

Company Registration No. 09896071 (England and Wales)

SPRING COMMON ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2016

SPRING COMMON ACADEMY TRUST

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative details | 1 |
| Trustees' report | 2 - 9 |
| Governance statement | 10 - 12 |
| Statement on regularity, propriety and compliance | 13 |
| Statement of trustees' responsibilities | 14 |
| Independent auditor's report on the accounts | 15 - 16 |
| Independent reporting accountant's report on regularity | 17 - 18 |
| Statement of financial activities including income and expenditure account | 19 |
| Balance sheet | 20 |
| Statement of cash flows | 21 |
| Notes to the accounts including accounting policies | 22 - 39 |

SPRING COMMON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

L Adam
A Aldred (Appointed 1 January 2016)
J Browning
K Dolan
C Gilder
R Goodwin (Appointed 11 February 2016)
S Rose
C Steedman (Retired 12 April 2016)
K Taylor (Accounting Officer)
J A Ward (Chair of Trustees)

Members

J Browning
C Gilder
J Ward

Senior management team

- Head Teacher K Taylor
- Deputy Head Teacher J McIntosh
- Assistant Head Teacher S Paynter
- Assistant Head Teacher S Plamenova
- Assistant Head Teacher C Place

Company registration number

09896071 (England and Wales)

Registered office

Spring Common Academy Trust
American Lane
Huntingdon
Cambridgeshire
PE29 1TQ

Independent auditor

Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers

Lloyds TSB
6 Market Hill
Huntingdon
Cambridgeshire
PE18 6NR

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 January 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 2 – 19 serving a catchment area in Huntingdonshire. It has a pupil capacity of 175 and had 175 on roll in the schools census October 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Spring Common Academy Trust.

The trustees of Spring Common Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of trustees

The Board of Trustees has set out in the articles of association that they must approve any new appointment of trustees to Spring Common Academy Trust. In the case of staff or parent representatives if more than one person is nominated an election for the post will be convened and that nominee will be subject to approval and adoption of the Board of Trustees. The Board of Trustees has contacted Academy Ambassadors in search of additional trustees for the Academy.

Policies and procedures adopted for the induction and training of trustees

Policies and induction training for new Trustees is arranged with Cambridgeshire Local Authority Governor Services as a bought in professional service.

Organisational structure

Spring Common Academy is a single entity part of a legal structure of a Multi – Academy Trust. The Head Teacher is the Accounting Officer and leads on the day to day management of Spring Common Academy. Strategic decisions are made by the Full Board of Spring Common Academy Trust through their Trustees Strategic plan as advised by the committee structures of Personal, Curriculum and Audit, finance and health and safety. Trustees approve the committees terms of reference annually and election of lead roles with the Trust.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

The Full Board of Trustees provides authorisation in relation to remuneration of key management personnel linked to the agreed staffing structure and budget. Spring Common Academy adheres to the School Teachers Pay and Conditions Document and the pay scales therein and adopted the Cambridgeshire Local Authority pay scales for Teaching Assistants and Support Staff. Remuneration for the Head Teacher is determined by nominated Trustees with the support of an external adviser and approved by the Board of Trustees.

The Head Teacher provides recommendations in relation to pay to the Personnel Committee for authorisation using the salary scales approved by the Full Board of Trustees. For teachers pay decisions are linked to a career stage profile that sets the expectations for teachers within main scale and upper pay scales. Objectives for leaders are set in relation to the advisory document 'National Standards of excellence for Head Teachers' (2015) which uses four domains, qualities and knowledge, pupils and staff, systems and processes and the self – improving system.

Related parties and other connected charities and organisations

Spring Common Academy is a designated National Support School and Teaching School with the National College of Teaching and Leadership. The Head Teacher is a designated National Leader in Education. Our purpose is to deliver system leadership within our local area through Discovery Teaching School Alliance.

Spring Common Academy continues a good productive relationship with Cambridgeshire Local Authority and supports the local offer for SEND children and families. We strive to maintain quality standards and link to a wide range of external organisations for guidance and advice.

The Board of Trustees have authorised the development of the National Autistic Society standards for children with autism as a day school and the use of quality standards from Autism Education Trust.

Health training is provided by qualified nurses from Cambridgeshire Community Services (CCS) and the team of special schools nurses. We welcome children with medical conditions and disabilities who will be provided with friendly and dedicated staff who work in partnership with parents and health professionals. Staff are trained in moving handling using trainers in school from Edge Training Ltd. We train staff in rebound therapy at Hadrian School in Newcastle, part of the open network as part of a National SLD forum and obtain additional training from Intervenors for deaf/ blind children with SENSE UK.

Communication and interaction is an important part of Education, health and care plans and the school promotes the use of Makaton (Makaton UK) and PECS (Pyramid Education) as communication systems. We purchase these training programmes to enable staff to support the speech therapy aims of speech therapists. Pupils that require augmentative communication systems or eating and drinking will be provided with advice from speech therapists from CCS.

In terms of social and emotional and mental health the trust purchases courses to enable five staff to conduct TEAM TEACH training from Team – Teach Ltd to enable the school to reduce risk of restraint and restriction. The school has access to CAMH services locally (CFBT) and social care and community support services (Cambridgeshire Local Authority).

