki – Appointed 11th July 2023

Trustees (Directors) who served within the last 12 months

Lipi Begum – Resigned 3rd July 2023
Beverley Jeavons – Resigned 12th December 2022

Academies Operated

Spa School Bermondsey
Spa School Camberwell

Trust Leadership Team

Executive Headteacher

Stephanie Lea

Head of School Spa Bermondsey
Deputy Head Spa Bermondsey
Assistant Head Spa Bermondsey
Assistant Head Spa Bermondsey
Assistant Head Spa Bermondsey

Georgina Quigley
Karen Esson
Katharine Durrant
Anna Kostoglou
Nicole Lewis

Deputy Head Spa Camberwell
Assistant Head Spa Camberwell
Assistant Head Spa Camberwell

Erin McCarthy
Bethany Brough
Rian Ehlers

Company registration number

11425513 (England and Wales)

Registered office

Spa Education Trust
Monnow Road
London
SE1 5RN

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
BR6 8QE

Bankers

NatWest Bank
London Bridge
10 Southwark Street
London
SE1 1TJ

Solicitors

None

SPA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Spa Education Trust (the "trust") is a community made up of students, parents, staff, governors and trustees, working together. Our vision is to provide excellence in education for students with autistic spectrum disorders. The trust aims are that all students:

- are happy, safe and healthy
- develop communication skills and independence while learning and achieving
- are ready for the future.

During the period, the trust operated Spa School Bermondsey and Spa School Camberwell.

Structure, governance and management

Constitution

Spa Education Trust was incorporated as a company on 20th June 2018 and the predecessor school (Spa School) converted to academy status on 1st September 2018, at which time the trust became operational. Spa Education Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust.

The trustees are also the directors of the charitable company for the purposes of company law and they are trustees of the charitable company.

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

Trustees' indemnities

No indemnities have been given to any third parties on behalf of any trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles, the trustees of the trust are the directors of the trust. They are appointed as follows:

- up to ten trustees appointed by the members
- the Chief Executive Officer (who is the Executive Headteacher) if they agree so to act
- a minimum of two parent trustees where Local Governing Bodies (LGB's) have not been established or if no provision is made for at least two parent governors on each LGB
- the trustees may appoint Co-Opted Trustees

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as trustees.

SPA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Board of Trustees, the majority of whom are non-executive trustees, comprises those persons appointed under the Articles of Association. The Board of Trustees meets at least three times a year and delegate specific responsibilities to committees, which deal with policies, developments and assessment of different areas of the running of the trust. The committees are as follows:

- Operations Committee
- Local Governing Bodies (LGB)

All of the committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. The activities of the committees are reported to and discussed at Trust Board meetings.

The Executive Headteacher, who is the Accounting Officer and is supported by the leadership team and the Finance Manager, undertakes day-to-day management of the trust.

The trust does not have any subsidiaries and have not entered into any joint ventures or associates.

Arrangements for setting pay and remuneration of key management personnel

The trust leadership team are the key management personnel of the trust. Trustees are also leaders but receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The Operations Committee sets the pay of the Executive Headteacher annually, having regards to performance against objectives set the previous year. Pay of all senior leaders are also set by the Operations Committee having regard to performance against previously agreed objectives and any recommendations made by the Executive Headteacher.

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

| Percentage of time | Number of Employees |
|--------------------|---------------------|
| 0% | 100% |
| 1% - 50% | 0% |
| 51% - 99% | 0% |
| 100% | 0% |

Percentage of pay bill spent on facility time

| | |
|---|---------|
| Total Cost of facility time | £0 |
| Total Pay bill | £4,053k |
| 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% |
|--|----|

SPA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Related Parties and other Connected Charities and Organisations

The trust is not part of a wider network such as a soft federation and does not have any relationships with related parties and any other charities/companies/organisations with which it cooperates in the pursuit of charitable activities.

Objectives and activities

Spa Education Trust Annual report 2022-23

The trust continues to provide excellence in education for pupils with autism.

Spa School Bermondsey is a special school for 115 pupils aged 11 -19 with autism and associated learning difficulties.

Spa School Camberwell is a special school that will eventually cater for up to 120 pupils aged 4 – 16 with autism and associated learning difficulties.

Spa School Camberwell

2022-23 was the third year of opening for Spa School Camberwell. The school grew successfully to offer 10 classes across primary and Key Stage 3. Number on roll rose from 63 to 76. There is a high demand for places at the school and all classes are full to capacity.

Systems are well established to ensure the school delivers the trust's vision and that all pupil make good progress. The school development plan was successfully designed, delivered and monitored with focuses on:

- Curriculum
- Quality of teaching
- Progress & Achievement
- Health & Wellbeing
- Enrichment
- Family Engagement
- Environment and facilities
- Admin systems

Spa School Camberwell received its first graded inspection in January 2023. The inspection was a strong success with an overall grading of good. Behaviour and attitudes were recognised as outstanding.

Two recommendations were made relating to:

- Curriculum planning for foundation subjects clearly setting out the essential content pupils should learn and in what order
- Trustees and governors clarifying their responsibilities and strengthening systems to hold the school to account for the work

Spa School Bermondsey

2022-23 brought significant changes to the leadership structure at Spa School Bermondsey with a new Head of School and Deputy in post from September 2022. They worked with the Executive Headteacher to establish and maintain effective systems.

