

Registration number: 7353824

# The Spencer Academies Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

# **The Spencer Academies Trust**

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# The Spencer Academies Trust

## Reference and Administrative Details

<b>Members</b>	A Talbot M Thompson K Vere M Plampin (appointed 26 August 2021)
<b>Trustees</b>	M Thompson P West M Batchelor D Kinderman J Smith T Preston (resigned 2 March 2021) G Weightman J Dale N Rowlson (resigned 15 September 2020) G Mukuka (appointed 29 March 2021)
<b>Chief Executive Officer</b>	P West
<b>Company Secretary</b>	R Hudd (from 1 November 2021) K Godfrey (resigned 31 October 2021)
<b>Executive Leadership Team</b>	P West, Chief Executive Officer and Accounting Officer A O'Brien, Trust Director of Primary Education F Mitchell, Trust Director of Secondary Education L Cox, Trust Director of Quality & Standards T Elward, Director of Derby Research School, and Spencer Alliance for Leadership and Teaching R Hudd, Director of Finance and CFO K Godfrey, Director of Professional Services (resigned 31 October 2021) A Smith, Director of HR M Lucas, Director of Estates

## The Spencer Academies Trust

### Reference and Administrative Details (continued)

<b>Principal and Registered Office</b>	George Spencer School Arthur Mee Road Stapleford Nottingham Nottinghamshire NG9 7EW
<b>Company Registration Number</b>	7353824
<b>Auditors</b>	Beever and Struthers Chartered Accountants and Statutory Auditors St George's House 215 - 219 Chester Road Manchester M15 4JE
<b>Bankers</b>	NatWest PLC 13-17 Derby Road Nottingham NG1 9HR
<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' Report, and a directors' report under company law.

The Trust currently comprises of 25 schools, - 8 secondary, 16 primary and one special primary, although at the end of the financial year under review the Trust had 23 schools - 8 secondary and 11 primary. 3 primary schools, including 2 free schools joined the Trust during the year. 2 primary free schools have joined the Trust since the year end.

<b>Primary</b>	<b>Date joined in year</b>	<b>Secondary</b>
Chetwynd Spencer Academy		George Spencer Academy
Wyndham Spencer Academy		Heanor Gate Spencer Academy
Fairfield Spencer Academy		Long Field Spencer Academy
Portland Spencer Academy		Derby Moor Spencer Academy
Glenbrook Spencer Academy		John Port Spencer Academy
Sunnyside Spencer Academy		Rushcliffe Spencer Academy
Inkersall Spencer Academy		Arnold Hill Spencer Academy
Hilton Spencer School		Farnborough Spencer Academy
Ashwood Spencer Academy		
Chellaston Fields Spencer Academy		
The Mease Spencer Academy		
Highfields Academy	01/09/2020	
Rosecliffe Spencer Academy	01/09/2020	
Brackensdale Spencer Academy	01/04/2021	
Clover Leys Spencer Academy	01/09/2021	
Castleward Spencer Academy	01/09/2021	
<b>Special School</b>		
St Giles Spencer Academy		

The schools have a combined pupil Capacity of 16,401 and had a roll of 15,807 in September 2020.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 7353824.

The Directors act as the trustees for the charitable activities of The Spencer Academies Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### ***Members' liability***

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

#### ***Trustees' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

#### ***Method of recruitment and appointment or election of Trustees***

The number of Trustees shall be not less than three and (unless determined by ordinary resolution) shall not be more than fourteen. The articles of association set out the categories of Trustees and includes the following:

- up to 6 Trustees appointed by the members
- the Chief Executive Officer
- Parent Trustees
- any Additional Trustees appointed by the Secretary of State
- up to 2 Trustees, if appointed by the Secretary of State in accordance with the terms of any Relevant Funding Agreement.

The number of Trustees (including the Chief Executive Officer) appointed by the Members who are employees of the company may not exceed one third of the total number of Trustees.

The Trustees appoint separate committees known as Local Governing Bodies (LGB) for each Academy, which each operate according to the Scheme of Delegation. The establishment, terms of reference, constitution and membership of any committee of the Trustees or LGB's may be reviewed annually.

The Trustees listed on page 1 appoint Governors to each Academy LGB according to the Scheme of Delegation.

The term of office for any Trustees or Governor will be 4 years, except that this time limit does not apply to the CEO, Principal or Head of Academy. Any Trustees or Governor can be re-appointed or re-elected, subject to remaining eligible for the role.

#### ***Policies and procedures adopted for the induction and training of Trustees***

All Trustees are expected to undertake a full induction with the Trust upon their appointment, and will be given relevant supporting documentation. This induction programme intends to provide information on the Trust, its schools, its activities, staff, achievements, and the responsibilities expected of the Trustees.

All Trustees and Governors are provided with policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role effectively, as well as training sessions provided by the Trust procured through the National Governors Association and other providers as appropriate.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### ***Organisational structure***

Trustees are responsible for strategic core governance functions, including:

- ensuring clarity of vision, ethos and strategic direction
- holding the Chief Executive Officer (CEO) and the Executive team, our Principals/Head of Schools to account for the educational performance of our schools, pupils and staff; and
- overseeing the financial performance of the Trust and our schools and ensuring that funds entrusted to SAT are spent in compliance with statutory requirements

Each Academy operates under the Scheme of Delegation, which can be viewed at [www.satrust.com](http://www.satrust.com)

Local Governing Bodies are responsible for ensuring their Academy operates within the Trust wide Scheme of Delegation.

Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

The CEO of the Trust holds the position of Accounting Officer and his statement is included within this report. The Executive Leadership team are responsible for ensuring the educational outcomes, and strategic vision of the Trust throughout the Academies.

#### ***Arrangements for setting pay and remuneration of key management personnel***

The arrangements for the remuneration of key personnel are set out in the Trust's Pay Policy which is reviewed annually and ratified by the Trustees. The Pay Policy sets out the framework for decisions on all pay including senior management staff. The policies development is in line with current employment registration and considers the recommendations of the School Teachers' Pay and conditions Document (STPCD). The pay policy sits alongside the Trust Appraisal and capability policy which, when combined determine the process for assessing the performance and development needs of employees, as well as their eligibility for performance related pay and pay awards, against agreed objectives. The remuneration of the CEO is set and performance monitored by the Board of Trustees. There are no remuneration payments to Trustees.

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Spencer Academies Trust Facility Time reporting 2021

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations require relevant public sector employers, including multi academy trusts, to publish information about facilities time provided to trade union officials within the organisation before 31 July in the calendar year in which the relevant period to which the information relates ends. The reporting period covered by this report is 1 April 2020 to 31 March 2021.

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1

#### Percentage of time spent on facility time

Percentage of time	Number of employees
1%-50%	2

#### Percentage of pay bill spent on facility time

	2021
Provide the total cost of facility time	28,453
Provide the total pay bill	71,063,903

#### Paid trade union activities

	2021
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: ( total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours ) x 100	100

#### *Connected organisations, including related party relationships*

There are no connected organisations. Related Party Transactions are detailed in note 29.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Engagement with Employees**

The Trust has throughout the year engaged with employees through a variety of methods to ensure that the needs of both the employees and Trust are best met.

Policies and guidance are readily available and circulated at points of change, starts of employment or during periods when it is considered prudent to do so, this has been demonstrated this year during the continuing COVID Pandemic due to changing guidance on working practice, Curriculum delivery and health and safety.

Academies within the Trust have systems in place to capture employee feedback, through the means of staff surveys and regular review meetings with individuals and groups of employees. The Trust has implemented a Trust wide formalised method for capturing employee morale and feedback, through automated anonymised employee surveys and is currently reviewing how best to act upon the feedback received to improve employee wellbeing and satisfaction.

Since the impact of the Global pandemic continues to be felt the Trust has strengthened its employee wellbeing offer through the introduction of a wide ranging employee assist programme covering, Health and wellbeing support for all employees and their families.

The Trust has a robust professional performance review policy and process that ensures all employees are engaged with their own performance and how this impacts their Academy and the wider Trust.

The Trust is an equal opportunities employer of choice within the local area, and has robust recruitment and employee policies to ensure all employees are able to access employment, training, development and promotion regardless of any protected characteristics.

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

The Trust continues to act in line with its values of aspiration, partnership and responsibility when interacting with all stakeholders. By the nature of the organisation of the majority stakeholders are the pupils and their parents and carers. The Trust, and all its academies have clear policies to ensure that all pupils and their carers are recognised, and their comments and concerns and engaged with.

The Trust has continued to embed an appropriate procurement strategy to ensure that all suppliers are dealt with in an appropriate manner throughout the working relationship. Details of the Trust's terms and conditions for procurement are available on the Trust website. In addition to this the Trust has engaged with appropriate frameworks to ensure that best value is achieved whilst maintaining compliant arrangements.