Objectives and activities

Objects and aims

The Articles of Association of Spring Common Academy Trust determine that the objects are restricted to:

- a. To advance for the public benefit education in the UK. Establish, maintaining, carrying on, managing schools offering a broad and balanced curriculum appropriate to the needs of students who require special educational provision.
- b. To promote education for the benefit of inhabitants of which the Academy is situated with the object of improving the condition of life of pupils.
- c. Adhere to the Academies Financial Handbook and terms and conditions of the commercial transfer agreement and funding agreement.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Spring Common Academy Aims

1. Create a happy, healthy and safe environment in which pupils can enjoy their curiosity for learning.
2. Ensure our pupils are safe and can learn and respect how to keep themselves and others safe.
3. Listen to the views of children and young people and their parents and carers.
4. Deliver quality education that offers a broad and balanced curriculum to meet the needs of our pupils with special educational needs and disabilities with effective special education provision.
5. Promote spiritual, moral, social, cultural understanding so our pupils are prepared for adulthood in a multicultural and global society.
6. Support our pupil's overtime to develop personal and emotional resilience and character to enable them to deal with the challenges faced with changing relationships overtime as adults.
7. Value the dedication, expertise and experience of staff and enable them to pursue additional training to enhance their capacity to support the development of Spring Common Academy.
8. Share our special educational needs expertise and practice with others as a Teaching School with NCTL as part of Discovery Teaching School Alliance.

Objectives, strategies and activities

Trustees of Spring Common Academy Trust Strategic Plan 2016 -20 sets out priorities and objectives for 2016 -17 with six priorities:1) Publicity and information, 2) Exemplification of educational progress 3) SEND provision and preparation for adulthood 4) Staff training and SEND delivery to support emerging leaders 5) Wider system leadership, outreach and SEND support as part of the self - improving system with TSA strategic partners 6) Investigate the development of the Academy with the addition of a free school to support increase in demand for SEND placements in the local area.

Trustees and senior managers with Spring Common Academy have aligned to these six priorities and progress and impact will be recorded in the minutes of the Full Board of Trustees over the next academic year. Following feedback Trustees will evaluate the long - term priorities in order to set out our new Spring Common Academy priorities for September 2017. In addition Trustees have an Equalities Plan 2015 -16 which will be evaluated in January 2017 following consultation to determine new Equality objectives and an accessibility plan from April 2017. The Audit, finance and health and safety Committee will review the progress of the Equalities plan on 7 February 2017 and make recommendations to the Full Board of Trustees. The curriculum committee has agreed targets and review for individual pupils, end of key stages and from pupil starting points from admission using the Spring Common Academy assessment framework.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

During the last year the Cambridgeshire Local Authority completed a Keep in touch visit as an external review and continued to grade the school overall outstanding. Outcomes for pupils were maintained at a high standard with most pupils reaching the upper quartile in terms of achievement in relation to their starting points; 90% of our pupils met or exceeded expectations in 2015 -16.. A small group of pupils with medical needs still had evidence of progress but parents and carers appreciated the impact of interruptions to their learning due to medical condition. An identified group of 59 pupils with an autism diagnosis performed better in Maths than other pupils. The school is narrowing the gap of underachievement for pupils and this is appreciated by families. The forty three pupils in receipt of Pupil Premium achieved marginally higher standards than other pupils. Looked After children also performed better than other groups due to funded targeted interventions. The Cambridgeshire Special Needs senior adviser was able to verify this outcome data in November 2016.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Key performance indicators

1. The Equalities plan 2015 - 2016 included premises projects to enable accessibility for children with special needs and disabilities. Our current priority is scoping for a new administration and reception area adjacent to the Finance office in Lower School. Over the last year we completed the relocation of the EYFS and Key stage 1 class rooms and learning outside areas. We also appreciate the further outside shade by means of canopy for our upper school pupils funded from Hinchingsbrooke Foundation fund.
2. Tracking pupil outcomes and performance overtime has provided the school with a secure data base for comparison with both national and school norms. In response to the government freedoms with assessment processes the school has created an assessment tracking document which has been circulated to other special schools as a means of progression guidance overtime. In addition the school has invested in the development of individual learning journeys using photographs for pupils to show exemplification of pupil achievements in the curriculum. Pupil premium and sport premium is based upon raising standards for individuals and this group of pupils now perform better than other pupils due to targeted interventions and support.
3. During the year the school has completed whole school accreditations for Artsmark, Active mark (silver), Eco School (Green flag) and Autism accreditation. International School reaccreditation will be completed for 2017.
4. Since conversion to academy the school has focused upon personal development and welfare of pupils with the introduction of Autism Education Trust tracking of individual skills to prepare our pupils for adulthood. In addition residential education has been completed for pupils from Key stage 2 to 4. Pupils in Post 16 have participated in 'Crossing Borders' project with a visit to Sint – Josef – Klein – Seminarie in St Niklaas in Belgium. The school continues a strong International dimension to the curriculum to introduce our children to different cultures and appreciation of fundamental British values.
5. The development of the Teaching School has enabled strong system leadership in the Huntingdonshire local area by the development of school to school support, continued professional development, support for Initial Teacher training and research.
6. Parent questionnaire October 2016 indicated that safeguarding of children is our highest performance indicator.
7. Pupil attendance is good in comparison to other special schools at 93% with pupils with medical conditions and social, emotional and mental health issues accounting for difference to our 95% target.
8. Staff retention continues to be stable and further staff growth completed to enable a full complement of 175 pupils. Recruitment of additional staff continues when funding is confirmed but induction requirements continue to be a factor in the management of staff deployment to ensure safe working practices. Due to medical requirements or additional training in autism the deployment of supply staff is limited. The school has 100 staff FTE comprised of 25.5 teachers, 69 Teaching Assistants and 6 support staff to cater for our children with a wide range of special needs and disabilities.
9. A programme of staff induction and targeted staff training was completed in full in 2016. Trustees continue to promote coaching and mentoring for staff to develop overall staff capacity and professional growth. Health and medical training completed in addition to health and safety requirements including risk assessments to ensure the safeguarding of pupils which is our priority.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Financial review

Principal sources of funding and how expenditure has supported the key objectives:

The former Spring Common School prepared thoroughly for the Academy conversion and allowed additional time for reconciliation of accounts to form Spring Common Academy Trust. .