Strategic development priorities for 22/23 included:

- Quality of teaching
- Pupil Progress
- Curriculum
- Governance
- Work experience and careers

The school had a successful ungraded inspection in January 2023 and remains Outstanding.

Two recommendations were made relating to:

- Developing expertise in the teaching of early stages of reading and providing relevant training for all staff

SPA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

- Developing governor / trustee expertise to enable them to effectively hold the school to account for the quality of education.

There will be a graded inspection within the next academic year.

Development and Review

The trust wide development plan for 22/23 included the following strategic priorities:

- Financial management
- Ethos and ways of working
- Quality of education
- Premises
- Trust Growth
- Governance

The trust development plan is reviewed termly and progress made shared with trustees. Significant progress was made towards all the key strategic priorities.

Each school has its own development plan. Each termly review has demonstrated effective progress including timely responses towards the recommendations from each OFSTED inspection.

Community Engagement

Relationships with parents and carers, as well as the wider community, remain very positive. Family support programmes are comprehensive and the trust provides external training to a range of organisations. Spa School Camberwell has offered community use of the premises for an activity programme for children and young people with SEND.

Governance

The Chair of Trustees has worked closely with the Executive Headteacher and they have successfully recruited new governors and trustees. Recruitment processes were introduced and a full skills audit completed. A governor / trustee visits policy was also introduced clarifying expectations. The Chair has also joined the Executive Head and Finance Manager to meet with the ESFA and Southwark regarding the trust finances.

Leadership

New leadership teams were established from September 2022. A trust wide development programme was implemented to support best practice. There is still a vacancy for Head of School at Spa School Camberwell. The vacancy has had an impact on the workload of key members of staff across the trust.

Finance

Spa School Bermondsey is facing a deficit budget at the close of the financial year.

This is due to a number of factors including:

- inflationary increases;
- pay increases;
- a freeze to the top up funding from Southwark;
- Failure to receive anticipated funding of around £150,000 for pupils above the number of commissioned places.

Spa School Camberwell ended the financial year with a surplus. However the budget is significantly affected by the following factors:

- inflationary increases;
- pay increases;
- A freeze to the top up funding from Southwark.

SPA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Public benefit

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

Going concern

The Board of Trustees is clear that the trust is a going concern. The trustees have clear oversight of the ongoing negotiation with both the DfE and Southwark local authority to increase the funding rate.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency and the Local Authority who provide us with funding based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant – GAG & High Needs SEN Funding). The ESFA may provide us with additional grants, which are earmarked for specific purposes (such as Pupil Premium, which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents and from some third parties. Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds that are available for spending and other funds that are not available for spending. Spendable funds are in turn sub-categorised between those, which are available for spending at the discretion of Trustees ("Unrestricted Funds"), and those, which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme (LGPS) deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

| Fund | Category | 2023 £'000 | 2022 £'000 |
|--------------------------------|--|-----------------------|-----------------------|
| GAG | Restricted General Funds | 11 | 96 |
| Other ESFA /Government Grants | Restricted General Funds | - | - |
| Other Income | Restricted General Funds | - | - |
| | <i>Sub-total General Restricted Funds</i> | 11 | 96 |
| Unspent Capital Grants | Restricted Fixed Asset Fund | 160 | 488 |
| Loans | Restricted Fixed Asset Fund | (145) | (32) |
| Other Income | Unrestricted General Fund | 11 | 13 |
| | <i>Sub-Total Spendable Funds</i> | 37 | 499 |
| Net Book Value of Fixed Assets | Restricted Fixed Asset Fund | 29,971 | 30,173 |
| Share of LGPS Deficit | Restricted Pension Reserve | 126 | (244) |
| | <i>Total All Funds</i> | <u>30,134</u> | <u>30,494</u> |

SPA EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

During the year under review there was a decrease of £85k (2022: increase of £96k) on general restricted funds, a decrease of £2k (2022: decrease of £67k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall decrease of £360k (2022: increase of £1,608k).

Despite the transparent demonstration of the academy's sound financial management, concerns exist about the following budget factors:

- increasing deficit due to frozen top up rates;
- the impact of Southwark's safety valve programme including frozen top up rates;
- The impact of inflationary increases across all areas of the budget.

Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the funding agreement. The level of reserves should never be in deficit.

Each year the trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The trustees have implemented a number of systems to assess risks that the trust faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the trustees of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency and the Local Authority) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

Staff employed by the trust will organise fundraising events, appeals, and co-ordinate these activities both within the academy schools and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters and our websites. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Funds held as custodian trustee on behalf of others

The academy trust is not acting as custodian for any other external body.

Auditor

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14th December 2023 and signed on its behalf by:



.....
H McAlpine
Chair of Trustees

SPA EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Spa Education 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 Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Spa Education Trust and the Secretary of State for Education. The Accounting Officer is 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 four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|------------------|-------------------|-----------------|
| Nicola Beaumont | 1 | 2 |
| Lipi Begum | 2 | 3 |
| Beverley Jeavons | 0 | 1 |
| Stephanie Lea | 4 | 4 |
| David May | 1 | 2 |
| Holly McAlpine | 4 | 4 |
| Krys McInnis | 2 | 4 |
| William Page | 3 | 4 |
| Soulaf Rizki | 1 | 2 |

There have been no changes to the composition of the Board since its formation in June 2018.

Conflict of interest

The trust maintains an updated register of business interest with all interests declared at trustees and committee meetings. The business interests for all trustees are published on the trust website. The trust does not have any conflicts of interest in its ownership of control of any subsidiaries, joint ventures or associates.