By the nature of the Trust's operation there are limited customers to the Trust, the Trust engages with these on a localised basis as needed to ensure an ongoing relationship.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

The Trust's Objects, as disclosed in their Articles of Association are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the "Academies") offering a broad and balanced curriculum; and
- to promote for the benefit of individuals living in the East Midlands and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

##### ***Objectives, strategies and activities***

The Trust is focused on providing a high quality, effective education to all its students leading to improved life chances through raising aspirations and fulfilling potential of all pupils within the Trust. The Trust has continued to support and challenge its Academies to ensure that all pupils are able to fulfil their potential, and to ensure that the Trust continues to develop world-class system leaders in pupils, staff and the wider community.

##### ***Public benefit***

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

During 2021/21 the Trust continued to pursue its mission of delivering high quality education and delivering the best possible outcomes for children and young people. The Trust continued to play a leading regional role in the academy sector and to provide support and school improvement for other academy trusts. In response to the COVID pandemic remote and flexible learning were strengthened and the commitment to caring for children, staff and our community was further embedded with a particular focus on those that are most disadvantaged.

In September 2020 the Trust opened two brand new primary schools and in April 2021 converted an inadequate local school under Trust sponsorship. The Trust has been designated as a leading regional teaching school hub and also established itself as a registered apprenticeship provider. Educational outcomes at KS4 and Post 16 remained in the top 20% for all similar schools and the strong tradition of students progressing to further and higher education and into the workplace continued.

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### Ofsted Ratings

Name of school	Date joined Trust	Latest OFSTED inspection
George Spencer Academy	Sep-10	Outstanding - May 2015
Chetwynd Spencer Academy	Apr-12	Outstanding – November 2019
Wyndham Spencer Academy	Sep-12	Outstanding - May 2014
Fairfield Spencer Academy	Sep-13	Good - August 2016
Portland Spencer Academy	Feb-14	Good, outstanding for leadership & behaviour - January 2017
Glenbrook Spencer School	Apr-14	Good - February 2017
Sunnyside Spencer Academy	May-14	Good, outstanding for leadership and behaviour - July 2017
Heanor Gate Spencer Academy	Sep-14	Good - March 2017
Long Field Spencer Academy	Apr 15	Good - February 2018
Inkersall Spencer Academy	Sep-15	Requires Improvement, Good for Leadership - April 2018
Derby Moor Spencer Academy	Jan-18	Not yet inspected
John Port Spencer Academy	Feb-18	Not yet inspected
Rushcliffe Spencer Academy	Oct-18	Outstanding - February 2014
Hilton Spencer Academy	Oct-18	Not yet inspected
Arnold Hill Spencer Academy	Oct-18	Not yet inspected
Farnborough Spencer Academy	Oct-18	Not yet inspected
Ashwood Spencer Academy	Nov-18	Not yet inspected
Chellaston Fields Spencer Academy	Sept-19	Not yet inspected. Opened September 2019
The Mease Spencer Academy	Sept-19	Not yet inspected. Opened September 2019
St Giles Spencer Academy	Nov-19	Outstanding – December 2016
Highfields Spencer Academy	Sept-20	Not yet inspected. Opened September 2020
Rosecliffe Spencer Academy	Sept-20	Not yet inspected. Opened September 2020
Brackensdale Spencer Academy	Apr 21	Not yet inspected
Clover Leys Spencer Academy	Sep 21	Not yet inspected. Opened September 2021
Castleward Spencer Academy	Sep 21	Not yet inspected. Opened September 2021

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### Primary Progress and Attainment

KS2 Writing	2020 TA	2021 TA	National *	FFT20	FFT5
Ashwood	62%	62%	71%	82%	87%
Brackensdale	N/A	30%	71%	56%	63%
Chetwynd	90%	76%	71%	90%	93%
Fairfield	81%	77%	71%	81%	85%
Glenbrook	77%	73%	71%	79%	84%
Hilton	86%	78%	71%	93%	96%
Inkersall	69%	49%	71%	89%	93%
Portland	74%	80%	71%	90%	93%
Rosecliffe	N/A	93%	71%	90%	92%
Sunnyside	75%	80%	71%	81%	86%
Wyndham	72%	79%	71%	93%	96%

KS2 Reading	2020 TA	2021 TA	National *	FFT20	FFT5
Ashwood	56%	66%	78%	76%	83%
Brackensdale	N/A	36%	78%	54%	61%
Chetwynd	90%	85%	78%	87%	91%
Fairfield	88%	88%	78%	78%	83%
Glenbrook	79%	87%	78%	75%	81%
Hilton	88%	93%	78%	89%	93%
Inkersall	74%	70%	78%	86%	91%
Portland	78%	82%	78%	86%	91%
Rosecliffe	N/A	93%	78%	89%	91%
Sunnyside	82%	80%	78%	78%	84%
Wyndham	78%	88%	78%	90%	94%

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

KS2 Maths	2020 TA	2021 TA	National *	FFT20	FFT5
Ashwood	60%	65%	74%	85%	89%
Brackensdale	N/A	21%	74%	62%	70%
Chetwynd	86%	92%	74%	93%	96%
Fairfield	81%	79%	74%	84%	88%
Glenbrook	81%	82%	74%	84%	88%
Hilton	91%	86%	74%	94%	96%
Inkersall	72%	64%	74%	92%	95%
Portland	81%	83%	74%	92%	95%
Rosecliffe	N/A	87%	74%	92%	95%
Sunnyside	82%	80%	74%	87%	91%
Wyndham	86%	93%	74%	95%	97%

KS2 RWM	2020 TA	2021 TA	National *	FFT20	FFT5
Ashwood	53%	60%	64%	70%	79%
Brackensdale	N/A	18%	64%	45%	52%
Chetwynd	83%	74%	64%	83%	88%
Fairfield	78%	72%	64%	73%	79%
Glenbrook	73%	72%	64%	69%	76%
Hilton	84%	76%	64%	86%	91%
Inkersall	65%	45%	64%	81%	87%
Portland	74%	78%	64%	81%	88%
Rosecliffe	N/A	87%	64%	85%	89%
Sunnyside	75%	80%	64%	73%	80%
Wyndham	71%	76%	64%	87%	92%

#### Students assessed

	Ashwood	Brackensdale	Chetwynd	Fairfield	Glenbrook
Whole Cohort	89	67	62	102	60
FSM6 No	55	39	6	29	32
FSM6 %	61.8%	58.2%	9.7%	28.4%	53.3%

	Hilton	Inkersall	Portland	Rosecliffe	Sunnyside	Wyndham
Whole Cohort	111	47	60	15	25	58
FSM6 No	13	20	26	6	15	33
FSM6 %	11.7%	42.6%	43.3%	40.0%	60.0%	56.9%

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### Secondary Progress and Attainment

	Arnold Hill	Derby Moor	Farnborough	George Spencer	Heanor Gate	John Port
NOR 2020	234	265	129	246	206	294
NOR 2021	231	260	122	269	205	309
GCSE Grade 4+ Eng and Ma 2020	72%	72%	56%	80%	76%	81%
GCSE Grade 4+ Eng and Ma 2021	78%	71%	64%	83%	80%	84%
GCSE Grade 5+ Eng and Ma 2020	54%	50%	32%	58%	60%	61%
GCSE Grade 5+ Eng and Ma 2021	48%	47%	40%	67%	56%	70%
Progress Score 2020 (FFT Est.)	0.10	0.32	-0.79	0.09	0.11	0.06
Progress Score 2021 (FFT Est.)	0.06	0.17	-0.70	0.25	0.19	0.08

	Long Field	Rushcliffe	Trust Overall	National FFT Est
NOR 2020	125	252	1751	
NOR 2021	129	274	1396	
GCSE Grade 4+ Eng and Ma 2020	71%	92%	77%	73%
GCSE Grade 4+ Eng and Ma 2021	73%	89%	79%	75%
GCSE Grade 5+ Eng and Ma 2020	53%	79%	58%	51%
GCSE Grade 5+ Eng and Ma 2021	54%	82%	61%	54%
Progress Score 2020 (FFT Est.)	0.02	0.62	0.13	0.00
Progress Score 2021 (FFT Est.)	-0.19	0.49	0.12	0.00

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

##### ***Key performance indicators***

The Trust Board adopts a holistic view to measuring performance of the Trust and its Academies ensuring that they are measured across all performance indicators, as well as by discussion following visits by ELT members and peers within the Trust. All Academies within the Trust are tracked across the following metrics: OFSTED grading, academic attainment and progress of the cohorts, number on roll versus capacity, attendance, pupil and staff turnover, and financial stability and sustainability. In addition to these the Board of Directors reviews across all elements of operational efficacy ranging through safeguarding indicators, reviews of book scrutiny, health and safety and compliance health checks and internal audit recommendations.

