

**Company Registration No. 11425513 (England and Wales)**

**SPA EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# SPA EDUCATION TRUST

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1
Trustees' report	2 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of Trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities	20 - 21
Balance sheet	22
Cash flow statement	23
Notes to the accounts	24 – 42

---

# SPA EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Anupriya Dwivedi  
Rachel Landau  
Christopher Nicholson  
Joseph Wood

### Trustees (Directors)

Lipi Begum – Appointed 20<sup>th</sup> June 2018  
Simon Eccles – Appointed 20<sup>th</sup> June 2018  
Bridget Gilchrist – Appointed 20<sup>th</sup> June 2018  
Beverley Jeavons – Appointed 20<sup>th</sup> June 2018  
Krys McInnis – Appointed 20<sup>th</sup> June 2018  
Iain McKane – Appointed 20<sup>th</sup> June 2018  
Christopher Nicholson – Appointed 20<sup>th</sup> June 2018  
Megha Okhai – Appointed 20<sup>th</sup> June 2018

### Academies Operated

Spa School Bermondsey  
Spa School Camberwell

### Trust Leadership Team

#### Executive Headteacher

Simon Eccles

Headteacher Spa Bermondsey  
Deputy Head Spa Bermondsey  
Assistant Head Spa Bermondsey  
Assistant Head Spa Bermondsey  
Assistant Head Spa Bermondsey  
Assistant Head Spa Bermondsey

Simon Eccles  
Georgina Quigley  
Sonia Colvill  
Kat Durrant  
Rian Ehlers  
Nick Thompson

Headteacher Spa Camberwell  
Assistant Head Spa Camberwell

Steph Lea  
Tennille Melbourne

### Company registration number

11425513 (England and Wales)

### Registered office

Spa School Bermondsey  
Monnow Road  
London  
SE1 5RN

### Independent auditor

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent  
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 2020

---

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31<sup>st</sup> August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2019/20 issued by the ESFA.

Spa Education 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;
- learn and achieve at every level;
- develop independence and self-advocacy;
- Work with parents and carers to contribute fully to students' progress.

#### Structure, governance and management

##### Constitution

Spa Education Trust was incorporated as a company on 20<sup>th</sup> June 2018 and the predecessor school (Spa School) converted to academy status on 1<sup>st</sup> 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 2020

#### Organisational structure

The Board of Trustees, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board 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
- Education Committee

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 Senior Finance Officer, undertakes day-to-day management of the trust.

#### **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	£0
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 2020

---

#### Objectives and activities

##### Objects and Aims

The principal object of the trust is defined in its Articles of Association. It is to provide excellence in education for students with autistic spectrum disorders by offering a broad and pupil focused curriculum. It achieved this object during the year ended 31<sup>st</sup> August 2020 by operating Spa School Bermondsey and by setting up, Spa School Camberwell for it's opening on 1<sup>st</sup> September 2020.

##### Objectives, strategies and activities

Our objectives for the year ended 31<sup>st</sup> August 2020 were as follows:

#### **Pupil Progress**

##### Pupil Attainment

- Progress to continue to be in the upper quartile for at least 50% of the pupils in English and Mathematics in all Key Stages.
- No groups to be performing below this level.

##### Assessment

- Introduce / trial the Autism Profile (Small Steps) to measure progress in non-curricula areas including flexibility of thought and emotional regulation.
- Introduce testing to measure progress in independence at the each end of each key stage.
- Implement new assessment system Connecting Steps and train staff. Monitor use of to ensure it is working effectively.
- Further, develop the trust's Progress Tracker and Learning Record for better sharing of progress data with staff and parents. Continue to increase the richness of attainment evidence shared with parents.
- In light of the Rochford recommendations engage with other schools and trusts to review our assessment arrangements annually, ensuring compliance with DfE guidance.