A budget for 1 January – 31 August 2016 was approved by Trustees on 26 February 2016. The sources of funding in January 2016 included:

- Cambridgeshire Local Authority release of balance in advance (£100,000). Carry forward anticipated from former Spring Common School recorded in February 2016 as £230,000
- General Annual Grant Statement 2015 -16 (£1,086,668 January to end of August 2016 pro rata)
- Educational Services Grant (£40,180 January to end of December pro rata)
- Restricted funds included Teaching School and Discovery Teaching School Alliance, Pupil Premium, Sports premium and Year 7 literacy catch up.
- Cambridgeshire Local Authority top up funding not part of GAG statement for additional funded placements.
- Land and building asset (£7 million)

Note: Spring Common Academy inherited the Local Government pension scheme (LGPS) with a £2 million deficit.

Pressures on this initial budget build included:

- 2% increase in Local Government pension scheme for employees
- 1% staff pay award and anticipated additional 1% for teaching Assistants and support staff as part of a local agreement
- Living wage increase for low paid workers and national agreement
- New or pupils requiring additional support but funding not transferred to school
- No increase in top up values for individual pupils
- No increase in place funding for pupils in High needs Block from Local Authority

Financial management and governance self – assessment completed 4 April 2016 and the school followed up with a DFE audit in April 2016. The competitive tendering policy and Business Continuity Plan was reviewed and approved by trustees. A risk log was completed in March, May and June 2016 with intent to search for further trustees. The audit document return for 31 March 2016 was submitted to the EFA in May 2016 by Rawlinsons Accountants in accordance with EFA regulations.

The Trust was in compliance with the review of the Teacher Pension Scheme in March 2016. A further review of the LGPS scheme was circulated to the trust for audit in September 2016.

The Trust cash funds transferred on conversion to Academy from the Local Authority was £443,770. Trustees continued to approve a strategy of carry forward to the main budget of £200,000. Trustees approved a budget from 1 January 2016 to end 31 August 2016 based upon the trends of expenditure and staffing structure approved in March 2015. A review of expenditure and a new staffing plan and budget was completed in 18 July 2017 for the period 1 September 2016 to 31 August 2017 and submitted to Education Funding Agency.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Value for money statement:

Over the last year Trustees made due regard to regulations and considered best value for all purchases using an agreed scheme of delegation and best value principles. Our EYFS and Key stage 1 outside area and canopy and separate Key stage 3 canopy followed the best value principles of three quotations. The Key stage 3 classroom and pool project undertaken over a few years has considered our ecological aims with the inclusion of LED lighting and solar panels to conserve energy efficiency. We have considered also the preservation of trees on the school site and planted others to ensure that the school environment fulfils our ECO School objectives as part of our green flag award.

Statement of financial policies adopted in this period:

Since conversion to Academy the school has reviewed all school policies including financial management policies to be compliant with the Education Funding Agency requirements. The followed policies have been approved by Trustees: Competitive tendering, Purchasing procedures, Internal financial procedures, Scheme of delegation and delegated authority values, Investment Policy, Reserves Policy, Gifts and gratuities statement, Risk log and risk log action plan, Scheme of delegation, Anti – fraud and corruption Policy, Lettings Policy, Asbestos report to EFA, Fire evacuation Plan, Energy costs review, Discretions Policy, Assets and depreciation Policy, Best Value statement, Reserves Policy and Risk engineering (Zurich Insurance), Complaints Policy.

Budget September 2016 – End of August 2017:

The Annual budget was approved by Trustees for the period 1 September 2016 to 31 August 2017 on 18 July 2016. A staffing structure for 2016 -17 was approved based upon the pupil admissions and funding known at end of July 2016. The effectiveness of our financial accounts and reconciliations enabled the school to smoothly convert to academy status and complete the first period of trading with a high level of confidence.

Reserves policy

Due to the volatility of funding for pupil placements and recouments this special school has maintained a carry forward position to mitigate any risks of £200,000. Trustees have approved a Reserves Policy and shall work towards building up a reserve of £200,000. Trustees have agreed to open a reserve account of restricted funds up to £200,000 from carry forward following the completion of the end of year report. Subsequently in July 2017 Trustees will set a budget with unrestricted funds to provide a lower carry forward for day to day contingencies and cash flow.

The main purpose of a reserves fund is to enable the school to react to emergency issues in terms of health and safety; whether that relates to the premises or personnel. The top up funding for individual pupils provided to the special school from the Local Authority high needs block is quickly withdrawn when pupils leave the school for whatever reason. Since this High needs block funding system began there has been a lag from admission of pupils to the date of receipt of top up funding; which means any additional costs of recruitment, training and employment costs are absorbed by the school budget. Another reason for reserves is to enable the school to provide funding for additional staff in terms of additional direct support to pupils prior to a decision from the SEND panel if the special needs of pupils change significantly. The school recruitment strategy has included the employment of specialist staff to deliver SEN provision in school to implement the guidance from trained health therapists and to provide cover in case of staff absence.