Governance reviews

The Board of Trustees completed a governance review during the year, which comprised a skills audit. Where gaps were identified, plans were implemented to address these through trustee training.

The Operations Committee is a committee to which the main Board of Trustees has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget
- Review the reports of the auditors on the effectiveness of the financial procedures and controls
- Fulfil the role of an Audit Committee

SPA EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Attendance during the year at meetings of the Operations Committee was as follows:

| Trustees | Meetings attended | Out of possible |
|------------------|--------------------------|------------------------|
| Nicola Beaumont | 0 | 0 |
| Lipi Begum | 1 | 3 |
| Beverley Jeavons | 0 | 1 |
| Stephanie Lea | 3 | 3 |
| David May | 0 | 0 |
| Holly McAlpine | 3 | 3 |
| Krys McInnis | 0 | 3 |
| William Page | 3 | 3 |
| Soulaf Rizki | 0 | 0 |

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Reviewing the CIF projects at Spa Bermondsey and terminating the window replacement project;
- Establishing processes for community use of the premises during school holidays to generate income.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the 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 trust for the period 01 September 2022 to 31 August 2023 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 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 significant risks that has been in place for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines;

SPA EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

- delegation of authority and segregation of duties
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed an internal auditor for the trust for the 2022/23 financial year.

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

- testing of previous audit recommendations;
- testing of bank reconciliations;
- testing of monthly accounts;
- testing of five-year budget forecast;
- testing of payroll systems;
- testing of risk register;
- testing of asset register;
- testing of financial policies and procedures.

The Executive Headteacher on a termly basis, will report to the Board of Trustees, through the Operations Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule work as planned and has provided details of any material control issues arising as a result of their work and, if relevant, described what remedial action would need to be taken to rectify any issues.

Review of effectiveness

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

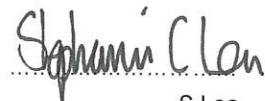
- the work of the external auditor
- the work of the internal auditor
- the financial management and governance self-assessment process
- the work of the Finance Manager who has responsibility for the development and maintenance of the internal control framework

The Accounting Officer has advised the Board of Trustees of the implications of the result of their review of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 14th December 2023 and signed on its behalf by:



.....
H McAlpine
Chair of Trustees



.....
S Lea
Accounting Officer

SPA EDUCATION TRUST

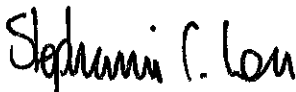
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of SPA Education Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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.



Ms S Lea
Accounting Officer

14 December 2023

SPA EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of SPA Education Trust for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 14 December 2023 and signed on its behalf by:



Mrs H McAlpine
Chair of Trustees

SPA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPA EDUCATION TRUST FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the Financial Statements of SPA Education Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the Financial Statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SPA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPA EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

SPA EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPA EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Use of our report

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



**Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co**

19 December 2023

**Chartered Certified Accountants
Statutory Auditor**

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

SPA EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPA EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 20 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SPA Education Trust during the period 1 September 2022 to 31 August 2023 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 SPA Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the SPA Education 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 SPA Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of SPA Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of SPA Education Trust's funding agreement with the Secretary of State for Education dated 30 August 2018 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2022, issued by the ESFA.

SPA EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baxter & Co.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: ...19 December 2023

SPA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | Unrestricted funds £'000 | Restricted funds: General Fixed asset £'000 £'000 | | Total 2023 £'000 | Total 2022 £'000 |
|--|----------|--------------------------------|---|---------------|------------------------|------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 4 | - | (122) | (118) | 500 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 8 | 6,504 | - | 6,512 | 5,823 |
| Other trading activities | 5 | 39 | - | - | 39 | 40 |
| Total | | <u>51</u> | <u>6,504</u> | <u>(122)</u> | <u>6,433</u> | <u>6,363</u> |
| Expenditure on: | | | | | | |
| Raising funds | 6 | 6 | - | - | 6 | 4 |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 47 | 6,539 | 625 | 7,211 | 6,660 |
| Total | 6 | <u>53</u> | <u>6,539</u> | <u>625</u> | <u>7,217</u> | <u>6,664</u> |
| Net expenditure | | (2) | (35) | (747) | (784) | (301) |
| Transfers between funds | 18 | - | (104) | 104 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 20 | - | 424 | - | 424 | 1,909 |
| Net movement in funds | | (2) | 285 | (643) | (360) | 1,608 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 13 | (148) | 30,629 | 30,494 | 28,886 |
| Total funds carried forward | | <u>11</u> | <u>137</u> | <u>29,986</u> | <u>30,134</u> | <u>30,494</u> |

SPA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| Comparative year information Year ended 31 August 2022 | Notes | Unrestricted funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total 2022 £'000 |
|---|-------|--------------------------------|---------------------------------------|----------------------|------------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 4 | - | 496 | 500 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 12 | 5,811 | - | 5,823 |
| Other trading activities | 5 | 40 | - | - | 40 |
| Total | | <u>56</u> | <u>5,811</u> | <u>496</u> | <u>6,363</u> |
| Expenditure on: | | | | | |
| Raising funds | 6 | 4 | - | - | 4 |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 119 | 6,182 | 359 | 6,660 |
| Total | 6 | <u>123</u> | <u>6,182</u> | <u>359</u> | <u>6,664</u> |
| Net income/(expenditure) | | (67) | (371) | 137 | (301) |
| Transfers between funds | 18 | - | (19) | 19 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 20 | - | 1,909 | - | 1,909 |
| Net movement in funds | | (67) | 1,519 | 156 | 1,608 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>80</u> | <u>(1,667)</u> | <u>30,473</u> | <u>28,886</u> |
| Total funds carried forward | | <u>13</u> | <u>(148)</u> | <u>30,629</u> | <u>30,494</u> |