Over the 2020/21 Academic year the Trust has further embedded the ethos of collaborative working within phases and cross phases, allowing Academies and Trust Executive Leadership Team to improve benchmarking and Quality Assurance to better improve the provision of education in all Academies. The Trust has continued to invest and develop its approach to digital literacy across all academies, both to enable distance learning, as has continued post pandemic, as well as to enhance the overall curriculum and the engagement of pupils within it. The work on enhancing pastoral provision across the Trust, undergone in 2019/20, has been built upon with all academies continuing and increasing their offer of counselling and support services to pupils, as well as tailored provision to help close the educational gap caused by the prolonged disruption to face to face learning.

##### ***Going concern***

After making appropriate enquiries, the Board of Directors 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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

##### **Promoting the Success of the Trust**

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take “promoting the success of the company” to mean “promoting the success of the charity to achieve its charitable purposes.”

The Spencer Academies Trust is governed by its charitable objects. These charitable objects set out the purpose of the Charity. The consequences of all decisions and activities of the charity are assessed by how they drive the Trust towards achieving that long-term purpose, including by reference to the Charity’s strategy, vision and values. As an educational charity, the Trust is accountable to the wider community as well as our pupils and funders.

The Trust continues to act in line with its values of aspiration, partnership and responsibility when interacting with all stakeholders, and these stakeholders, by engaging with the Trust, continue to challenge us to improve as well as supporting the Trust. It is the focus on these stakeholders that ensures the Trust focus the decisions made as a charity, from the local academy level through to the Board, are for their wider benefit. Well-established involvement in local academy and Trust practice and the mechanism of linking Trustees with individual academies and governing boards, ensure that decisions made by the Trustees are informed by the needs of the organisation’s stakeholders.

##### **Long-term consequences of any decision**

Trustees consider the long-term consequences of any strategic decision as part of their ongoing assessment prior to, and throughout the enacting of. The Trust operates financial metrics to safeguard the overall sustainability, however this is balanced against the needs of the pupils, employees and other stakeholders to ensure that we are appropriately spending government funding in line with our objects.

##### **The interests of the Trust’s employees**

Details of how the Trustees give consideration to the interests of the organisation’s employees can be found in the section Engagement with employees within this Report.

## **The Spencer Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2021 (continued)**

#### **Strategic Report**

The need to foster the Trust's business relationships with suppliers, customers and others. Details of how the Trustees give consideration to the interests of the organisation's other stakeholders can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust

The impact of the Trust's operations on the community and the environment. Details of how the Trustees give consideration to the impact on the community can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust. Further information is also given in the section on Public Benefit.

The desirability of the Trust maintaining a reputation for high standards of business conduct. The Trust aims to conduct all its relationships with integrity and courtesy, and to honour every business agreement. The Trustees and employees adhere to the seven principals of public life and conduct themselves in line with these. In order to facilitate this behaviour The Trust has approved a number of policies that help maintain these high standards of business conduct; these include the Anti Fraud policy, Whistleblowing Policy, and Gifts and Hospitality Policy.

The need to act fairly as between members of the Trust. All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees or the executive leadership, and being invited to participate in training or relevant strategic events.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

#### **Financial review**

This set of accounts lays out the financial performance for the Trust for the year ended to 31 August 2021. Funding is primarily received through the Funding Agreements that the Trust has with the Secretary of State for each Academy within the Trust. This funding is based upon the number of students on each Academy's roll, and is restricted for expenditure solely for the purposes of meeting the terms of the Funding Agreement. Funding is lagged for 12 months.

Revenue expenditure during the period has been overseen by the Executive Leadership of the Trust, along with the Principals of the Academies. Capital expenditure, funded by the Multi Academy Trust School Condition Allocation has been overseen and directed by the Trust Executive Leadership Team in line with the strategic forward plan for the Trust as a whole, as well as reactive needs of the estate of the Trust as required. The Board of Directors has oversight of financial reports, and holds the view that expenditure has been effectively managed in line with the Trust's financial policies and procedures, and has been of a prudent, fair and reasonable nature.

The majority of revenue expenditure has been in relation to staffing costs, both teaching and support, as is reasonably expected within academies.

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

The Trust has received £4,530k (2020: £4,055k) in Capital grants through the Multi-Academy Trust School Condition Allocation of which £564k (2020:£1,175k) is restricted to be spent on fixed assets.

Cash balances for the Trust were £16,815k at year end (2020: £10,252k).

At 31 August 2021 the Trust had a surplus of £17,697k (2020: Deficit of £4,726k), this includes an actuarial loss on the LGPS scheme of £10,342k as well as donated assets of £33,435k (2020: £4,250k) for buildings at Brackensdale, Chellaston Fields, Highfields, Rosecliffe and the Mease.

Pension Liabilities have increased in the year, following addition of new academies and pension assessments by the respective Local Authorities, to £66,543k (2020: £48,808k) overall.

The Balance Sheet as at 31 August 2021 has a positive position with net assets, excluding pension liability, amounting to £264,290k (2020: £228,858k).

#### *Reserves policy*

It is the responsibility of the Directors to ensure that the Trust is able to continue to operate on a going concern basis, and its constituent Academies.

The Directors have established a policy to monitor reserves, by individual Academy, and as a whole, to ensure they are maintained at an appropriate level. The Trust aims to hold 10% of in year income in reserves at both Academy and consolidated level. Where the Directors feel that additional support is required to improve an individual reserve this is provided by the Executive Leadership Team in collaboration with the Directors and Academy Executive Leadership.

Where there is a known capital requirement in the future the Trust may opt to increase the reserves held at either Local Academy or Trust level to ensure that the project can be undertaken without unnecessary risk to the day to day operations and educational outcomes. Where Academies or the Central Trust function hold more than 10% reserves, that are not earmarked, or ring fenced for ongoing or future projects, the needs of the Academy as assessed alongside the projected financial position, and a plan for the appropriate use of the funds at the relevant point in time to maximise impact is developed.

At all times the Directors consider the benefit of utilising reserves for long term investment in the Trust Activities whilst minimising the risk to cash flow. The accumulation of healthy reserves allows the Trust to be reactive to the changing landscape and invest where necessary, in changes to curriculum delivery and facilities development without impact on the current year budget.

As at 31 August 2021 the Trust held total funds of £197,747k, which includes; £10,936k restricted funds (excluding pension reserves) not available for general purposes of the Trust; £3,099k of free unrestricted reserves available for general use; and £250,255k of fixed asset restricted reserves which can only be realised on the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £14,035k.

#### *Investment policy*

Due to the nature of the funding cycle, the Trust, may at times, hold large cash balances which may not be required for immediate use. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates.

# The Spencer Academies Trust

## Trustees' Report for the Year Ended 31 August 2021 (continued)

### Strategic Report

#### *Principal risks and uncertainties*

The Trustees have considered the major risks to which the Trust is exposed over the coming period and have reviewed the risks accordingly.

The Trustees have established an Audit and Risk Committee to review the risks to the Trust and propose actions to mitigate these risks.

The principal risks to the Trust as identified to date are:

#### - Failure to deliver positive outcomes

The Trust monitors current progress and attainment throughout the year, benchmarking against known comparators, and working in collaboration both within and without, to ensure that educational outcomes are positive and all pupils achieve their potential.

The Trust has invested in enhancing the school improvement teams across all phases to focus on the gaps caused by the lost face to face education during the pandemic as well as improvement of the overall education provision. To complement this the Trust has focused resources on pastoral care to ensure that pupils are supported throughout the challenges and therefore in a position to enable them to access the curriculum fully.

#### - Reduction in student numbers across the Trust.

The Trust wide approach to educational outcomes, as well as the whole child approach, ensures that our Academies remain a desirable option for parents, minimising the risk of the falling roles across the Academies. The Trust has increased its focus on providing wrap around care and extended educational provision to increase the support to parents of the pupils and minimise the risk of reduced pupil numbers.

#### - Impact in real terms of proposed changes to the Funding Formulae

The Trust continues to reforecast the current, and long term, budgets in line with published changes to the funding across, General Annual Grant, Pupil Premium, LA funding and additional funding grants (Teachers' Pension and Teachers' Pay grants) and continues to review the projections. This allows for reallocation of funds as required to maintain financial sustainability and educational progress.

#### - COVID impact and ongoing management of the Global Pandemic

The Trust continues to reforecast the current, and long term, budgets to include the impact of the increased costs, and reduced income, associated with operating within the current climate. The long-term position of the Trust is uncertain due to the ever changing nature of the global position and the Trust is continually reviewing developments to ensure the long-term financial sustainability of the Trust.