#### **Quality of Teaching**

##### Teacher Development

- Continue with teacher development programme, as well as the associated monitoring and support, to maintain the quality of teaching so that all teachers at the trust are Good or Outstanding.
- Each teacher to have individual development plans tailored to their needs and supported by the Assistant Heads through mentoring and coaching, as well as through specific external training.
- Improve pupil engagement across the trust, especially for pupils who may be disaffected, through a focussed approach and sharing best practice.
- Improved pupil communication skills throughout the trust by prioritising this in teacher development sessions.
- Implement a teacher development project in PE to improve the quality of PE teaching and learning across the trust, but with a specific focus on KS4.

#### **Curriculum**

##### Curriculum Review and Development

- Curriculum review and curriculum mapping to provide clear pathways through the pupils' time at the trust and to more clearly reflect differences between key stages for each subject.
- Review the role of subject coordinators.
- To review the curriculum annually to ensure it meets the changing needs of the pupils as well as DfE guidance and statutory changes.
- Achieve Artsmark Award.
- Subject Co-ordinators to review pupil communication in curriculum areas.

# SPA EDUCATION TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### Health / Wellbeing

#### Physical Health

- Work with the school nurse to identify new pupils who would benefit from better nutrition and / or more exercise and implement individualised programmes.
- Trial individual fitness monitoring devices with pupils as a motivational and monitoring tool.
- Maintain Healthy Schools Gold status.

#### Mental Wellbeing

- Trial mindfulness instruction with identified pupils.
- Start a year 7 club to help pupils settle in their first year at the trust.
- Introduce Zones of Regulation to key stage 4 following successful trial in KS3.

### Environment / Facilities Management

#### Planned Capital Expenditure

- Improve recycling at Spa by providing recycle bins in all rooms and ensuring that cleaners dispose of recyclable materials correctly.
- Boiler replacement for better energy efficiency.
- Lighting audit with LED lights replacing fluorescent tubes where possible.
- Review of use and effectiveness of fob access across school and completion of a new fob strategy.
- Explore ways of increasing security by providing an 'airlock' in reception and implement required changes
- Redecorate KS5 corridor.
- Review ICT provision and solicit tenders for ICT support for the next three years.
- Fit the dining room with led lights and acoustic ceiling panels to make it more sensory friendly.
- Replace all printers with cheaper, more efficient area printers controlled via a managed print solution.

### Café / Work Experience / S.E.N. College

#### Cafe

- Employ a full-time Job Coach to teach each pupil the specific skills he or she needs.
- Develop a training manual for all aspects of café work with a version written for pupils with SLD and one for pupils with MLD.

#### Work Experience

- Pupils to move from working in school house Café to other external placements that utilise the same skills.
- Following the successful pilot programme with CareTrade, identify providers that could run the café outside of working hours using mainly staff with autism.
- Have more pupils earn Hygiene Certificates and other relevant accreditation.

#### SEN College

- Work with the LA to support or lead on opening an SEN college for 19-25.

### Parent Engagement

#### Communication / Information

- Introduce text communication with parents.
- Develop Key Stage specific information for parents.
- Termly visual, clear information about their child's attainment.

#### Support

- Timetable of regular parent training sessions.
- Support for parents' emotional wellbeing and mental health through professional-led sessions.
- Healthy eating and cooking sessions for parents.

### Extra-Curriculum Provision

#### Therapy

- Review Service Level Agreements with Health and investigate directly employing additional Occupational Therapy and Speech and Language Therapy provision.
  - Review effectiveness of Art Therapy, Music Therapy and Dance Therapy provision at the trust.
-

# SPA EDUCATION TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### Enrichment

- Try to identify a commercial sponsor of pupil residential trips. Continue to run at least two residential trips each year.
- Relevant subject coordinators to lead on incorporating enrichment activities into their schemes of work.

### Overseas link

- Develop links with a school in Ghana.

### 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.

### **Strategic report**

#### Achievements and performance

Performance against targets and objectives:

#### **Pupil Progress**

- We have met all our targets as set out at the start of the academic year.