The school over a number of years has identified the need for a new administration and reception to enable the Academy to function effectively to serve the needs of visitors and to reduce the interruptions to the lower school. Architect plans have been developed and Trustees intend to take this project to the final tender stage and recoup costs through the carry forward of unrestricted funds accrued for the completion of this priority premises project. Delayed recruitment of senior management staff and wider economies have enabled the Academy to build up sufficient reserves over the last two years to consider decisions about school based priorities.

The level of unrestricted funds accrued at 31 August 2016 of £405,663 included funds committed within the budget plan for 2016 -17 and growth in staffing to support the needs of new pupils. At the same time a carry forward of £200,000 was agreed by Trustees on 18 July 2016 for the budget submission. Trustees intend to open an additional account to separate these reserves from the cash flow of unrestricted funds.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

The academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

Investment policy and powers

Spring Common Academy does not have any investments because all funding is required to be available to the Board of Trustees and to be assigned to their strategic priorities. The investment income at 31 August 2016 of £354 was accrued bank interest.

Principal risks and uncertainties

1. The trust acknowledges that a principal risk is the recruitment of experienced senior staff with sufficient experience of special educational needs and disabilities management experience to lead Spring Common Academy ahead to maintain the highest standards. For this reason Trustees have created a Sustainability and succession plan 2016 -2020 to highlight the staff training and coaching required to prepare staff for the next level of post. The Teaching School also enables access to high quality training and opportunities for leaders to refine their skills by supporting others.
2. The trust is aware that no uplift in top up or funding has occurred over the last four years and pay uplifts, pension and national insurance on – costs have been absorbed. Our pupils require a highly trained and motivated workforce and that will require a staff training and development budget.

Plans for future periods

Trustees have adopted their Strategic Plan 2016 -2020 and the School Development Plan 2016 -2020 to track progress and alignment with 6 identified priorities:

1. Publicity and information for Spring Common Academy Trust
2. Exemplification of pupil progress using learning journeys, Autism action plan.
3. SEND provision and preparation for adulthood: A focus on building resilience and independence of pupils, extended hours use of the swimming pool and hydrotherapy pool.
4. Staff training to support our SEND delivery and supporting emerging leaders: Themes for mentoring and coaching for the Academy vision linked to appraisals, Staff succession and sustainability plan
5. Wider system leadership: Teaching school action plan, SEND training offer and outreach.
6. Investigate the development of Free School to enhance capacity to offer placements in the local area, Early years / Key stage 1/ More Autism placements to meet demand/ develop 16 -19 provision with social care and health.

Spring Common Academy has managed growth to 175 pupils in 2016 but demographic growth and wider identification of autism and complex needs locally means there is further demand for special school placements over the next five years. Trustees aim to continue to work in partnership with SEND Commissioning for Cambridgeshire Local Authority to plan ahead strategically. Trustees will ensure due diligence that any future project that may be identified over the next year to ensure that such developments will not be detrimental to aims and values of Spring Common Academy and current pupils.

SPRING COMMON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

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.

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on and signed on its behalf by:

.....
J A Ward
Chair of Trustees

SPRING COMMON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Spring Common Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Head teacher, 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 Spring Common Academy 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 three times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|--|--------------------------|------------------------|
| L Adam | 2 | 3 |
| A Aldred (Appointed 1 January 2016) | 3 | 3 |
| J Browning | 3 | 3 |
| K Dolan | 3 | 3 |
| C Gilder | 1 | 3 |
| R Goodwin (Appointed 11 February 2016) | 2 | 2 |
| S Rose | 3 | 3 |
| C Steedman (Retired 12 April 2016) | 1 | 2 |
| K Taylor (Accounting Officer) | 3 | 3 |
| J A Ward (Chair of Trustees) | 2 | 3 |

All trustees noted above have been appointed during the period.

The Board of Trustees reviewed governance on 14 December 2016 following previous discussions. The trust requires an additional three trustees to support the development plans of the trust.

The audit, finance, premises, and health & safety committee is a sub-committee of the main board of trustees. Its purpose is to advise the governing body on all financial, regulatory and premises matters.

Attendance at meetings in the period was as follows:

| Trustees | Meetings attended | Out of possible |
|-------------------------------------|--------------------------|------------------------|
| A Aldred (Appointed 1 January 2016) | 1 | 1 |
| J Browning | 1 | 3 |
| K Dolan | 3 | 3 |
| S Rose | 3 | 3 |
| C Steedman (Retired 12 April 2016) | 0 | 2 |
| K Taylor (Accounting Officer) | 3 | 3 |
| J A Ward (Chair of Trustees) | 3 | 3 |

SPRING COMMON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Review of value for money

As accounting officer the Head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Review of staffing structure in 2016 and recruitment of staff to meet pupil demand
- Review of support staff roles in relation to administration and Teaching School
- Review of cover supply costs and policies
- Benchmarking costs and best value compared to similar special school

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Spring Common Academy Trust for the period 1 January 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts.

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 period 1 January 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The 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 audit, finance, premises, and health & safety committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided: not to appoint an internal auditor. However the trustees have appointed Rawlinsons, the external auditor, to perform additional checks.