The Trustees have identified specific actions with regard to each of these areas, and they are reviewed alongside the general risks at Audit and Risk Committee meetings and form part of the Risk Register.

#### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### Streamlined Energy and Carbon Reporting

##### UK Greenhouse gas emissions and energy use data for the period 01 September 2020 to 31 August 2021

	2021	2020
Energy consumption used to calculate emissions (kWh)	20,278,721	17,773,941
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Owned transport - mini-buses	18.58	23.83
Gas consumption	2437.66	2134.20
Bio fuel	423.00	0.00
Total scope 1	2879.24	2158.03
<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity	1455.42	1388.93
<b>Scope 3 emissions in metric tonnes CO2e</b>		
Business travel in employee owned vehicles	20.56	27.72
<b>Total gross emissions in metric tonnes CO2e</b>	<b>4355.22</b>	<b>3574.68</b>
<b>Intensity ratio</b>		
Tonnes CO2e per pupil	<b>0.28</b>	<b>0.23</b>

##### Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

##### Intensity measurement

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

##### Measures taken to improve energy efficiency

The Trust has rolled out video conferencing systems to limit the need for business miles, all utility meters have been fitted with half hourly reading to ensure accurate bills and the Trust has engaged with the DFE SEEF and Salix programmes to allow for improvements to energy efficient lighting systems, heating systems and insulations.

## The Spencer Academies Trust

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### *Plans for future periods*

The Trust continues to be ambitious and optimistic about its future development. With two further primary schools opening in September 2021 and an additional primary school opening in September 2022 and a secondary free school in pre-operations. The Trust is planning to invest well over £20 million in its estates environment in the coming years.

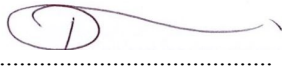
The Trust will focus on being well governed with outstanding leadership and financially robust and will continually strive to achieve its vision which is to be an exceptional trust providing outstanding education for local children.

##### **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.

This Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 8th December 2021 and signed on its behalf by:



.....  
D Kinderman  
Trustee

# The Spencer Academies Trust

## Governance Statement

### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Spencer Academies 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 P West, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Spencer Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees and constituent sub committees, was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Kinderman	5	6
M Batchelor	6	6
G Weightman	4	6
J Smith	5	6
J Dale	6	6
M Thompson	5	6
T Preston	5	5
G Mukuka	1	1
P West	6	6

There have been five sub-committees of the Board of Trustees for the year ended 31 August 2021, Resources (Finance and Personnel), Audit and Risk, Quality & Standards, Estates and Health and Safety, and Remuneration.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure appropriate action is taken to secure ongoing financial viability at Trust Level, through providing strategic guidance, support and challenge around all areas of Trust resources, including, but not limited to, financial procedures and process, effective management and deployment of government grants, capital maintenance programs, staffing structures, budget setting, ratification and review. Attendance at meetings during the year was as follows:

**The Spencer Academies Trust**  
**Governance Statement (continued)**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Kinderman	3	3
G Weightman	3	3
J Smith	1	3
M Thompson	2	3
P West	3	3
T Preston	3	3
M Batchelor	1	3

The Quality and Standards Committee is also a sub-committee of the main Board of Trustees. Its purpose is Monitor and evaluate the Trust's school improvement model, and ensure that standards or progress and attainment are maintained and improved across the Trust academies.

Attendance at the Quality and Standards committee in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Bachelor	3	3
D Kinderman	2	3
G Weightman	3	3
J Dale	3	3
P West	3	3

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the financial and other statutory returns of the Trust, and to hold the Executive to account for compliance with the regulations of the Academies Financial Handbook, and other requirements. Attendance at the Audit Committee in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T Preston	1	1
D Kinderman	2	3
J Smith	3	3
M Batchelor	3	3
P West	3	3

## The Spencer Academies Trust

### Governance Statement (continued)

The Estates Committee is a subcommittee of the Board of Directors. Its purpose is to review and monitor the maintenance and development of the Trust's estate and to hold the Executive to account on matters relating to the Estates and Health and Safety It met four times during the year, with attendance as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Bachelor	3	3
D Kinderman	3	3
G Weightman	3	3
P West	3	3
J Smith	2	3

The Remuneration Committee has the delegated powers to review remuneration for the CEO and other senior staff with remuneration above the levels set out in the Scheme of Delegation. It met once during the year, with attendance as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Bachelor	1	1
M Thompson	1	1
D Kinderman	1	1

#### Review of value for money

As Accounting Officer, P West, has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider community 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 Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year as below:

The Trust is committed to raising attainment and progress and for continuously improving the education received by all its pupils.

The Trust has implemented a dedicated central team to deliver in house centralised business function support to allow for consistent low cost finance, HR, payroll and recruitment functions allowing the Academies to focus on Teaching and Learning objectives.

Centralised procurement is enabled through the Trust Central Team, allowing for economies of scale, ensuring best value and cost savings are realised within the Academies.

The Trust takes a deliberate and focused approach to collaboration across the Trust; sharing best practice across all phases. Trust-wide Continuous Professional Development and implementations of multi academy processes for reviewing, monitoring and implementing impacts of intervention to maximise benefit to students helps to ensure the maximum realisation of potential across all pupils.

The financial performance of the Trust has been sound over the year, against a backdrop of tightening funding and increased operational costs, and the Trust's reserves remain healthy. The Board is committed to ensuring that the students across the Trust are advantaged by being part of the Trust and therefore ensure that the reserves are deployed into appropriate projects to benefit our students, whilst being mindful of the need to maintain a healthy reserves position to ensure financial stability.

# **The Spencer Academies Trust**

## **Governance Statement (continued)**

### **The purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Spencer Academies Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of each Academy 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 Haines Watts Chartered Accountants as internal auditor from 2018/19.

In the Year 2019/20 Haines Watts have undertaken a review of the financial regulations in place, and have drawn up an internal audit schedule to cover the principal risks to the Trust, a schedule of reviews are in place for Risk and Financial Controls, with Payroll and ICT strategy undertaken in Summer, with Health and Safety Management due to be started during Autumn 2020.

### **Review of Effectiveness**

As Accounting Officer, P West, 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 internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

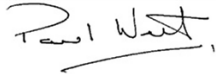
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**The Spencer Academies Trust**  
**Governance Statement (continued)**

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on its behalf by:



.....  
D Kinderman  
Trustee



.....  
P West  
Chief Executive Officer

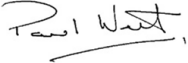
## The Spencer Academies Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Spencer Academies 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 2020.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and ESFA.



.....  
P West  
Accounting Officer

Date: 8 December 2021

## The Spencer Academies Trust

### Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 on 8 December 2021 and signed on its behalf by:



.....  
D Kinderman  
Trustee

## **The Spencer Academies Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Spencer Academies Trust**

#### **Opinion**

We have audited the financial statements of The Spencer Academies Trust (the 'Academy Trust') for the year ended 31 August 2021, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **The Spencer Academies Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Spencer Academies Trust (continued)**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

- In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report; or
- 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 set out on page 27, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

## **The Spencer Academies Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Spencer Academies Trust (continued)**

#### **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.

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

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy through discussions with trustees and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2020 to 2021 and Academies Financial Handbook 2020, both issued by the Education and Skills Funding Agency.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions.

## The Spencer Academies Trust

### Independent Auditor's Report on the Financial Statements to the Members of The Spencer Academies Trust (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 Academy Trust's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

Sue Hutchinson FCCA (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor

Chartered Accountants and Statutory Auditors  
St George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

Date: 17 December 2021

## **The Spencer Academies Trust**

### **Independent Reporting Accountant's Report on Regularity to The Spencer Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 23 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Spencer Academies Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Spencer Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Spencer Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Spencer Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants 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 and testing of financial systems of internal control;
- Sample testing of transactions;
- Discussions with management.