#### **Quality of Teaching**

- We have met all our targets as set out at the start of the academic year.

#### **Curriculum**

- We have met all our targets as set out at the start of the academic year.

#### **Health / Wellbeing**

- We have met the majority of our targets as set out at the start of the academic year.
- The trial individual fitness monitoring devices with pupils as a motivational and monitoring tool is still ongoing.

#### **Environment / Facilities Management**

- We have met the majority of our targets as set out at the start of the academic year.
- The boiler replacement is now currently planned for 2021.
- We have completed around 50% of replacing the LED lights.
- We have submitted a CIF bid for the fob access across the trust.
- We are currently in the progress of fitting new maglocks and providing an 'airlock' in the reception area by the end of this term.

#### **Café / Work Experience / S.E.N. College**

- We have met the majority of our targets as set out at the start of the academic year.
- We are in the process of developing a training manual for the café, which we hope to complete during this year.
- We are in the process of ensuring that more pupils earn Hygiene Certificates and other relevant accreditation.

#### **Parent Engagement**

- We have met all our targets as set out at the start of the academic year.

#### **Extra-Curriculum Provision**

- We have met the majority of our targets as set out at the start of the academic year.
- We are still reviewing the effectiveness of our therapy provisions.
- We are still hoping to identify a commercial sponsor for our residential trips.

#### Key Performance Indicators

- Progress to continue to be in the upper quartile for at least 50% of the pupils in English and Mathematics in all Key Stages.
-



# SPA EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

---

- No groups to be performing below this level.
- For all pupils in Key Stage 4 & Key Stage 5 to achieve a range of accreditations each year.
- For all pupils to access a range of enrichment activities throughout the year.

#### Key Financial Performance Indicators

- To maintain a healthy cash flow.
- To produce monthly balances.
- To have a 5% carry forward this year and 8% in subsequent years.

#### Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### **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 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.

# SPA EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

The following balances held were held at 31 August:

Fund	Category	2020 £'000	2019 £'000
GAG	Restricted General Funds	-	-
Other ESFA /Government Grants	Restricted General Funds	85	-
Other Income	Restricted General Funds	174	-
<b>Sub-total General Restricted Funds</b>		<b>259</b>	<b>-</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	52	52
Other Income	Unrestricted General Fund	124	119
<b>Sub-Total Spendable Funds</b>		<b>435</b>	<b>171</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	7,729	7,722
Share of LGPS Deficit	Restricted Pension Reserve	(1,268)	(897)
<b>Total All Funds</b>		<b>6,896</b>	<b>6,996</b>

During the year under review, there was an increase of £259k (2019: surplus of £nil) on general restricted funds, an of £5k (2019: surplus of £119k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall decrease of £(100)k (2019: increase of £6,996k).

#### 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

# SPA EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

---

from the DfE during the year ended 31<sup>st</sup> August 2020 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 school 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.

#### Streamlined energy and carbon reporting (SECR)

We are not a large trust in the context of the Companies Act so we do not need to include this in the trustees report but we will look to do this on a voluntary basis in the future. We will do this on our website.

#### **Plans for future periods**

The future aims for the trust are to continue to develop our Park College link programme and to open up our new school Spa Camberwell on the 1<sup>st</sup> September 2020. This will be a new special school for students aged 4-16 with Autism. We will therefore be expanding the trust to two schools by September 2020.

The trust also plans to share its areas of excellence and expertise in collaboration with the other special schools in the local area.

#### **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 7<sup>th</sup> December 2020 and signed on its behalf by.



Bridget Gilchrist  
**Chair of Trustees**

# SPA EDUCATION TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 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 three times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Lipi Begum	2	2
Simon Eccles	2	2
Bridget Gilchrist	2	2
Beverley Jeavons	2	2
Krys McInnis	1	2
Iain McKane	0	2
Chris Nicholson	1	2
Megha Okhai	1	2

There have been no changes to the composition of the Board since its formation since 1<sup>st</sup> April 2019.