SPRING COMMON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- reviewing trustees' expense claims
- reviewing trustees' business interests
- reviewing EFA income and agreeing back to source documentation
- sample checking miscellaneous income
- sample checking expenditure including salaries
- reviewing bank reconciliations and balances
- reviewing petty cash

On a twice yearly basis, the auditor reports to the board of trustees through the audit, finance, premises, and health & safety committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The internal auditor has delivered their schedule of work as planned. There were no material control issues arising as a result of the internal auditor's work and all minor issues reported to the academy have been addressed.

The trustees are satisfied with work undertaken by the internal auditor in the year.

Review of effectiveness

As accounting officer the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- 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 audit, finance, premises, and health & safety committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

K Taylor
Accounting Officer

J A Ward
Chair of Trustees

SPRING COMMON ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE PERIOD ENDED 31 AUGUST 2016*

As accounting officer of Spring Common Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

K Taylor
Accounting Officer

.....

SPRING COMMON ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees (who also act as governors for Spring Common Academy Trust and are also the directors of Spring Common Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/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 accounts may differ from legislation in other jurisdictions.

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

J A Ward
Chair of Trustees

SPRING COMMON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF SPRING COMMON ACADEMY TRUST

We have audited the accounts of Spring Common Academy Trust for the period ended 31 August 2016 set out on pages 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of Spring Common Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts.

SPRING COMMON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF SPRING COMMON ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Graham Jones BA FCA (Senior Statutory Auditor)
for and on behalf of Rawlinsons Chartered Accountants

Chartered Accountants

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated:

SPRING COMMON ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPRING COMMON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Spring Common Academy Trust during the period 1 January 2016 to 31 August 2016 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 Spring Common Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Spring Common Academy Trust and EFA 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 Spring Common Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Spring Common Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Spring Common Academy Trust's funding agreement with the Secretary of State for Education dated 18 December 2015 and the Academies Financial Handbook, extant from 1 September 2016, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 January 2016 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Trustees' meetings.

SPRING COMMON ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPRING COMMON ACADEMY TRUST AND THE EDUCATION 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 period 1 January 2016 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Graham Jones BA FCA

Reporting Accountant

Rawlinsons Chartered Accountants

Ruthlyn House

90 Lincoln Road

Peterborough

Cambridgeshire

PE1 2SP

Dated:

SPRING COMMON ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2016

| | Notes | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2016 £ |
|---|-------|----------------------------|-----------------------------------|------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 2 | 8,713 | - | 11,758 | 20,471 |
| Donations - transfer from local authority on conversion | 23 | 443,770 | (2,063,000) | 7,000,000 | 5,380,770 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 3 | 13,991 | 2,428,015 | - | 2,442,006 |
| Other trading activities | 4 | 58,983 | 18,495 | - | 77,478 |
| Investments | 5 | 354 | - | - | 354 |
| Total income and endowments | | <u>525,811</u> | <u>383,510</u> | <u>7,011,758</u> | <u>7,921,079</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 7 | 120,148 | 2,455,593 | 85,091 | 2,660,832 |
| Total expenditure | 6 | <u>120,148</u> | <u>2,455,593</u> | <u>85,091</u> | <u>2,660,832</u> |
| Net income/(expenditure) | | 405,663 | (2,072,083) | 6,926,667 | 5,260,247 |
| Other recognised gains and losses | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 18 | - | (1,652,000) | - | (1,652,000) |
| Net movement in funds | | 405,663 | (3,724,083) | 6,926,667 | 3,608,247 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | - | - | - | - |
| Total funds carried forward | | <u>405,663</u> | <u>(3,724,083)</u> | <u>6,926,667</u> | <u>3,608,247</u> |

SPRING COMMON ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

| | Notes | 2016 | |
|--|-------|----------------|-------------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 12 | | 6,926,667 |
| Current assets | | | |
| Debtors | 13 | 37,853 | |
| Cash at bank and in hand | | 592,122 | |
| | | <u>629,975</u> | |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (144,395) | |
| Net current assets | | | <u>485,580</u> |
| Net assets excluding pension liability | | | <u>7,412,247</u> |
| Defined benefit pension liability | 18 | (3,804,000) | |
| Net assets | | | <u><u>3,608,247</u></u> |
| Funds of the academy trust: | | | |
| Restricted funds | 16 | | |
| - Fixed asset funds | | | 6,926,667 |
| - Restricted income funds | | | 79,917 |
| - Pension reserve | | | (3,804,000) |
| Total restricted funds | | | <u>3,202,584</u> |
| Unrestricted income funds | 16 | | <u>405,663</u> |
| Total funds | | | <u><u>3,608,247</u></u> |

The accounts set out on pages 19 to 39 were approved by the board of trustees and authorised for issue on and are signed on its behalf by:

.....
J A Ward
Chair of Trustees
Company Number 09896071

SPRING COMMON ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2016

| | Notes | 2016 £ | £ |
|--|-------|-----------|-------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | | 136,240 |
| Cash funds transferred on conversion | 23 | | 443,770 |
| | | | <hr/> |
| | | | 580,010 |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 354 | |
| Capital grants from DfE and EFA | | 9,569 | |
| Capital funding from sponsors and others | | 2,189 | |
| | | <hr/> | |
| | | | 12,112 |
| Change in cash and cash equivalents in the reporting period | | | <hr/> |
| | | | 592,122 |
| Cash and cash equivalents at 1 January 2016 | | | <hr/> |
| | | | - |
| Cash and cash equivalents at 31 August 2016 | | | <hr/> <hr/> |
| | | | 592,122 |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

Spring Common Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Spring Common Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts have been prepared for the period 1 January 2016 to 31 August 2016 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Spring Common school to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 23.