## The Spencer Academies Trust

### Independent Reporting Accountant's Report on Regularity to The Spencer Academies Trust and the Education and Skills Funding Agency (continued)

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Beever and Struthers*

Sue Hutchinson FCCA  
For and on behalf of Beever and Struthers, Chartered Accountants

Chartered Accountants and Statutory Auditors  
St George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

Date: 17 December 2021

## The Spencer Academies Trust

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
<b>Income and endowments from:</b>						
Voluntary income						
Donations and capital grants						
	2	42	3,924	564	4,530	4,055
	33	-	(1,629)	33,435	31,806	3,472
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations						
	3	1,236	94,739	-	95,975	87,658
		-	1,905	-	1,905	1,729
	4	640	68	-	708	1,241
	5	2	-	-	2	30
		<u>1,920</u>	<u>99,007</u>	<u>33,999</u>	<u>134,926</u>	<u>98,185</u>
<b>Expenditure on:</b>						
Raising funds						
	6	100	469	-	569	1,492
<i>Charitable activities:</i>						
Academy trust educational operations						
	7	3,039	96,253	5,338	104,630	93,610
	31	-	1,688	-	1,688	1,679
		<u>3,139</u>	<u>98,410</u>	<u>5,338</u>	<u>106,887</u>	<u>96,781</u>
		(1,219)	597	28,661	28,039	1,404
	17	1,546	(5,643)	4,097	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(loss) on defined benefit pension schemes						
	28	-	(10,342)	-	(10,342)	(6,130)
		327	(15,388)	32,758	17,697	(4,726)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2020						
		<u>2,772</u>	<u>(40,219)</u>	<u>217,497</u>	<u>180,050</u>	<u>184,776</u>
Total funds/(deficit) carried forward at 31 August 2021						
		<u><u>3,099</u></u>	<u><u>(55,607)</u></u>	<u><u>250,255</u></u>	<u><u>197,747</u></u>	<u><u>180,050</u></u>

**The Spencer Academies Trust**  
**(Registration number: 7353824)**  
**Balance Sheet as at 31 August 2021**

	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Intangible assets	12	15	22
Tangible assets	13	<u>250,240</u>	<u>217,934</u>
		<u>250,255</u>	<u>217,956</u>
<b>Current assets</b>			
Debtors	14	5,657	7,642
Cash at bank and in hand		<u>16,815</u>	<u>10,252</u>
		22,472	17,894
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(8,038)</u>	<u>(6,628)</u>
<b>Net current assets</b>		<u>14,434</u>	<u>11,266</u>
<b>Total assets less current liabilities</b>		264,689	229,222
Creditors: Amounts falling due after more than one year	16	<u>(399)</u>	<u>(364)</u>
<b>Net assets excluding pension liability</b>		264,290	228,858
Defined benefit pension scheme liability	28	<u>(66,543)</u>	<u>(48,808)</u>
<b>Total net assets including pension liability</b>		<u>197,747</u>	<u>180,050</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	17	10,936	8,589
Restricted fixed asset fund	17	250,255	217,497
Restricted pension fund	17	<u>(66,543)</u>	<u>(48,808)</u>
		194,648	177,278
<b>Unrestricted funds</b>			
Unrestricted general fund	17	<u>3,099</u>	<u>2,772</u>
<b>Total funds</b>		<u>197,747</u>	<u>180,050</u>

**The Spencer Academies Trust**

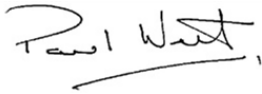
**(Registration number: 7353824)**

**Balance Sheet as at 31 August 2021 (continued)**

The financial statements on pages 34 to 70 were approved by the Trustees, and authorised for issue on 8 December 2021 and signed on their behalf by:



.....  
D Kinderman  
Trustee



.....  
P West  
Chief Executive Officer

## The Spencer Academies Trust

### Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £ 000	2020 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	10,165	1,984
<b>Cash flows from investing activities</b>	23	(3,637)	(3,252)
<b>Cash flows from financing activities</b>	22	<u>35</u>	<u>(97)</u>
<b>Change in cash and cash equivalents in the year</b>		6,563	(1,365)
Cash and cash equivalents at 1 September		<u>10,252</u>	<u>11,617</u>
Cash and cash equivalents at 31 August	24	<u>16,815</u>	<u>10,252</u>

# The Spencer Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 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.

#### **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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval 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 will continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 spent on capital projects in line with the terms and conditions of the grant. 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.

# The Spencer Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### *Donations*

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

#### *Other income*

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

#### *Transfer on conversion*

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

#### *Transfer of existing academies into the trust*

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

#### *Donated fixed assets*

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

#### **Expenditure**

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

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.

# The Spencer Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Computer software	3 years straight line

#### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold Land	125 years in line with terms of lease
Freehold property	50 years straight line
Long-term Leasehold property	10-75 years straight line
Motor vehicles	4 years straight line
Furniture and Fixtures	8 years straight line
Computer equipment	3 years straight line

#### 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.

# The Spencer Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### *Provisions*

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased assets**

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

#### **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 as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### **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.

# The Spencer Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### Pension 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. The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### 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 governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/Department for Education.

#### Critical accounting estimates and areas of judgement

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.

# The Spencer Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and Buildings received into the Trust on new academies joining the Trust are valued at fair value. The land and buildings received into the Trust in 2021 have been formally valued at their fair value on a freehold basis by an independent firm of RICS approved valuers. The Trustees believe, to the best of their knowledge and drawing on all available sources of information that the assets are leasehold in tenure. The valuers confirm that the impact on the valuation of the land element on moving from freehold to leasehold is a 10% reduction, with no impact on the value of the buildings. The freehold valuations for land have been adjusted on this basis in recognising the assets coming into the Trust. This resulted in a £1.09m reduction in value for the land as recognised in the Statement of Financial Position, and associated Donation in the Statement of Financial Activities, compared to the freehold valuations provided by the valuer.

#### **Agency accounting**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
<b>Other voluntary income</b>					
Capital grants	-	3,924	564	4,488	3,801
Other donations	42	-	-	42	254
	<u>42</u>	<u>3,924</u>	<u>564</u>	<u>4,530</u>	<u>4,055</u>

The income from donations and capital grants was £4,530,602 (2020: £4,054,579) of which £42,203 was unrestricted (2020: £Nil), £3,923,840 restricted (2020: £2,879,172) and £564,559 restricted fixed assets (2020: £1,175,407).

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
<b>DfE/ESFA revenue grants</b>				
General Annual Grant	-	78,211	78,211	71,017
Other DfE/ESFA grants	-	10,111	10,111	10,352
	-	88,322	88,322	81,369
<b>Other government grants</b>				
Local authority grants	-	5,607	5,607	4,743
<b>COVID-19 additional funding</b>				
Coronavirus funding	-	-	-	4
Mass testing (non-DfE/ESFA)	-	319	319	-
Catch-up premium (DFE/ESFA)	-	626	626	-
	-	945	945	4
<b>Non-government grants and other income</b>				
Other income from the Academy Trust's educational operations	1,236	10	1,246	1,542
Total grants	1,236	94,884	96,120	87,658

The funding for educational operations was £95,974,596 (2020: £87,658,305) of which £1,235,641 was unrestricted (2020: £1,634,901), £94,738,955 restricted (2020: £86,023,404) and £Nil restricted fixed assets (2020: £Nil).

#### 4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Hire of facilities	93	-	93	181
Academy trips	-	(107)	(107)	575
Other sales	547	167	714	404
Income from other charitable activities	-	8	8	81
	640	68	708	1,241

The income from other trading activities was £707,177 (2020: £1,240,240) of which £639,580 was unrestricted (2020: £382,799), £67,597 restricted (2020: £857,441) and £Nil restricted fixed assets (2020: £Nil).

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 5 Investment income

	<b>Unrestricted funds £ 000</b>	<b>2020/21 Total £ 000</b>	<b>2019/20 Total £ 000</b>
Interest Received	2	2	30

The income from investments was £1,520 (2020: £30,338) of which £1,520 was unrestricted (2020: £30,338), £Nil restricted (2020: £Nil) and £Nil restricted fixed assets (2020: £Nil).

#### 6 Expenditure

	<b>Non Pay Expenditure</b>			<b>2020/21 Total £ 000</b>	<b>2019/20 Total £ 000</b>
	<b>Staff costs £ 000</b>	<b>Premises £ 000</b>	<b>Other costs £ 000</b>		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	51	51	52
Allocated support costs	-	-	518	518	1,440
<b>Academy's educational operations</b>					
Direct costs	64,290	4,048	4,533	72,871	67,465
Allocated support costs	14,692	8,527	8,540	31,759	26,145
Teaching School	1,157	-	531	1,688	1,679
	80,139	12,575	14,173	106,887	96,781

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
Operating lease rentals	148	139
Depreciation	5,313	4,738
Amortisation of intangible fixed assets	25	21
Fees payable to auditor - audit	40	37
- other audit services	12	7
	12	7

#### 7 Charitable activities

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
Direct costs - educational operations	72,871	67,465
Support costs - educational operations	31,759	26,145
	104,630	93,610

	<b>Educational operations</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>Total</b>	<b>Total</b>
		<b>£ 000</b>	<b>£ 000</b>
<b>Analysis of support costs</b>			
Support staff costs	14,692	14,692	13,528
Depreciation	1,290	1,290	1,048
Technology costs	2,648	2,648	1,962
Premises costs	7,237	7,237	5,005
Other support costs	5,867	5,867	4,510
Governance costs	25	25	92
Total support costs	31,759	31,759	26,145