SPA EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

| | | 2023 | | 2022 | |
|---|-------|------------|---------------|------------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 29,971 | | 30,173 |
| Current assets | | | | | |
| Stock | 13 | 4 | | 6 | |
| Debtors | 14 | 216 | | 785 | |
| Cash at bank and in hand | | 517 | | 47 | |
| | | <u>737</u> | | <u>838</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (571) | | (245) | |
| Net current assets | | | 166 | | 593 |
| Total assets less current liabilities | | | <u>30,137</u> | | <u>30,766</u> |
| Creditors: amounts falling due after more than one year | 16 | | (129) | | (28) |
| Net assets excluding pension asset/(liability) | | | <u>30,008</u> | | <u>30,738</u> |
| Defined benefit pension scheme asset/(liability) | 20 | | 126 | | (244) |
| Total net assets | | | <u>30,134</u> | | <u>30,494</u> |
| Funds of the Academy Trust: | | | | | |
| Restricted funds | 18 | | | | |
| - Fixed asset funds | | | 29,986 | | 30,629 |
| - Restricted income funds | | | 11 | | 96 |
| - Pension reserve | | | 126 | | (244) |
| Total restricted funds | | | <u>30,123</u> | | <u>30,481</u> |
| Unrestricted income funds | 18 | | 11 | | 13 |
| Total funds | | | <u>30,134</u> | | <u>30,494</u> |

The Financial Statements on pages 19 to 45 were approved by the Trustees and authorised for issue on 14 December 2023 and are signed on their behalf by:



Mrs H McAlpine
Chair of Trustees

Company registration number 11425513 (England and Wales)

SPA EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

| | | 2023 | | 2022 | |
|---|-------|-------------------|--|-------------------|--|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | | | | |
| Net cash provided by/(used in) operating activities | 21 | | 902 | | (411) |
| Cash flows from investing activities | | | | | |
| Capital grants from DfE Group | | (126) | | 496 | |
| Capital funding received from sponsors and others | | 4 | | - | |
| Purchase of tangible fixed assets | | (423) | | (478) | |
| | | <u> </u> | | <u> </u> | |
| Net cash (used in)/provided by investing activities | | | (545) | | 18 |
| Cash flows from financing activities | | | | | |
| Repayment of long term bank loan | | 113 | | 32 | |
| | | <u> </u> | | <u> </u> | |
| Net cash provided by financing activities | | | 113 | | 32 |
| | | | <u> </u> | | <u> </u> |
| Net increase/(decrease) in cash and cash equivalents in the reporting period | | | 470 | | (361) |
| Cash and cash equivalents at beginning of the year | | | 47 | | 408 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of the year | | | <u> </u> <u> </u> | | <u> </u> <u> </u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust does have adequate resources to continue in operational existence for the foreseeable future. They have continued to adopt the going concern basis of accounting in preparing the Financial Statements as this is believed to fairly represent the trusts activities and are actively working to resolve the limited reserves at the 31 August 2023, supported by a financial recovery plan agreed with the ESFA and the Local Authority. They are projecting increased revenue reserves at 31 August 2024.

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the Financial Statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Transfer of assets on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £10,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

| | |
|--------------------------------|----------|
| Leasehold land and buildings | 50 years |
| Computer equipment | 3 years |
| Fixtures, fittings & equipment | 10 years |

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

1.6 Liabilities

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

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets and the liabilities are held separately from those of the Academy Trust.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

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 20, will impact on 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 2023. 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 judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|-------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Capital grants | - | (126) | (126) | 496 |
| LA capital grants | | 4 | 4 | - |
| Other donations | 4 | - | 4 | 4 |
| | <u>4</u> | <u>(122)</u> | <u>(118)</u> | <u>500</u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 1,880 | 1,880 | 1,670 |
| Other DfE/ESFA grants: | | | | |
| - UIFSM | - | 1 | 1 | 3 |
| - Pupil premium | - | 117 | 117 | 88 |
| - Start up grants | - | 42 | 42 | 58 |
| - Others | - | 22 | 22 | 19 |
| | <u>-</u> | <u>2,062</u> | <u>2,062</u> | <u>1,838</u> |
| Other government grants | | | | |
| Local authority grants | - | 4,315 | 4,315 | 3,897 |
| | <u>-</u> | <u>4,315</u> | <u>4,315</u> | <u>3,897</u> |
| COVID-19 additional funding | | | | |
| DfE/ESFA | | | | |
| Other DfE/ESFA COVID-19 funding | - | 102 | 102 | 49 |
| Non-DfE/ESFA | | | | |
| Other COVID-19 funding | - | - | - | 27 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>27</u> |
| | <u>-</u> | <u>102</u> | <u>102</u> | <u>76</u> |
| Other funding | | | | |
| Catering income | 8 | - | 8 | 12 |
| Other incoming resources | - | 25 | 25 | - |
| | <u>8</u> | <u>25</u> | <u>33</u> | <u>12</u> |
| Total funding | <u>8</u> | <u>6,504</u> | <u>6,512</u> | <u>5,823</u> |

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for recovery premium covers £66k of staff and other costs and the funding received for national tutoring programme covers £36k of staff and other costs.