### 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 Operation 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

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

Trustees & Governors	Meetings attended	Out of possible
Modupe Alimi	1	1
Lipi Begum	1	2
Simon Eccles	2	2
Bridget Gilchrist	2	2
Beverley Jeavons	2	2
Hana Luen	1	1
Krys McInnis	0	2
Iain McKane	1	2
Megha Okhai	0	2
William Page	2	2

# **SPA EDUCATION TRUST**

## **GOVERNANCE STATEMENT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

---

#### **Review of Value for Money**

As 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 the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the 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:

- We have taken the decision to bring our facilities management services in-house.
- We have restructured our financial and cleaning consultancy service.

#### **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 year ended 31 August 2020 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 year ended 31 August 2020 and up to the date of approval of the annual report and accounts. 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;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor for the trust for the 2019/20 financial year

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

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations

# SPA EDUCATION TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

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.

### **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 Senior Finance Officer who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 7<sup>th</sup> December 2020 and signed on its behalf by:



Bridget Gilchrist  
**Chair of Trustees**



Simon Eccles  
**Accounting Officer**

# SPA EDUCATION TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

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 received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the 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 Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance has 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.



Mr S Eccles  
**Accounting Officer**

7<sup>th</sup> December 2020

# SPA EDUCATION TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

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 2019 to 2020 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 2019 to 2020;
- 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 7<sup>th</sup> December 2020 and signed on its behalf by:



Mrs B Gilchrist  
**Chair of Trustees**



# SPA EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPA EDUCATION TRUST FOR THE YEAR ENDED 31 AUGUST 2020

---

### Opinion

We have audited the Financial Statements of SPA Education Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the Financial Statements, including a summary of 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 2019 to 2020 issued by the Education and Skills Funding Agency.

### Qualified Opinion - Valuation of Land and Buildings

During the year, the charitable company entered into a long term lease with The Secretary of State for Housing, Communities & Local Government in respect of the land and buildings to be occupied by Spa School Camberwell when it opened for students on 1 September 2020 (at Southampton Way, Camberwell, SE5 7EW). No valuation has yet been obtained by the charitable company in respect of these leasehold land and buildings and hence they are not included in these accounts. Our opinion below is qualified in this respect. Had a valuation been obtained and included, the value of tangible fixed assets would have increased by the amount of the valuation, with a corresponding increase in donation income and the value of the fixed asset fund. Revenue funds would be unaffected.

In our opinion, except for the effects of the matter described in the basis for Qualified Opinion paragraph, the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year ended 31 August 2019;
- have not 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 2019 to 2020.

### 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.

### Emphasis of matter - The Park College

We draw your attention to note 24 to the financial statements which describes the treatment of the transactions in respect of the operation by the charitable company of The Park College. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

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

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

# **SPA EDUCATION TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **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 and ended 31 August 2019 and 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.

### **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.

# **SPA EDUCATION TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### **Auditor's responsibilities for the audit of the Financial Statements**

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

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

### **Use of our report**

This report is made solely to the 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.



**David John Walsh FCCA (Senior Statutory Auditor)**

**For and on behalf of Baxter & Co**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 26 January 2021

# 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 2020**

---

In accordance with the terms of our engagement letter dated 20 May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SPA Education Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 Academies Financial Handbook 2019, 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 2020***

---

### **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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**

Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 26 January 2021

# SPA EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds	Restricted funds:		Total 2020	Total 2019 Period
	Notes	£'000	General	Fixed asset	£'000	£'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	104	104	39
Donations - transfer from local authority on conversion		-	-	-	-	7,734
Charitable activities:						
- Funding for educational operations	4	31	4,106	-	4,137	3,263
Other trading activities	5	25	-	-	25	5
<b>Total</b>		<u>56</u>	<u>4,106</u>	<u>104</u>	<u>4,266</u>	<u>11,041</u>
<b>Expenditure on:</b>						
Raising funds	6	1	-	-	1	1
Charitable activities:						
- Educational operations	7	50	4,023	97	4,170	3,738
<b>Total</b>	6	<u>51</u>	<u>4,023</u>	<u>97</u>	<u>4,171</u>	<u>3,739</u>
<b>Net income</b>		5	83	7	95	7,302
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	17	-	(195)	-	(195)	(306)
<b>Net movement in funds</b>		5	(112)	7	(100)	6,996
<b>Reconciliation of funds</b>						
Total funds brought forward		119	(897)	7,774	6,996	-
Total funds carried forward		<u>124</u>	<u>(1,009)</u>	<u>7,781</u>	<u>6,896</u>	<u>6,996</u>