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 8 Staff

##### Staff costs

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	56,117	52,056
Social security costs	5,521	5,099
Operating costs of defined benefit pension schemes	12,352	11,224
	73,990	68,379
Supply staff costs	1,195	1,028
Staff restructuring costs	24	23
	75,209	69,430
	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>

##### Staff restructuring costs comprise:

Redundancy payments	5	6
Severance payments	-	15
Other restructuring costs	19	2
	24	23

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £15,000). Individually, the payments were:

Non-contractual payments £Nil

##### Staff numbers

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

	<b>2020/21</b>	<b>2019/20</b>
	<b>No</b>	<b>No</b>
<b>Charitable Activities</b>		
Teachers	982	965
Administration and support	1,321	1,490
Management	23	22
	2,326	2,477

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 8 Staff (continued)

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	105	90
£70,001 - £80,000	30	26
£80,001 - £90,000	18	15
£90,001 - £100,000	4	3
£100,001 - £110,000	2	1
£110,001 - £120,000	3	4
£120,001 - £130,000	1	1
£130,001 - £140,000	2	1
£140,001 - £150,000	-	2
£150,001 - £160,000	1	-
£160,001 - £170,000	1	-
£280,001 - £290,000	1	1

##### Key management personnel

The key management personnel of the academy trust comprise the Trustees and the Executive Leadership 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 £1,139,975 (2020: £1,036,856).

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 9 Central services

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

- Human resources
- Financial Services
- Legal services
- Educational support services
- Estates / H & S
- Others as arising

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

The schools are charged a fixed percentage of GAG of 5%.

The actual amounts charged during the year were as follows:

	<b>2021</b>
	<b>£ 000</b>
George Spencer Academy	352
Wyndham Spencer Academy	89
Chetwynd Spencer Academy	75
Fairfield Spencer Academy	109
Portland Spencer Academy	83
Glenbrook Spencer Academy	84
Sunnyside Spencer Academy	45
Heanor Gate Spencer Academy	337
Long Field Spencer Academy	186
Inkersall Spencer Academy	73
Derby Moor Spencer Academy	428
John Port Spencer Academy	452
Ashwood Spencer Academy	136
Hilton Spencer Academy	147
Arnold Hill Spencer Academy	377
Rushcliffe Spencer Academy	443
Farnborough Spencer Academy	226
St Giles Spencer Academy	59
The Mease Spencer Academy	14
Chellaston Fields Spencer Academy	19
Brackensdale Spencer Academy	52
Rosecliffe Spencer Academy	30
Highfields Spencer Academy	11
	<hr/> <hr/> <b>3,827</b>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The CEO 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 role as trustees. The value of trustees' remuneration and other benefits was as follows:

P West (Chief Executive Officer)

Remuneration: £230,000 - £235,000 (2020: £230,000 - £235,000)

Employer's pension contributions: £50,000 - £55,000 (2020: £50,000 - £55,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £449) were reimbursed or paid directly to 0 trustee (2020 - 2).

Other related party transactions involving the Trustees are set out in note 29.

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £1,000 (2020 - £1,000).

The cost of this insurance is included in the total insurance cost.

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 12 Intangible fixed assets

	<b>Computer software £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 September 2020	65	65
Additions	18	18
At 31 August 2021	<u>83</u>	<u>83</u>
<b>Amortisation</b>		
At 1 September 2020	43	43
Charge for the year	25	25
At 31 August 2021	<u>68</u>	<u>68</u>
<b>Net book value</b>		
At 31 August 2021	<u>15</u>	<u>15</u>
At 31 August 2020	<u>22</u>	<u>22</u>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 13 Tangible fixed assets

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Plant and equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2020	172,959	52,294	6,462	3,235	1,489	236,439
Additions	153	300	2,228	643	939	4,263
Disposals	(78)	-	-	-	-	(78)
Transfers on conversion	-	33,435	-	-	-	33,435
At 31 August 2021	<u>173,034</u>	<u>86,029</u>	<u>8,690</u>	<u>3,878</u>	<u>2,428</u>	<u>274,059</u>
<b>Depreciation</b>						
At 1 September 2020	8,806	4,635	2,315	2,750	-	18,506
Charge for the year	<u>2,595</u>	<u>1,455</u>	<u>837</u>	<u>426</u>	-	<u>5,313</u>
At 31 August 2021	<u>11,401</u>	<u>6,090</u>	<u>3,152</u>	<u>3,176</u>	-	<u>23,819</u>
<b>Net book value</b>						
At 31 August 2021	<u>161,633</u>	<u>79,939</u>	<u>5,538</u>	<u>702</u>	<u>2,428</u>	<u>250,240</u>
At 31 August 2020	<u>164,153</u>	<u>47,659</u>	<u>4,147</u>	<u>485</u>	<u>1,489</u>	<u>217,933</u>

#### 14 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	794	735
VAT recoverable	2,181	1,941
Other debtors	25	31
Prepayments	935	1,085
Accrued grant and other income	<u>1,722</u>	<u>3,850</u>
	<u>5,657</u>	<u>7,642</u>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade creditors	2,706	1,445
Other taxation and social security	1,417	1,277
Loans	96	96
Other creditors	211	323
Accruals	1,033	1,529
Deferred income	1,089	624
Pension scheme creditor	1,486	1,334
	8,038	6,628

For details of loans see Note 16.

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Deferred income</b>		
Deferred income at 1 September 2020	624	1,431
Resources deferred in the period	1,089	624
Amounts released from previous periods	(624)	(1,431)
Deferred income at 31 August 2021	1,089	624

The sources of income deferred are universal infant free school meals and COVID catch up grants.

#### 16 Creditors: amounts falling due after one year

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Loans	399	364

Loans comprise low interest, unsecured Government funding specifically dedicated to support energy efficiency projects for the public sector and were considered the most economically advantageous way to fund the energy projects for the academy trust:

##### **Salix Loans**

The loans relate to Salix loans received from Nottinghamshire County Council. The loans are being repaid by annual instalments. The balance of Salix loans is £200k (2020: £141k).

##### **(MAT) Pilot Loan Programme**

The (MAT) Pilot Loan Programme is received from the Secretary of State for Education. The amount outstanding at the year end is £295k (2020: £319k).

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	13,281	78,210	(70,437)	(5,643)	15,411
Pupil Premium	-	4,116	(4,116)	-	-
Other grants and restricted income	-	16,405	(16,405)	-	-
Transfers on conversion	(72)	-	-	-	(72)
Teaching schools	126	1,905	(1,688)	-	343
	<u>13,335</u>	<u>100,636</u>	<u>(92,646)</u>	<u>(5,643)</u>	<u>15,682</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	431,047	564	(5,338)	4,097	430,370
Transfers on conversion	-	33,435	-	-	33,435
	<u>431,047</u>	<u>33,999</u>	<u>(5,338)</u>	<u>4,097</u>	<u>463,805</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(85,759)</u>	<u>(1,629)</u>	<u>(5,764)</u>	<u>(10,342)</u>	<u>(103,494)</u>
<b>Total restricted funds</b>	358,623	133,006	(103,748)	(11,888)	375,993
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>6,204</u>	<u>1,920</u>	<u>(3,139)</u>	<u>1,546</u>	<u>6,531</u>
<b>Total funds</b>	<u><u>364,827</u></u>	<u><u>134,926</u></u>	<u><u>(106,887)</u></u>	<u><u>(10,342)</u></u>	<u><u>382,524</u></u>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Funds (continued)

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

	<b>Balance at 1 September 2019 £ 000</b>	<b>Incoming resources £ 000</b>	<b>Resources expended £ 000</b>	<b>Gains, losses and transfers £ 000</b>	<b>Balance at 31 August 2020 £ 000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	4,734	71,587	(64,421)	(3,353)	8,547
Pupil Premium	-	3,826	(3,826)	-	-
Other grants and restricted income	-	14,439	(14,439)	-	-
Transfers on conversion	(72)	-	-	72	-
Teaching schools	84	1,637	(1,679)	-	42
	<u>4,746</u>	<u>91,489</u>	<u>(84,365)</u>	<u>(3,281)</u>	<u>8,589</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	213,550	5,426	(4,760)	3,281	217,497
<b>Restricted pension funds</b>					
Pension reserve	<u>(36,951)</u>	<u>(1,183)</u>	<u>(4,544)</u>	<u>(6,130)</u>	<u>(48,808)</u>
Total restricted funds	181,345	95,732	(93,669)	(6,130)	177,278
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>3,432</u>	<u>2,452</u>	<u>(3,112)</u>	<u>-</u>	<u>2,772</u>
Total funds	<u><u>184,777</u></u>	<u><u>98,184</u></u>	<u><u>(96,781)</u></u>	<u><u>(6,130)</u></u>	<u><u>180,050</u></u>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Funds (continued)