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|-------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 4 | - | 4 | - |
| Catering income | 16 | - | 16 | 11 |
| Income from facilities and services | 19 | - | 19 | 29 |
| | <u>39</u> | <u>-</u> | <u>39</u> | <u>40</u> |

6 Expenditure

| | Staff costs £'000 | Non-pay expenditure Premises £'000 | Other £'000 | Total 2023 £'000 | Total 2022 £'000 |
|----------------------------------|----------------------|--|----------------|------------------------|------------------------|
| Expenditure on raising funds | | | | | |
| - Direct costs | - | - | 6 | 6 | 4 |
| Academy's educational operations | | | | | |
| - Direct costs | 4,846 | 494 | 241 | 5,581 | 4,871 |
| - Allocated support costs | 850 | 405 | 375 | 1,630 | 1,789 |
| | <u>5,696</u> | <u>899</u> | <u>622</u> | <u>7,217</u> | <u>6,664</u> |

Net income/(expenditure) for the year includes:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Operating lease rentals | 16 | 16 |
| Depreciation of tangible fixed assets | 618 | 359 |
| Loss on write off of fixed assets | 7 | - |
| Fees payable to auditor for: | | |
| - Audit | 8 | 7 |
| - Other services | 5 | 5 |
| Net interest on defined benefit pension liability | 4 | 26 |
| | <u>658</u> | <u>413</u> |

Included within expenditure are the following transactions:

| | Total 2023 £ | Individual items over £5,000 2023 £ |
|---|--------------------|---|
| Gifts made by the Academy Trust - total | <u>424</u> | <u>-</u> |

Clarification – While the majority of disclosure in these accounts are rounded to £'000, the disclosure of gifts made is not. The value of gifts for the year is £424 (and not £424k).

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Central services

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

8 Charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Direct costs | | | | |
| Educational operations | 47 | 5,534 | 5,581 | 4,871 |
| Support costs | | | | |
| Educational operations | - | 1,630 | 1,630 | 1,789 |
| | <u>47</u> | <u>7,164</u> | <u>7,211</u> | <u>6,660</u> |

Analysis of costs

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Direct costs | | |
| Teaching and educational support staff costs | 4,846 | 4,258 |
| Staff development | 7 | 10 |
| Depreciation | 494 | 287 |
| Technology costs | 15 | 19 |
| Educational supplies and services | 96 | 113 |
| Examination fees | 1 | 1 |
| Educational consultancy | 69 | 112 |
| Other direct costs | 53 | 71 |
| | <u>5,581</u> | <u>4,871</u> |
| Support costs | | |
| Support staff costs | 800 | 683 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | 50 | 460 |
| Staff development | 7 | 5 |
| Depreciation | 124 | 72 |
| Loss on disposal of fixed assets | 7 | - |
| Technology costs | 56 | 61 |
| Maintenance of premises and equipment | 47 | 75 |
| Cleaning | 19 | 19 |
| Energy costs | 145 | 67 |
| Rent, rates and other occupancy costs | 54 | 46 |
| Insurance | 6 | 5 |
| Security and transport | 4 | 4 |
| Catering | 106 | 87 |
| Defined benefit pension scheme - finance costs (FRS102 adjustment) | 4 | 26 |
| Legal costs | - | 29 |
| Other support costs | 187 | 137 |
| Governance costs | 14 | 13 |
| | <u>1,630</u> | <u>1,789</u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities (Continued)

9 Staff

Staff costs

Staff costs during the year were:

| | 2023 £'000 | 2022 £'000 |
|--|---------------------|---------------------|
| Wages and salaries | 3,112 | 2,759 |
| Social security costs | 296 | 253 |
| Pension costs | 595 | 563 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | 50 | 460 |
| | <u>4,053</u> | <u>4,035</u> |
| Staff costs - employees | 4,053 | 4,035 |
| Agency staff costs | 1,643 | 1,366 |
| | <u>5,696</u> | <u>5,401</u> |
| Total staff expenditure | <u><u>5,696</u></u> | <u><u>5,401</u></u> |

Staff numbers

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

| | 2023 Number | 2022 Number |
|----------------------------|-------------------|-------------------|
| Teachers | 20 | 19 |
| Administration and support | 75 | 81 |
| Management | 9 | 8 |
| | <u>104</u> | <u>108</u> |
| | <u><u>104</u></u> | <u><u>108</u></u> |

The number of persons employed, expressed as a full time equivalent, was as follows:

| | 2023 Number | 2022 Number |
|----------------------------|------------------|------------------|
| Teachers | 18 | 16 |
| Administration and support | 55 | 55 |
| Management | 9 | 8 |
| | <u>82</u> | <u>79</u> |
| | <u><u>82</u></u> | <u><u>79</u></u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Higher paid staff

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

| | 2023 Number | 2022 Number |
|---------------------|-------------------|-------------------|
| £60,000 - £70,000 | 3 | 3 |
| £70,001 - £80,000 | 3 | - |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | 1 |
| £110,001 - £120,000 | 1 | - |
| £120,001 - £130,000 | - | 1 |
| | <u> </u> | <u> </u> |

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £894,357 (2022: £836,472).