# SPA EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative information ended 31 August 2019	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	19	-	20	39
Donations - transfer from local authority on conversion		302	(416)	7,848	7,734
Charitable activities:					
- Funding for educational operations	4	46	3,217	-	3,263
Other trading activities	5	5	-	-	5
<b>Total</b>		<b>372</b>	<b>2,801</b>	<b>7,868</b>	<b>11,041</b>
<b>Expenditure on:</b>					
Raising funds	6	1	-	-	1
Charitable activities:					
- Educational operations	7	252	3,369	117	3,738
<b>Total</b>	<b>6</b>	<b>253</b>	<b>3,369</b>	<b>117</b>	<b>3,739</b>
<b>Net income/(expenditure)</b>		<b>119</b>	<b>(568)</b>	<b>7,751</b>	<b>7,302</b>
Transfers between funds	15	-	(23)	23	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	17	-	(306)	-	(306)
<b>Net movement in funds</b>		<b>119</b>	<b>(897)</b>	<b>7,774</b>	<b>6,996</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		<b>119</b>	<b>(897)</b>	<b>7,774</b>	<b>6,996</b>

# SPA EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		7,729		7,722
<b>Current assets</b>					
Stocks	12	5		3	
Debtors	13	181		202	
Cash at bank and in hand		346		66	
		532		271	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(97)		(100)	
<b>Net current assets</b>			435		171
<b>Net assets excluding pension liability</b>			8,164		7,893
Defined benefit pension scheme liability	17		(1,268)		(897)
<b>Total net assets</b>			6,896		6,996
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			7,781		7,774
- Restricted income funds			259		-
- Pension reserve			(1,268)		(897)
<b>Total restricted funds</b>			6,772		6,877
<b>Unrestricted income funds</b>	15		124		119
<b>Total funds</b>			6,896		6,996

The Financial Statements on pages 20 to 42 were approved by the trustees and authorised for issue on 7<sup>th</sup> December 2020 and are signed on their behalf by:



Mrs B Gilchrist  
Chair of Trustees

Company Number 11425513



# SPA EDUCATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	18		280		(285)
Cash funds transferred on conversion			-		354
			<u>280</u>		<u>69</u>
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		104		20	
Purchase of tangible fixed assets		<u>(104)</u>		<u>(23)</u>	
<b>Net cash used in investing activities</b>			<u>-</u>		<u>(3)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			280		66
Cash and cash equivalents at beginning of the year			<u>66</u>		<u>-</u>
<b>Cash and cash equivalents at end of the year</b>			<u><u>346</u></u>		<u><u>66</u></u>

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

---

#### 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 2019 to 2020 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

##### 1.3 Income

All incoming resources are recognised when the 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.

###### Sponsorship income

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

###### Donations

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

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

---

#### 1 Accounting policies

##### 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.

##### 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.

#### 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 2020

---

#### 1 Accounting policies

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 payable under operating leases are charged against income on a straight-line basis over the period of the lease.