##### Analysis of academies by cost

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

	<b>Teaching and Educational Support Staff Costs £ 000</b>	<b>Other Support Staff Costs £ 000</b>	<b>Educational Supplies £ 000</b>	<b>Other Costs (excluding Depreciation) £ 000</b>	<b>Total 2021 £ 000</b>	<b>Total 2020 £ 000</b>
George Spencer Academy	6,455	835	349	1,090	8,729	8,588
Wyndham Spencer Academy	1,494	213	146	447	2,300	2,251
Chetwynd Spencer Academy	1,392	198	75	241	1,906	1,794
Fairfield Spencer Academy	1,779	170	151	375	2,475	2,383
Portland Spencer Academy	1,665	129	155	381	2,330	2,244
Glenbrook Spencer Academy	1,541	222	116	343	2,222	2,145
Sunnyside Spencer Academy	734	115	46	198	1,093	1,014
Heanor Gate Spencer Academy	5,633	695	267	888	7,483	7,341
Long Field Spencer Academy	2,659	442	286	634	4,021	3,713
Inkersall Spencer Academy	1,281	178	77	336	1,872	1,758
Derby Moor Spencer Academy	5,873	811	516	1,025	8,225	7,993
John Port Spencer Academy	6,970	1,127	357	1,247	9,701	9,599
Ashwood Spencer Academy	1,936	518	121	418	2,992	3,020
Hilton Spencer Academy	2,301	316	64	457	3,138	3,329
Arnold Hill Spencer Academy	5,970	1,163	470	986	8,589	8,514
Rushcliffe Spencer Academy	6,737	1,105	415	1,306	9,563	9,140
Farnborough Spencer Academy	3,027	513	191	1,305	5,036	4,934
St Giles Spencer Academy	2,341	268	107	191	2,907	2,161

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Funds (continued)

	<b>Teaching and Educational Support Staff Costs £ 000</b>	<b>Other Support Staff Costs £ 000</b>	<b>Educational Supplies £ 000</b>	<b>Other Costs (excluding Depreciation) £ 000</b>	<b>Total 2021 £ 000</b>	<b>Total 2020 £ 000</b>
The Mease						
Spencer Academy	256	18	18	86	378	288
Chellaston Fields						
Spencer Academy	327	71	48	104	550	394
Brackensdale						
Spencer Academy	899	221	35	112	1,267	-
Castleward						
Spencer Academy	-	-	-	1	1	-
Rosecliffe						
Spencer Academy	327	74	60	104	565	-
Highfields						
Spencer Academy	236	56	16	74	382	-
Central services	<u>2,227</u>	<u>885</u>	<u>80</u>	<u>1,032</u>	<u>5,224</u>	<u>6,031</u>
Academy Trust	<u><u>64,060</u></u>	<u><u>10,343</u></u>	<u><u>4,166</u></u>	<u><u>13,381</u></u>	<u><u>92,949</u></u>	<u><u>88,634</u></u>

#### Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
George Spencer Academy	960	657
Wyndham Spencer Academy	1,399	1,371
Chetwynd Spencer Academy	(237)	(225)
Fairfield Spencer Academy	835	596
Portland Spencer Academy	246	192
Glenbrook Spencer Academy	745	700
Sunnyside Spencer Academy	172	(11)
Heanor Gate Spencer Academy	719	539
Long Field Spencer Academy	218	33
Inkersall Spencer Academy	(21)	(55)
Derby Moor Spencer Academy	3,349	2,254
John Port Spencer Academy	982	879
Hilton Spencer Academy	729	421
Arnold Hill Spencer Academy	654	840
Farnborough Spencer Academy	(272)	(228)
Rushcliffe Spencer Academy	(252)	(390)
Ashwood Spencer Academy	1,534	1,034

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Funds (continued)

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
St Giles Spencer Academy	611	384
Chellaston Fields Spencer Academy	(19)	4
The Mease Spencer Academy	50	15
Brackensdale Spencer Academy	41	-
Rosecliffe Spencer Academy	62	-
Highfields Spencer Academy	52	-
Central services	1,478	2,351
Total before fixed assets and pension reserve	14,035	11,361
Fixed asset fund	250,255	217,497
Pension reserve	(66,543)	(48,808)
Total	197,747	180,050

Chetwynd Primary Academy is carrying a net deficit of £237,000 on these funds because:

The deficit is a result of new classrooms being constructed. This has been financed partly by SCA monies and also an intra-trust loan of £250,000 and it is the latter that has led to the deficit in general funds. The ongoing impact of the COVID pandemic on extended schools and extracurricular income has led to a small in year deficit, however it is conservatively forecast to return a surplus in 2021/22 and forward. This is being continually reviewed, along with other academies, to refine the ongoing forecast position. In the meantime, the Trust as a whole has the resources to support the Academy during this phase.

Inkersall Primary Academy is carrying a net deficit of £21,000 on these funds because:

We inherited a school that required significant investment and structural changes in the way it was staffed. The school returned an in year surplus in line with predictions in 2017/18, 2018/19, 2019/20 and 2020/21, although the magnitude was reduced in line with COVID expectations from the original projections, and it continues to project a surplus for the subsequent 3 years. The Trust as a whole has sufficient resources to support the Academy throughout this process.

Farnborough Academy is carrying a net deficit of £272,000 on these funds because:

At the point of being sponsored by the Trust, Farnborough Academy was carrying a net deficit due to inefficiencies, a reduced roll and an inability to vary the estates management costs due to the existing PFI contract. During the last two years Farnborough returned a broadly balanced position, showing improvements in financial management throughout the period, as well as seeing an increase in NOR due to improved educational outcomes. In 2020/21 the Trust opted to invest in the infrastructure and teaching environments ICT provision to enable the Academy to better serve the pupils. As such there was a small in year deficit returned. The Trust will continue to support Farnborough Academy whilst it improves its educational outcomes, making it a more desirable school and improving its roll further. Whilst doing this the Trust has sufficient scale to leverage buying power and minimise costs of resources and supplies wherever possible. The Trust is able to continue to support the Academy whilst it continues to improve its financial viability.

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Funds (continued)

Rushcliffe School is carrying a net deficit of £252,000 on these funds because:

At the point of joining the Trust, Rushcliffe School was in a net deficit position, due to inefficiencies, an increasing roll and significant investment in estates and facilities to accommodate the increased numbers. Rushcliffe and the Trust are working with the Local Authority to ensure that appropriate funding is received to accommodate additional pupils going forward. In addition to this the introduction of curriculum led financial planning tools used at Rushcliffe have allowed for a more efficient staffing model, and close monitoring of the budget means that a surplus in year is projected for the next 3 years. During 2019/20 Rushcliffe returned a small surplus followed by a more significant one in 2020/21, however the projected impact was reduced in part due to the COVID-19 pandemic. The Academy has set a surplus budget going forward The Trust as a whole has sufficient resources to support the Academy throughout this process.

Chellaston Fields Spencer Academy is carrying a net deficit of £19,000 on these funds because:

Chellaston Fields is a new Academy that opened in September 2019 with a 30 place reception and a 15 place year 3 class and is growing by one form of 30 pupils per annum. Due to its small scale and the COVID pandemic increasing significantly staffing absence there has been a deficit created from additional staffing costs to ensure the running of the Academy. Due to this and ongoing staffing pressures we expect to see a slight increase in this during the 2021/22 academic year before this stabilises and recovers. Current forecasting expects the Academy to return a cumulative surplus with 2 years, however this may be sooner depending on the longevity of the detrimental COVID impacts.