1.4 Income

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

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Grants receivable

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

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

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

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.

Donated goods, facilities and services

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

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.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Leasehold land and buildings have been valued by the trustees and brought into the accounts at that valuation.

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

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

| | |
|---------------------|---------------------------------------|
| Leasehold buildings | 2% per annum on a straight line basis |
|---------------------|---------------------------------------|

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

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

The land and buildings from which the academy operate are leased from the Local Authority at £nil rent. A commercial value of the lease has not been included in these accounts as expenditure or donated income.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 note 18, 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 are 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.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

1.12 Critical accounting estimates and areas of judgement

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

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2016 £ |
|-----------------|----------------------------|--------------------------|--------------------|
| Capital grants | - | 11,758 | 11,758 |
| Other donations | 8,713 | - | 8,713 |
| | <u>8,713</u> | <u>11,758</u> | <u>20,471</u> |

3 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2016 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|
| DfE / EFA grants | | | |
| General annual grant (GAG) | - | 1,126,848 | 1,126,848 |
| Other DfE / EFA grants | - | 61,027 | 61,027 |
| | <u>-</u> | <u>1,187,875</u> | <u>1,187,875</u> |
| Other government grants | | | |
| Local authority grants | - | 1,233,640 | 1,233,640 |
| | <u>-</u> | <u>1,233,640</u> | <u>1,233,640</u> |
| Other funds | | | |
| Other incoming resources | 13,991 | 6,500 | 20,491 |
| | <u>13,991</u> | <u>6,500</u> | <u>20,491</u> |
| Total funding | <u>13,991</u> | <u>2,428,015</u> | <u>2,442,006</u> |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

4 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2016 £ |
|-----------------------------------|----------------------------|--------------------------|--------------------|
| Hire of facilities | 300 | - | 300 |
| Catering income | 10,014 | - | 10,014 |
| Training and consultancy income | 46,965 | - | 46,965 |
| Uniform sales | 1,704 | - | 1,704 |
| Supply teacher insurance receipts | - | 18,495 | 18,495 |
| | <u>58,983</u> | <u>18,495</u> | <u>77,478</u> |

5 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2016 £ |
|---------------------|----------------------------|--------------------------|--------------------|
| Short term deposits | 354 | - | 354 |
| | <u>354</u> | <u>-</u> | <u>354</u> |

6 Expenditure

| | Staff costs £ | Premises & equipment £ | Other costs £ | Total 2016 £ |
|---|---------------------|------------------------------|---------------------|--------------------|
| Academy's educational operations | | | | |
| - Direct costs | 1,803,825 | - | 76,302 | 1,880,127 |
| - Allocated support costs | 256,036 | 186,715 | 337,954 | 780,705 |
| | <u>2,059,861</u> | <u>186,715</u> | <u>414,256</u> | <u>2,660,832</u> |
| Total expenditure | <u>2,059,861</u> | <u>186,715</u> | <u>414,256</u> | <u>2,660,832</u> |

Net income/(expenditure) for the period includes:

| | 2016 £ |
|---|---------------|
| Fees paid to auditor for audit services | 6,250 |
| Depreciation of tangible fixed assets | 73,333 |
| | <u>79,583</u> |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

7 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2016 £ |
|--|----------------------------|--------------------------|--------------------|
| Direct costs - educational operations | 42,768 | 1,837,359 | 1,880,127 |
| Support costs - educational operations | 77,380 | 703,325 | 780,705 |
| | <u>120,148</u> | <u>2,540,684</u> | <u>2,660,832</u> |

Analysis of costs

Direct costs

| | |
|--|------------------|
| Teaching and educational support staff costs | 1,772,480 |
| Staff development | 31,345 |
| Technology costs | 22,367 |
| Educational supplies and services | 40,062 |
| Other direct costs | 13,873 |
| | <u>1,880,127</u> |

Support costs

| | |
|---------------------------------------|----------------|
| Support staff costs | 256,036 |
| Depreciation | 73,333 |
| Technology costs | 6,235 |
| Maintenance of premises and equipment | 113,382 |
| Occupancy costs | 63,113 |
| Transport | 5,861 |
| Catering | 35,452 |
| Interest and finance costs | 60,000 |
| Other supplies and services | 147,843 |
| Governance costs | 19,450 |
| | <u>780,705</u> |

8 Governance costs

All from restricted funds:

Amounts included in support costs

| | |
|---------------------------------|---------------|
| Legal and professional fees | 7,303 |
| Auditor's remuneration | |
| - Audit of financial statements | 6,250 |
| - Other audit costs | 3,840 |
| Trustees' reimbursed expenses | 537 |
| Other governance costs | 1,520 |
| | <u>19,450</u> |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

9 Staff costs

| | 2016 |
|--|-------------|
| | £ |
| Wages and salaries | 1,556,420 |
| Social security costs | 113,795 |
| Operating costs of defined benefit pension schemes | 326,906 |
| | <hr/> |
| Staff costs | 1,997,121 |
| Supply staff costs | 31,395 |
| Staff development and other staff costs | 31,345 |
| | <hr/> |
| Total staff expenditure | 2,059,861 |
| | <hr/> <hr/> |

Staff numbers

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

| | 2016 |
|----------------------------|---------------|
| | Number |
| Teachers | 26 |
| Administration and support | 87 |
| Management | 1 |
| | <hr/> |
| | 114 |
| | <hr/> <hr/> |

Higher paid staff

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

| | 2016 |
|--------------------|---------------|
| | Number |
| £60,001 to £70,000 | 1 |
| | <hr/> <hr/> |

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £226,802.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head teacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration for the 8 month period was as follows:

K Taylor (headteacher of special school group 6 and trustee)
Remuneration £60,000 - £65,000
Employer's pension contributions £10,000 - £15,000

R Goodwin (staff trustee)
Remuneration £5,000 - £10,000
Employer's pension contributions £0 - £5,000

S Rose (staff trustee)
Remuneration £15,000 - £20,000
Employer's pension contributions £0 - £5,000

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the period ended 31 August 2016 was £5,912.