#### 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 2020

---

#### 1 Accounting policies

##### 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 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 2020

---

#### 2 Critical accounting estimates and areas of judgement

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 17, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 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 2020 £'000	Total 2019 £'000
Capital grants	-	104	104	20
Other donations	-	-	-	19
	<hr/>	<hr/>	<hr/>	<hr/>
	-	104	104	39
	<hr/>	<hr/>	<hr/>	<hr/>

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,000	1,000	1,000
Other DfE group grants	-	221	221	89
	<u>-</u>	<u>1,221</u>	<u>1,221</u>	<u>1,089</u>
<b>Other government grants</b>				
Local authority grants	-	2,852	2,852	2,125
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme grant	-	14	14	-
Coronavirus exceptional support	-	11	11	-
Other Coronavirus funding	-	6	6	-
	<u>-</u>	<u>2,883</u>	<u>2,883</u>	<u>2,125</u>
<b>Other funding</b>				
Cafe income	15	-	15	24
Catering income	7	-	7	10
Other incoming resources	9	2	11	15
	<u>31</u>	<u>2</u>	<u>33</u>	<u>49</u>
<b>Total funding</b>	<u>31</u>	<u>4,106</u>	<u>4,137</u>	<u>3,263</u>

During the year, in response to the coronavirus outbreak, the trust had to furlough staff whose salaries were not funded by grants. Furlough claims were submitted to and paid by HMRC.

The trust also applied for ESFA grant to fund additional costs incurred for additional hand washing facilities and additional cleaning costs. A COVID catch up grant of £6,000 was also received.

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	7	-	7	4
Other income	18	-	18	1
	<u>25</u>	<u>-</u>	<u>25</u>	<u>5</u>

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds					
- Direct costs	-	-	1	1	1
Academy's educational operations					
- Direct costs	2,752	78	266	3,096	2,604
- Allocated support costs	656	224	194	1,074	1,134
	<u>3,408</u>	<u>302</u>	<u>461</u>	<u>4,171</u>	<u>3,739</u>

#### Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	6	6
- Other services	5	7
Operating lease rentals	11	6
Depreciation of tangible fixed assets	97	97
Net interest on defined benefit pension liability	15	10

Included within expenditure are the following transactions:

	2020 £
Compensation payments - total	733
Gifts made by the academy trust - total	<u>185</u>

Clarification - While the majority of disclosures in these accounts are rounded to £'000, disclosure of compensation payments and gifts made are not. The value of compensation payments and gifts are £733 and £185 respectively (and not £733k and £185k).

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Direct costs</b>				
Educational operations	50	3,046	3,096	2,604
<b>Support costs</b>				
Educational operations	-	1,074	1,074	1,134
	<u>50</u>	<u>4,120</u>	<u>4,170</u>	<u>3,738</u>



# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Charitable activities

Analysis of costs	2020 £'000	2019 £'000
<b>Direct costs</b>		
Teaching and educational support staff costs	2,752	2,274
Staff development	16	22
Depreciation	78	78
Technology costs	84	76
Educational supplies and services	125	122
Examination fees	2	2
Educational consultancy	2	-
Other direct costs	37	30
	<u>3,096</u>	<u>2,604</u>
<b>Support costs</b>		
Support staff costs	495	420
Defined benefit pension scheme - staff costs (FRS102 adjustment)	161	165
Depreciation	19	19
Maintenance of premises and equipment	100	285
Cleaning	26	1
Energy costs	62	51
Rent, rates and other occupancy costs	14	15
Insurance	2	2
Security and transport	1	-
Catering	31	39
Defined benefit pension scheme - finance costs (FRS102 adjustment)	15	10
Legal costs	2	-
Other support costs	110	66
Governance costs	36	61
	<u>1,074</u>	<u>1,134</u>

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	1,916	1,724
Social security costs	188	162
Pension costs	374	235
Defined benefit pension scheme - staff costs (FRS102 adjustment)	161	165
	<u>2,639</u>	<u>2,286</u>
Staff costs - employees	2,639	2,286
Agency staff costs	769	573
	<u>3,408</u>	<u>2,859</u>

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	14	16
Administration and support	48	35
Management	8	6
	<u>70</u>	<u>57</u>

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

	2020 Number	2019 Number
Teachers	11	14
Administration and support	33	26
Management	8	5
	<u>52</u>	<u>45</u>

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 8 Staff

##### Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	3	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

##### 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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £634,788 (2019: £545,136).