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

S Lea (Executive Headteacher - appointed 01 September 2022):

- Remuneration: £115,000 - £120,000 (2022: not appointed)
- Employer's pension contributions: £25,000 - £30,000 (2022: not appointed)

During the period, travel and subsistence payments totalling £381 (2022: £279) was reimbursed or paid directly to 1 Trustees (2022: 1 Trustee). Expenses were incurred in performing the normal duties of employment.

11 Trustees' and officers' insurance

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

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Tangible fixed assets

| | Leasehold land and buildings £'000 | Computer equipment £'000 | Fixtures, fittings & equipment £'000 | Total £'000 |
|-----------------------|---|--------------------------------|---|----------------|
| Cost | | | | |
| At 1 September 2022 | 30,777 | 189 | 112 | 31,078 |
| Additions | 372 | 33 | 18 | 423 |
| Write-offs | (7) | (2) | - | (9) |
| At 31 August 2023 | 31,142 | 220 | 130 | 31,492 |
| Depreciation | | | | |
| At 1 September 2022 | 745 | 131 | 29 | 905 |
| On write offs | - | (2) | - | (2) |
| Charge for the year | 547 | 58 | 13 | 618 |
| At 31 August 2023 | 1,292 | 187 | 42 | 1,521 |
| Net book value | | | | |
| At 31 August 2023 | 29,850 | 33 | 88 | 29,971 |
| At 31 August 2022 | 30,032 | 58 | 83 | 30,173 |

Leasehold land and buildings shown above represents the land and buildings of SPA School Bermondsey (at 2 Monnow Road Bermondsey SE1 5RN), and includes leasehold land at a value of £3,820k.

In June 2020 the trust entered into a long term lease with The Secretary of State for Housing, Communities & Local Government for the land and buildings to be occupied from 1 September 2020, by SPA School Camberwell (at Southampton Way, Camberwell SE5 7EW) and includes leasehold land at a value of £12,030k.

13 Stock

| | 2023 £'000 | 2022 £'000 |
|---------|---------------|---------------|
| Uniform | 4 | 6 |

14 Debtors

| | 2023 £'000 | 2022 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 13 | 183 |
| VAT recoverable | 39 | - |
| Other debtors | 42 | 12 |
| Prepayments and accrued income | 122 | 590 |
| | 216 | 785 |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Government loans | 16 | 4 |
| Trade creditors | 150 | 96 |
| Other taxation and social security | 154 | 110 |
| Accruals and deferred income | 251 | 35 |
| | <u>571</u> | <u>245</u> |

16 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|------------------|--------------|--------------|
| | £'000 | £'000 |
| Government loans | 129 | 28 |
| | <u>129</u> | <u>28</u> |

| Analysis of loans | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Not wholly repayable within five years by instalments | 65 | 12 |
| Wholly repayable within five years | 80 | 20 |
| | <u>145</u> | <u>32</u> |
| Less: included in current liabilities | (16) | (4) |
| | <u>129</u> | <u>28</u> |

Loan maturity

| | | |
|---|------------|-----------|
| Debt due in one year or less | 16 | 4 |
| Due in more than one year but not more than two years | 16 | 4 |
| Due in more than two years but not more than five years | 48 | 12 |
| Due in more than five years | 65 | 12 |
| | <u>145</u> | <u>32</u> |

A CIF loan was granted of £34k in 2021/2022 which is repayable over 8 years.

A CIF loan was granted of £117k in 2022/2023 which is repayable over 10 years.

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Deferred income

| | 2023 £'000 | 2022 £'000 |
|-------------------------------------|-------------------|-------------------|
| Deferred income is included within: | | |
| Creditors due within one year | 139 | 2 |
| | <u> </u> | <u> </u> |
| Deferred income at 1 September 2022 | 2 | 2 |
| Released from previous years | (2) | (2) |
| Resources deferred in the year | 139 | 2 |
| | <u> </u> | <u> </u> |
| Deferred income at 31 August 2023 | 139 | 2 |
| | <u> </u> | <u> </u> |

Deferred income relates to £1k (2022: £2k) of Universal Infant Free School Meals, SEN grant funding of £136k (2022: £nil) and Southwark meals income of £2k (2022: £nil).

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

| | Balance at 1 September 2022 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2023 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 96 | 1,880 | (1,871) | (94) | 11 |
| Start up grants | - | 42 | (42) | - | - |
| UIFSM | - | 1 | (1) | - | - |
| Pupil premium | - | 117 | (117) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 102 | (102) | - | - |
| Other DfE/ESFA grants | - | 22 | (22) | - | - |
| Other government grants | - | 4,315 | (4,315) | - | - |
| Other restricted funds | - | 25 | (15) | (10) | - |
| Pension reserve | (244) | - | (54) | 424 | 126 |
| | <u>(148)</u> | <u>6,504</u> | <u>(6,539)</u> | <u>320</u> | <u>137</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 29,636 | - | (536) | - | 29,100 |
| DfE group capital grants | 962 | (126) | (77) | 6 | 765 |
| Capital expenditure from GAG and other funds | 21 | - | (5) | 98 | 114 |
| Donated Fixed Assets | 10 | - | (7) | - | 3 |
| LA capital grants | - | 4 | - | - | 4 |
| | <u>30,629</u> | <u>(122)</u> | <u>(625)</u> | <u>104</u> | <u>29,986</u> |
| Total restricted funds | <u>30,481</u> | <u>6,382</u> | <u>(7,164)</u> | <u>424</u> | <u>30,123</u> |
| Unrestricted funds | | | | | |
| General funds | <u>13</u> | <u>51</u> | <u>(53)</u> | <u>-</u> | <u>11</u> |
| Total funds | <u>30,494</u> | <u>6,433</u> | <u>(7,217)</u> | <u>424</u> | <u>30,134</u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

The Restricted General Funds are used to fund the general operating costs of the Academy Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets, plus the unspent element of capital funds less capital loans. When fixed assets are purchased the fund balance is increased and depreciation reduces the fund balance.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Trustees, to support any of the Academy's charitable purposes.