12 Tangible fixed assets

| | Leasehold land and buildings £ |
|-----------------------|---|
| Cost | |
| At 1 January 2016 | - |
| Additions | 7,000,000 |
| | <hr/> |
| At 31 August 2016 | 7,000,000 |
| | <hr/> |
| Depreciation | |
| At 1 January 2016 | - |
| Charge for the period | 73,333 |
| | <hr/> |
| At 31 August 2016 | 73,333 |
| | <hr/> |
| Net book value | |
| At 31 August 2016 | 6,926,667 |
| | <hr/> <hr/> |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

| | |
|--|--------------|
| 13 Debtors | 2016 |
| | £ |
| VAT recoverable | 18,950 |
| Prepayments and accrued income | 18,903 |
| | <hr/> |
| | 37,853 |
| | <hr/> <hr/> |
| 14 Creditors: amounts falling due within one year | 2016 |
| | £ |
| Trade creditors | 18,298 |
| Other taxation and social security | 44,895 |
| Accruals and deferred income | 81,202 |
| | <hr/> |
| | 144,395 |
| | <hr/> <hr/> |
| 15 Deferred income | 2016 |
| | £ |
| Deferred income is included within: | |
| Creditors due within one year | 4,971 |
| | <hr/> <hr/> |
| Deferred income at 1 January 2016 | - |
| Released from previous years | - |
| Amounts deferred in the period | 4,971 |
| | <hr/> |
| Deferred income at 31 August 2016 | 4,971 |
| | <hr/> <hr/> |

Deferred income relates to a grant received for Universal Infant Free School Meals for the first term of the next financial year.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

16 Funds

| | Incoming resources £ | Resources expended £ | Gains, losses & transfers £ | Balance at 31 August 2016 £ |
|---|----------------------------|----------------------------|-----------------------------------|-----------------------------------|
| Restricted general funds | | | | |
| General Annual Grant | 1,126,848 | (1,046,931) | - | 79,917 |
| Other DfE / EFA grants | 61,027 | (61,027) | - | - |
| Other government grants | 1,233,640 | (1,233,640) | - | - |
| Other restricted funds | 24,995 | (24,995) | - | - |
| | <u>2,446,510</u> | <u>(2,366,593)</u> | <u>-</u> | <u>79,917</u> |
| Funds excluding pensions | 2,446,510 | (2,366,593) | - | 79,917 |
| Pension reserve | (2,063,000) | (89,000) | (1,652,000) | (3,804,000) |
| | <u>383,510</u> | <u>(2,455,593)</u> | <u>(1,652,000)</u> | <u>(3,724,083)</u> |
| Restricted fixed asset funds | | | | |
| DfE / EFA capital grants | 11,758 | (11,758) | - | - |
| Inherited funds | 7,000,000 | (73,333) | - | 6,926,667 |
| | <u>7,011,758</u> | <u>(85,091)</u> | <u>-</u> | <u>6,926,667</u> |
| Total restricted funds | <u>7,395,268</u> | <u>(2,540,684)</u> | <u>(1,652,000)</u> | <u>3,202,584</u> |
| Unrestricted funds | | | | |
| General funds | <u>525,811</u> | <u>(120,148)</u> | <u>-</u> | <u>405,663</u> |
| Total funds | <u>7,921,079</u> | <u>(2,660,832)</u> | <u>(1,652,000)</u> | <u>3,608,247</u> |
| General unrestricted funds include the following designated funds: | | | | |
| Discovery teaching school | 46,965 | (80,656) | 94,089 | 60,398 |
| After school club | 6,789 | (6,789) | - | - |
| Trips and events | 6,096 | (6,096) | - | - |
| Balance of general funds | 465,961 | (26,607) | (94,089) | 345,265 |
| | <u>525,811</u> | <u>(120,148)</u> | <u>-</u> | <u>405,663</u> |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

16 Funds

(Continued)

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

General Annual Grant (GAG):

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

The restricted grant income in the year all relates to the provision of education for the students attending the academy.

The pension provision equates to the deficit on the Local Government Pension Scheme FRS102 valuation. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Restricted fixed assets funds represent capital funding received from the EFA and other sources. In accordance with the accounting policies set out in note 1, assets are capitalised where applicable, and depreciation is charged to this fund over the assets' useful economic life. Where costs are not capital in nature they are charged directly to this fund as an expense.

The funds transferred from Local Authority school represent money held by the academy from the Local Authority for the purposes of capital projects.