#### 9 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 principal and other Staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

S Eccles (Executive Headteacher):

- Remuneration: £110,000 - £115,000 (2019: £105,000 - £110,000)
- Employer's pension contributions: £25,000 - £30,000 (2019: £15,000 - £20,000)

During the period, travel and subsistence payments totalling £nil (2019: £136) was reimbursed or paid directly to 0 Trustees (2019: 1 Trustee). Expenses were incurred in performing the normal duties of employment.

#### 10 Insurance for trustees and officers

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 2020

### 11 Tangible fixed assets

	Leasehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2019	7,726	43	50	7,819
Additions	-	101	3	104
At 31 August 2020	7,726	144	53	7,923
<b>Depreciation</b>				
At 1 September 2019	78	14	5	97
Charge for the year	78	14	5	97
At 31 August 2020	156	28	10	194
<b>Net book value</b>				
At 31 August 2020	7,570	116	43	7,729
At 31 August 2019	7,648	29	45	7,722

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). In the absence of a formal valuation for these leasehold land and buildings, no value is included in the accounts.

### 12 Stocks

	2020 £'000	2019 £'000
Uniform	5	3

### 13 Debtors

	2020 £'000	2019 £'000
Trade debtors	7	-
VAT recoverable	30	35
Prepayments and accrued income	144	167
	181	202

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 14 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	-	13
Other taxation and social security	50	42
Accruals and deferred income	47	45
	<u>97</u>	<u>100</u>

#### 15 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,000	(1,000)	-	-
Other DfE / ESFA grants	-	177	(92)	-	85
Pupil Premium	-	44	(44)	-	-
Other government grants	-	2,883	(2,709)	-	174
Other restricted funds	-	2	(2)	-	-
Pension reserve	(897)	-	(176)	(195)	(1,268)
	<u>(897)</u>	<u>4,106</u>	<u>(4,023)</u>	<u>(195)</u>	<u>(1,009)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,758	-	(90)	-	7,668
DfE group capital grants	-	104	1	-	105
Capital expenditure from GAG and other funds	16	-	(8)	-	8
	<u>7,774</u>	<u>104</u>	<u>(97)</u>	<u>-</u>	<u>7,781</u>
<b>Total restricted funds</b>	<u>6,877</u>	<u>4,210</u>	<u>(4,120)</u>	<u>(195)</u>	<u>6,772</u>
<b>Unrestricted funds</b>					
General funds	119	56	(51)	-	124
<b>Total funds</b>	<u>6,996</u>	<u>4,266</u>	<u>(4,171)</u>	<u>(195)</u>	<u>6,896</u>

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 15 Funds

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. At 31 August 2020 this included £25k which arises from the operation of The Park College (see also note 24).

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. 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.

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

	Balance at 20 June 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,000	(1,000)	-	-
Other DfE / ESFA grants	-	47	(47)	-	-
Pupil Premium	-	42	(42)	-	-
Other government grants	-	2,125	(2,102)	(23)	-
Other restricted funds	-	3	(3)	-	-
Pension reserve	-	(416)	(175)	(306)	(897)
	-	2,801	(3,369)	(329)	(897)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	-	7,848	(90)	-	7,758
DfE group capital grants	-	20	(20)	-	-
Capital expenditure from GAG and other funds	-	-	(7)	23	16
	-	7,868	(117)	23	7,774
<b>Total restricted funds</b>	-	10,669	(3,486)	(306)	6,877
<b>Unrestricted funds</b>					
General funds	-	372	(253)	-	119
<b>Total funds</b>	-	11,041	(3,739)	(306)	6,996

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	7,729	7,729
Current assets	124	356	52	532
Creditors falling due within one year	-	(97)	-	(97)
Defined benefit pension liability	-	(1,268)	-	(1,268)
<b>Total net assets</b>	<b>124</b>	<b>(1,009)</b>	<b>7,781</b>	<b>6,896</b>
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	7,722	7,722
Current assets	119	100	52	271
Creditors falling due within one year	-	(100)	-	(100)
Defined benefit pension liability	-	(897)	-	(897)
<b>Total net assets</b>	<b>119</b>	<b>(897)</b>	<b>7,774</b>	<b>6,996</b>

#### 17 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 2016.

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 academies. All teachers have the option to opt out of the TPS following enrolment.