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

| | Balance at 1 September 2021 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2022 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 1,670 | (1,555) | (19) | 96 |
| Start up grants | - | 58 | (58) | - | - |
| UIFSM | - | 3 | (3) | - | - |
| Pupil premium | - | 88 | (88) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 49 | (49) | - | - |
| Other Coronavirus funding | - | 27 | (27) | - | - |
| Other DfE/ESFA grants | - | 19 | (19) | - | - |
| Other government grants | - | 3,897 | (3,897) | - | - |
| Pension reserve | (1,667) | - | (486) | 1,909 | (244) |
| | <u>(1,667)</u> | <u>5,811</u> | <u>(6,182)</u> | <u>1,890</u> | <u>(148)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 29,971 | - | (295) | (40) | 29,636 |
| DfE group capital grants | 462 | 496 | (55) | 59 | 962 |
| Capital expenditure from GAG and other funds | 23 | - | (2) | - | 21 |
| Donated Fixed Assets | 17 | - | (7) | - | 10 |
| | <u>30,473</u> | <u>496</u> | <u>(359)</u> | <u>19</u> | <u>30,629</u> |
| Total restricted funds | <u>28,806</u> | <u>6,307</u> | <u>(6,541)</u> | <u>1,909</u> | <u>30,481</u> |
| Unrestricted funds | | | | | |
| General funds | <u>80</u> | <u>56</u> | <u>(123)</u> | <u>-</u> | <u>13</u> |
| Total funds | <u>28,886</u> | <u>6,363</u> | <u>(6,664)</u> | <u>1,909</u> | <u>30,494</u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds (Continued)

Total funds analysis by academy

| | 2023 | 2022 |
|--|----------------------|----------------------|
| | £'000 | £'000 |
| Fund balances at 31 August 2023 were allocated as follows: | | |
| Spa School Bermondsey | (165) | 11 |
| Spa School Camberwell | 187 | 98 |
| | <u>22</u> | <u>109</u> |
| Total before fixed assets fund and pension reserve | | |
| Restricted fixed asset fund | 29,986 | 30,629 |
| Pension reserve | 126 | (244) |
| | <u>30,134</u> | <u>30,494</u> |
| Total funds | <u><u>30,134</u></u> | <u><u>30,494</u></u> |

Spa School Bermondsey is carrying a net deficit of £165k on revenue funds. The Academy Trust are reviewing the position and are in discussions with the LA and ESFA.

Total cost analysis by academy

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

| | Teaching and educational support staff | Other support staff costs | Educational supplies | Other costs excluding depreciation | Total 2023 | Total 2022 |
|-----------------------|--|------------------------------|-------------------------|--|---------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Spa School Bermondsey | 2,774 | 523 | 49 | 467 | 3,813 | 4,106 |
| Spa School Camberwell | 2,072 | 327 | 47 | 340 | 2,786 | 2,199 |
| | <u>4,846</u> | <u>850</u> | <u>96</u> | <u>807</u> | <u>6,599</u> | <u>6,305</u> |
| | <u><u>4,846</u></u> | <u><u>850</u></u> | <u><u>96</u></u> | <u><u>807</u></u> | <u><u>6,599</u></u> | <u><u>6,305</u></u> |

19 Analysis of net assets between funds

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total Funds £'000 |
|---|--------------------------------|---------------------------------------|----------------------|-------------------------|
| Fund balances at 31 August 2023 are represented by: | | | | |
| Tangible fixed assets | - | - | 29,971 | 29,971 |
| Current assets | 11 | 566 | 160 | 737 |
| Current liabilities | - | (555) | (16) | (571) |
| Non-current liabilities | - | - | (129) | (129) |
| Pension scheme asset | - | 126 | - | 126 |
| | <u>11</u> | <u>137</u> | <u>29,986</u> | <u>30,134</u> |
| Total net assets | <u><u>11</u></u> | <u><u>137</u></u> | <u><u>29,986</u></u> | <u><u>30,134</u></u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

(Continued)

| | Unrestricted | Restricted funds: | | Total |
|--|--------------|-------------------|---------------|---------------|
| | Funds | General | Fixed asset | Funds |
| | £'000 | £'000 | £'000 | £'000 |
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 30,173 | 30,173 |
| Current assets | 13 | 337 | 488 | 838 |
| Current liabilities | - | (241) | (4) | (245) |
| Non-current liabilities | - | - | (28) | (28) |
| Pension scheme liability | - | (244) | - | (244) |
| Total net assets | 13 | (148) | 30,629 | 30,494 |

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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.