Designated funds have been set aside by the trustees for use in a variety of different areas.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

17 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2016 £ |
|--|----------------------------|-----------------------------------|------------------|--------------------|
| Fund balances at 31 August 2016 are represented by: | | | | |
| Tangible fixed assets | - | - | 6,926,667 | 6,926,667 |
| Current assets | 405,663 | 224,312 | - | 629,975 |
| Creditors falling due within one year | - | (144,395) | - | (144,395) |
| Defined benefit pension liability | - | (3,804,000) | - | (3,804,000) |
| | <u>405,663</u> | <u>(3,724,083)</u> | <u>6,926,667</u> | <u>3,608,247</u> |

18 Pensions 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 Cambridgeshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

The key elements of the 2014 valuation and subsequent consultation were:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £106,268.

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 contributions are as noted below. The agreed contribution rates for future years are 23% for employers and 5.5% for employees. The estimated value of employer contributions for the forthcoming year is £296,000.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 23) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

| Total contributions made | 2016 £ |
|--------------------------|-----------|
| Employer's contributions | 193,000 |
| Employees' contributions | 49,000 |
| Total contributions | 242,000 |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

18 Pensions and similar obligations (Continued)

Principal actuarial assumptions 2016 %

| | |
|--|-----|
| Rate of increases in salaries | 4.1 |
| Rate of increase for pensions in payment | 2.1 |
| Discount rate | 2.1 |

| Changes in assumptions at 31 August 2015 | Approximate % increase to employer liability | Approximate monetary amount |
|--|---|--------------------------------|
| 0.5% decrease in Real Discount Rate | 14% | £672,000 |
| 1 year increase in member life expectancy | 3% | £146,000 |
| 0.5% increase in the Salary Increase Rate | 5% | £266,000 |
| 0.5% increase in the Pension Increase Rate | 8% | £382,000 |

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

| | 2016 Years |
|----------------------|---------------|
| Retiring today | |
| - Males | 22.5 |
| - Females | 24.5 |
| Retiring in 20 years | |
| - Males | 24.4 |
| - Females | 26.9 |

The academy trust's share of the assets in the scheme 2016 Fair value £

| | |
|--------------|---------|
| Equities | 805,000 |
| Bonds | 161,000 |
| Property | 75,000 |
| Other assets | 32,000 |

Total market value of assets 1,073,000

Actual return on scheme assets - gain/(loss) 134,000

Amounts recognised in the statement of financial activities 2016 £

| | |
|--|---------|
| Current service cost (net of employee contributions) | 222,000 |
| Net interest cost | 60,000 |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

| 18 Pensions and similar obligations | (Continued) |
|--|----------------|
| Changes in the present value of defined benefit obligations | 2016 |
| | £ |
| Obligations acquired on conversion | 2,760,000 |
| Current service cost | 222,000 |
| Interest cost | 81,000 |
| Employee contributions | 49,000 |
| Actuarial loss | 1,765,000 |
| | <hr/> |
| At 31 August 2016 | 4,877,000 |
| | <hr/> <hr/> |
| Changes in the fair value of the academy trust's share of scheme assets | 2016 |
| | £ |
| Assets acquired on conversion | 697,000 |
| Interest income | 21,000 |
| Return on plan assets (excluding amounts included in net interest): | |
| Actuarial gain | 113,000 |
| Employer contributions | 193,000 |
| Employee contributions | 49,000 |
| | <hr/> |
| At 31 August 2016 | 1,073,000 |
| | <hr/> <hr/> |
| 19 Reconciliation of net income to net cash flows from operating activities | 2016 |
| | £ |
| Net income for the reporting period | 5,260,247 |
| Adjusted for: | |
| Net deficit/(surplus) transferred on conversion | (5,380,770) |
| Capital grants from DfE/EFA and other capital income | (11,758) |
| Investment income | (354) |
| Defined benefit pension costs less contributions payable | 29,000 |
| Defined benefit pension net finance cost/(income) | 60,000 |
| Depreciation of tangible fixed assets | 73,333 |
| (Increase)/decrease in debtors | (37,853) |
| Increase/(decrease) in creditors | 144,395 |
| | <hr/> |
| Net cash provided by operating activities | 136,240 |
| | <hr/> <hr/> |

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

| | 2016 |
|-----------------------------------|-------------|
| | £ |
| Amounts due within one year | 3,078 |
| Amounts due in two and five years | 388 |
| | <hr/> |
| | 3,466 |
| | <hr/> <hr/> |

21 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, transactions may take place with organisations in which the academy trust has 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.

No related party transactions took place during this period.

Some of the trustees have children who are pupils at the academy, consequently there will be transactions between those trustees and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

22 Members' liability

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

23 Conversion to an academy

On 1 January 2016 Spring Common school converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Spring Common Academy Trust from the Cambridgeshire 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/loss 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 statement of financial activities.

SPRING COMMON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

23 Conversion to an academy

(Continued)

| | 2016 £ |
|--------------------------------|------------------|
| Net assets transferred: | |
| Leasehold land and buildings | 7,000,000 |
| Cash | 443,770 |
| LGPS pension surplus/(deficit) | (2,063,000) |
| | <u>5,380,770</u> |

| | Unrestricted Funds £ | Restricted funds: General Fixed asset £ £ | | Total 2016 £ |
|---|----------------------------|---|------------------|--------------------|
| Funds surplus/(deficit) transferred: | | | | |
| Fixed assets funds | - | - | 7,000,000 | 7,000,000 |
| LA budget funds | 443,770 | - | - | 443,770 |
| LGPS pension funds | - | (2,063,000) | - | (2,063,000) |
| | <u>443,770</u> | <u>(2,063,000)</u> | <u>7,000,000</u> | <u>5,380,770</u> |