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

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Pension and similar obligations

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 2023.

The employer's pension costs paid to the TPS in the period amounted to £252k (2019: £157k).

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% 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 Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	122	95
Employees' contributions	44	35
Total contributions	166	130



# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.7	3.5
Rate of increase for pensions in payment/inflation	2.2	2.0
Discount rate for scheme liabilities	1.7	1.9
CPI inflation	2.2	2.0

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

	2020 Years	2019 Years
Retiring today		
- Males	20.8	22.6
- Females	23.6	26.3
Retiring in 20 years		
- Males	22.7	24.3
- Females	25.5	28.1

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	2,250	1,700
Discount rate - 0.1%	2,387	1,787
Mortality assumption + 1 year	2,400	1,800
Mortality assumption - 1 year	2,236	1,687
Salary rate + 0.1%	2,329	1,761
Salary rate - 0.1%	2,305	1,725
Pensions rate + 0.1%	2,375	1,769
Pensions rate - 0.1%	2,261	1,718

#### Defined benefit pension scheme net liability

Scheme assets	1,049	846
Scheme obligations	(2,317)	(1,743)
Net liability	(1,268)	(897)

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Pension and similar obligations

The academy trust's share of the assets in the scheme	2020 Fair value £'000	2019 Fair value £'000
Equities	624	508
Government bonds	97	76
Other bonds	114	85
Cash	24	18
Property	145	145
Other assets	45	14
Total market value of assets	1,049	846

The actual return on scheme assets was £51,000 (2019: £60,000).

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	283	174
Past service cost	-	86
Interest income	(18)	(21)
Interest cost	33	31
Total operating charge	298	270

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	1,743
Current service cost	283
Interest cost	33
Employee contributions	44
Actuarial loss	228
Benefits paid	(14)
At 31 August 2020	2,317

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Pension and similar obligations

##### Changes in the fair value of the academy trust's share of scheme assets

	2020 £'000
At 1 September 2019	846
Interest income	18
Actuarial gain	33
Employer contributions	122
Employee contributions	44
Benefits paid	(14)
At 31 August 2020	1,049

#### 18 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the reporting period (as per the statement of financial activities)	95	7,302
Adjusted for:		
Net surplus on conversion to academy	-	(7,734)
Capital grants from DfE and other capital income	(104)	(20)
Defined benefit pension costs less contributions payable	161	165
Defined benefit pension scheme finance cost	15	10
Depreciation of tangible fixed assets	97	97
(Increase) in stocks	(2)	(3)
Decrease/(increase) in debtors	21	(202)
(Decrease)/increase in creditors	(3)	100
<b>Net cash provided by/(used in) operating activities</b>	<b>280</b>	<b>(285)</b>

#### 19 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	66	280	346

# SPA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 20 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	15	14
Amounts due in two and five years	31	52
	<u>46</u>	<u>66</u>

### 21 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

### 22 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.

### 23 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 2020 the trust received £3,218 (2019: £1,108) and disbursed £3,218 (2019: £1,108) from the fund.

### 24 The Park College

Throughout the year ended 31 August 2020, the trust controlled, operated and administered the activities of The Park College, a specialist college for young people with autism, aged between 19 and 25 ("the College"). The directors therefore consider that the income, expenditure and balances arising from its operation of The Park College should be recognised in the Spa Education Trust accounts. During the year, income arising from these operations was £378k and expenditure of £394k was incurred. The in-year deficit was £16k and reserves of £25k were carried forward to 2020/21.