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £335k (2022: £281k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.7% for employers and 5.5% to 6.8% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

| Total contributions made | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Employer's contributions | 261 | 271 |
| Employees' contributions | 77 | 78 |
| Total contributions | <u>338</u> | <u>349</u> |
| | | |
| Principal actuarial assumptions | 2023 | 2022 |
| | % | % |
| Rate of increase in salaries | 4.1 | 4.2 |
| Rate of increase for pensions in payment/inflation | 2.6 | 2.7 |
| Discount rate for scheme liabilities | 5 | 4.0 |
| CPI inflation | <u>2.6</u> | <u>2.7</u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

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

| | 2023 | 2022 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| - Males | 21.0 | 20.7 |
| - Females | 23.7 | 23.6 |
| Retiring in 20 years | | |
| - Males | 22.2 | 22.6 |
| - Females | 25.1 | 25.4 |

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2023 | 2022 |
|-------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Discount rate + 0.1% | 2,082 | 2,087 |
| Discount rate - 0.1% | 2,196 | 2,213 |
| Mortality assumption + 1 year | 2,191 | 2,209 |
| Mortality assumption - 1 year | 2,085 | 2,089 |
| Salary rate + 0.1% | 2,142 | 2,160 |
| Salary rate - 0.1% | 2,134 | 2,140 |
| Pensions rate + 0.1% | 2,191 | 2,203 |
| Pensions rate - 0.1% | 2,087 | 2,095 |

Defined benefit pension scheme net asset/(liability)

| | 2023 | 2022 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Scheme assets | 2,264 | 1,905 |
| Scheme obligations | (2,138) | (2,149) |
| Net asset/(liability) | 126 | (244) |

The Academy Trust's share of the assets in the scheme

| | 2023 | 2022 |
|------------------------------|-------------------|-------------------|
| | Fair value | Fair value |
| | £'000 | £'000 |
| Equities | 1,254 | 1,031 |
| Government bonds | 165 | 137 |
| Other bonds | 177 | 181 |
| Cash | 57 | 78 |
| Property | 319 | 324 |
| Other assets | 292 | 154 |
| Total market value of assets | 2,264 | 1,905 |

The actual return on scheme assets was £52,000 (2022: £(30,000)).

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

| 20 Pension and similar obligations | (Continued) | |
|--|-------------|--------------|
| Amount recognised in the statement of financial activities | 2023 | 2022 |
| | £'000 | £'000 |
| Current service cost | 311 | 731 |
| Interest income | (83) | (30) |
| Interest cost | 87 | 56 |
| | <hr/> | <hr/> |
| Total operating charge | 315 | 757 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Changes in the present value of defined benefit obligations | | 2023 |
| | | £'000 |
| At 1 September 2022 | | 2,149 |
| Current service cost | | 311 |
| Interest cost | | 87 |
| Employee contributions | | 77 |
| Actuarial gain | | (455) |
| Benefits paid | | (31) |
| | | <hr/> |
| At 31 August 2023 | | 2,138 |
| | | <hr/> <hr/> |
| Changes in the fair value of the Academy Trust's share of scheme assets | | 2023 |
| | | £'000 |
| At 1 September 2022 | | 1,905 |
| Interest income | | 83 |
| Actuarial loss | | (31) |
| Employer contributions | | 261 |
| Employee contributions | | 77 |
| Benefits paid | | (31) |
| | | <hr/> |
| At 31 August 2023 | | 2,264 |
| | | <hr/> <hr/> |

Comment on the results of the FRS102 calculations by the actuaries:

The Employer is open to new entrants and our tests show that the Employer is able to recognise the surplus in full at this accounting date. This is because the Employer can gain an economic benefit from payment of reduced contributions below the cost of the expected FRS 102 service costs in the future. Note that in undertaking this assessment we have assumed the Employer would be able to cease making contributions to the Fund at the accounting date, because the FRS 102 standard does not require us to consider a minimum funding requirement.

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

| 21 Reconciliation of net expenditure to net cash flow from operating activities | Notes | 2023 £'000 | 2022 £'000 |
|---|-------|---------------|---------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | | (784) | (301) |
| Adjusted for: | | | |
| Capital grants from DfE and other capital income | | 122 | (496) |
| Defined benefit pension costs less contributions payable | 20 | 50 | 460 |
| Defined benefit pension scheme finance cost | 20 | 4 | 26 |
| Depreciation of tangible fixed assets | | 618 | 359 |
| Loss on disposal of fixed assets | | 7 | - |
| Decrease/(increase) in stocks | | 2 | (2) |
| Decrease/(increase) in debtors | | 569 | (325) |
| Increase/(decrease) in creditors | | 314 | (132) |
| Net cash provided by/(used in) operating activities | | <u>902</u> | <u>(411)</u> |

| 22 Analysis of changes in net funds | 1 September 2022 £'000 | Cash flows £'000 | 31 August 2023 £'000 |
|--|------------------------------|---------------------|----------------------------|
| Cash | 47 | 470 | 517 |
| Loans falling due within one year | (4) | (12) | (16) |
| Loans falling due after more than one year | (28) | (101) | (129) |
| | <u>15</u> | <u>357</u> | <u>372</u> |

23 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2023 £'000 | 2022 £'000 |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 9 | 11 |
| Amounts due in two and five years | 1 | 7 |
| | <u>10</u> | <u>18</u> |

SPA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period.

The Park College is a related party by virtue of the fact that one of the directors of The Park College is also the accounting officer of the Spa Education Trust.

For part of the year some of The Park College's transactions passed through the Spa Education Trust bank account. During the year The Park College transactions moved over to their own bank account and transactions no longer pass through the Spa Education Trust. The Park College transactions are excluded from these accounts. As at the 31 August 2023 the balance due from The Park College of £42k is included within other debtors.

25 Members' liability

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

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £3,688 (2022: £3,592) and disbursed £3,688 (2022: £3,592) from the fund.