#### 18 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	<b>Unrestricted funds £ 000</b>	<b>Restricted general funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total funds £ 000</b>
Intangible fixed assets	-	-	15	15
Tangible fixed assets	-	-	250,240	250,240
Current assets	3,099	18,878	495	22,472
Current liabilities	-	(7,942)	(96)	(8,038)
Creditors over 1 year	-	-	(399)	(399)
Pension scheme liability	-	(66,543)	-	(66,543)
<b>Total net assets</b>	<b>3,099</b>	<b>(55,607)</b>	<b>250,255</b>	<b>197,747</b>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 18 Analysis of net assets between funds (continued)

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

	<b>Unrestricted funds £ 000</b>	<b>Restricted general funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total funds £ 000</b>
Intangible fixed assets	-	-	22	22
Tangible fixed assets	-	-	217,934	217,934
Current assets	2,772	15,121	-	17,893
Current liabilities	-	(6,531)	(97)	(6,628)
Creditors over 1 year	-	-	(364)	(364)
Pension scheme liability	-	(48,808)	-	(48,808)
Total net assets	2,772	(40,218)	217,495	180,049

#### 19 Capital commitments

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Contracted for, but not provided in the financial statements	468	-

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 20 Commitments under operating leases

##### *Operating leases*

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts due within one year	963	895
Amounts due between one and five years	956	1,816
Amounts due after five years	830	790
	<u>2,749</u>	<u>3,501</u>

#### 21 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
Net income	28,039	1,404
Amortisation	25	21
Depreciation	5,313	4,739
Capital grants from DfE and other capital income	(564)	(1,175)
Interest receivable	(2)	(30)
Defined benefit pension scheme obligation inherited	1,629	1,183
Defined benefit pension scheme cost less contributions payable	4,931	3,831
Defined benefit pension scheme finance cost	834	716
Decrease/(increase) in debtors	1,985	(4,152)
Increase/(decrease) in creditors	1,410	(302)
Transfers in on conversion	(33,435)	(4,251)
Net cash provided by Operating Activities	<u>10,165</u>	<u>1,984</u>

#### 22 Cash flows from financing activities

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
Repayments of borrowing	-	(97)
Cash inflows from new borrowing	35	-
Net cash provided by/(used in) financing activities	<u>35</u>	<u>(97)</u>

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 23 Cash flows from investing activities

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest received	2	30
Purchase of intangible fixed assets	(18)	-
Purchase of tangible fixed assets	(4,263)	(4,469)
Proceeds from sale of tangible fixed assets	78	12
Capital funding received from sponsors and others	564	1,175
Net cash used in investing activities	<u>(3,637)</u>	<u>(3,252)</u>

#### 24 Analysis of cash and cash equivalents

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Cash at bank and in hand	<u>16,815</u>	<u>10,252</u>
Total cash and cash equivalents	<u>16,815</u>	<u>10,252</u>

#### 25 Analysis of changes in net debt

	<b>At 1</b>		<b>At 31 August</b>
	<b>September</b>	<b>Cash flows</b>	<b>2021</b>
	<b>2020</b>	<b>£000</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash	10,252	6,563	16,815
Loans falling due within one year	(96)	-	(96)
Loans falling due after more than one year	<u>(364)</u>	<u>(35)</u>	<u>(399)</u>
Total	<u>9,792</u>	<u>6,528</u>	<u>16,320</u>

#### 26 Contingent liabilities

As at 31 August 2020 the following was true:

The Trust is being prosecuted in relation to health and safety failings at one of its schools. This will probably lead to a fine and the payment of costs at some future point but expert evidence is being sought. No plea has been entered at this point. If a guilty plea is entered it will not be possible (and it is not now possible) to reliably estimate or measure the extent of the obligation that could arise. This is because there are a large number of variables which would have to be determined by the Court before the extent of the obligation will be clear. The content of an expert report could impact on some of these variables but it is not possible to measure that impact.

The above case was heard at Southern Derbyshire Magistrates Court on 6 October 2021. The outcome of this being a £20k fine, and £7k of costs, levied on the Trust.

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 27 Members' liability

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

#### 28 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 Derbyshire pension fund, Leicestershire County Council pension fund and Nottinghamshire pension fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £1,486k (2020:£1,334k) were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

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

#### The Teachers' Pension Budgeting and Valuation Account

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

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

#### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 28 Pension and similar obligations (continued)

##### Scheme Charges

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

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

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

The employer's pension costs paid to TPS in the period amounted to £8,825,210 (2020: £8,140,190).

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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £4,890,000 (2020 - £3,924,000), of which employer's contributions totalled £3,794,000 (2020 - £3,024,000) and employees' contributions totalled £1,096,000 (2020 - £900,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

##### Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	2.90	3.30
Rate of increase for pensions in payment/inflation	3.70	2.80
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.90</u>

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

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 28 Pension and similar obligations (continued)

	<b>2021</b>	<b>2020</b>
<b>Retiring today</b>		
Males retiring today	21.40	21.60
Females retiring today	24.10	23.50
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.70	23.20
Females retiring in 20 years	25.80	25.70

The academy trust's share of the assets in the scheme were:

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Equities	34,561	23,906
Gilts	820	843
Other bonds	7,712	5,919
Property	4,532	4,266
Cash and other liquid assets	2,405	2,087
Other	3,006	2,319
Total market value of assets	53,036	39,340

The actual return on scheme assets was £6,095,000 (2020 - £739,000).

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 28 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
Current service cost	(8,724)	(3,828)
Interest income	706	699
Interest cost	<u>(1,527)</u>	<u>(1,415)</u>
Total amount recognised in the SOFA	<u><u>(9,545)</u></u>	<u><u>(4,544)</u></u>

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

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
At start of period	88,148	72,070
Conversion of academy trusts	4,197	2,321
Current service cost	8,724	6,845
Interest cost	1,527	1,415
Employee contributions	1,096	900
Actuarial (gain)/loss	16,491	5,443
Benefits paid	<u>(604)</u>	<u>(846)</u>
At 31 August	<u><u>119,579</u></u>	<u><u>88,148</u></u>

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

	<b>2020/21</b>	<b>2019/20</b>
	<b>£ 000</b>	<b>£ 000</b>
At start of period	39,340	35,119
Conversion of academy trusts	2,568	1,138
Interest income	706	699
Actuarial gain/(loss)	6,097	(495)
Employer contributions	3,794	3,024
Employee contributions	1,096	900
Benefits paid	(616)	(846)
Effect of non-routine settlements	<u>51</u>	<u>(199)</u>
At 31 August	<u><u>53,036</u></u>	<u><u>39,340</u></u>

#### 29 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

## **The Spencer Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **30 Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £109,312 and disbursed £90,824 from the fund. An amount of £190,011 is included in other creditors relating to undistributed funds that is repayable to ESFA.

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 31 Teaching school trading account

	2020/21 £ 000	2019/20 £ 000
<b>Income</b>		
<b>Direct Income</b>		
Other income	1,758	1,039
<b>Other Income</b>		
Fundraising and other trading activities	147	598
Total Income	1,905	1,637
<b>Expenditure</b>		
<b>Direct costs</b>		
Direct staff costs	1,074	664
Staff development	28	25
Other direct costs	423	780
Total direct costs	1,525	1,469
<b>Other costs</b>		
Support staff costs	83	196
Recruitment and support	22	-
Other support costs	54	10
Share of governance costs	4	4
Total other costs	163	210
Total Expenditure	(1,688)	(1,679)
Surplus/(Deficit) from all sources	217	(42)
Teaching school balances at 1 September 2020	42	84
Teaching school balances at 31 August 2021	259	42

## **The Spencer Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **32 Events after the end of the reporting period**

Castleward Spencer Academy opened on 1st September 2021. It is a presumptive Free School through Derby City Council Local Authority.

Clover Leys Spencer Academy opened on 1st September 2021. It is a presumptive Free School through Derbyshire County Council Local Authority.

On 16th September 2021, the Trust incorporated a charitable subsidiary company named Spencer Superstars, Company Number 13625834. The purpose of the subsidiary is to support our students and their families in the pursuit of experiences and excellence across a wide variety of extracurricular specialisms, such as sports, arts, science and technologies, and entrepreneurial ventures.

## The Spencer Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 33 Conversion to an academy trust

On 1 April 2021 Brackensdale Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Spencer Academies Trust from the Derbyshire Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	<b>Restricted general fund £ 000</b>	<b>Restricted fixed asset fund £ 000</b>	<b>Total £ 000</b>
Tangible fixed assets			
Leasehold land and buildings	-	5,400	5,400
LGPS pension deficit	<u>(1,629)</u>	<u>-</u>	<u>(1,629)</u>
Net (liabilities)/assets	<u><u>(1,629)</u></u>	<u><u>5,400</u></u>	<u><u>3,771</u></u>

#### Free Schools joining the Trust

Rosecliffe Spencer Academy opened on 1st September 2020. It is a presumptive free school through the Nottingham County Council.

Highfields Spencer Academy opened on 1st September 2020. It is a presumptive free school through the Derbyshire City Council.

Chelaston Fields Spencer Academy joined the Trust 1st September 2019. During the financial year to 31 August 2021, the land and buildings were transferred into Trust ownership and this balance has been recognised in the Statement of Financial Activities as Transfers on Conversion forming part of Voluntary Income.

The Mease Spencer Academy joined the Trust 1st September 2019. During the financial year to 31 August 2021, the land and buildings were transferred into Trust ownership and this balance has been recognised in the Statement of Financial Activities as Transfers on Conversion forming part of Voluntary Income.

The total balance of Land and Buildings recognised in respect of the Free Schools joining the Trust this year and in 2019 as noted above is £28,035k. No other balances were transferred to the Trust in respect of the Free Schools.