

Company registration number:
08107310

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2019

THE SILVER BIRCH
ACADEMY
(A company limited by
guarantee)

MENZIES
BRIGHTER THINKING



THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

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THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2019

Members

United Learning Trust

Trustees

Fidella Essell-Uwagbae (resigned 1 April 2019)
William James Holledge (resigned 1 April 2019)
Robert Justin James (resigned 14 December 2018)
John Jekabs Krumins, Chair (resigned 1 April 2019)
Patricia Davies, Chief Executive (resigned 22 October 2018)
Anna Layman, Chair (resigned 14 November 2018)
Anna Jane Paige (appointed 1 April 2019)

Company registered number

08107310

Company name

The Silver Birch Academy

Registered office

Worldwide House
Thorpe Wood
Peterborough
PE3 6SB

Principal operating office

4 Burnside Avenue
Chingford
E4 8YJ

Chief Executive

Patricia Davies (Chief Executive) (Resigned 22 October 2018)
Tom Canning (Interim Chief Executive) (Appointed 20 August 2018)

Independent auditor

Menzies LLP
Chartered Accountants
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

THE SILVER BIRCH ACADEMY

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2019

Advisers (continued)

Bankers

Lloyds Bank PLC
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
Clerkenwell
London
EC1M 6HR

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Organisation overview and current position

Further to the changes to the Trust's organisational structure reported in the 2017-18 accounts, this year has been one of transition, with all four SBAT schools transferring to United Learning Trust on 1st April 2019.

The Trustees appointed to the Board with the support of the Regional Schools Commissioner maintained their positions through to the point at which the schools transferred to United Learning. They oversaw the conclusion of the work undertaken by a special committee of the Board established to review allegations against the Trust and senior executive conduct.

From July 2018 until 31st March 2019 the Trust's senior executive team consisted of an interim CEO and interim COO.

Structure, governance and management

a. CONSTITUTION

The Trust is a company limited by guarantee with no share capital (registration number 0807310) and an exempt charity. The charitable company is known as The Silver Birch Academy. Its registered office is Worldwide House, Thorpe Wood, Peterborough, PE3 6SB. The Trustees of The Silver Birch Academy are also the Directors of the charitable company for the purposes of company law.

For the period to 31st March 2019 the charitable company's Memorandum and Articles of Association were the primary governing documents of the Academy Trust. Following the transfer of the schools to United Learning Trust the charitable company ceased to operate as an Academy Trust.

With effect from 1st April 2019 United Learning is the sole Member of The Silver Birch Academy, and has appointed Anna Paige as the sole Director.

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

b. 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 (Articles Paragraph 8), for the debts and liabilities contracted before they ceased to be a member.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the Academy has opted in to the risk protection arrangement (RPA) supplied by the Education and Skills Funding Agency (ESFA) to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

The insurance provides cover up to £10,000,000 on any claims during the insured period and the cost for the year ended 31 August 2019 was £nil as this is supplied by the ESFA as a RPA in lieu of dedicated insurance funding.

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The election of Trustees and the terms of office are laid out in the Articles of Association. The Trust is governed by the Department's updated Model Articles of Association from November 2017.

e. ORGANISATIONAL STRUCTURE

The management structure for the period ending 31st March 2019 consisted of three levels, the Members, the Trustees and the senior executive team.

The Trustees are responsible for making major decisions about the direction of the Trust and its Academies, capital expenditure and senior staff appointments.

For the period to 31st March 2019, as a group, the senior executive team was responsible for the authorisation of spending within agreed budgets and the appointment of staff. These executives were also responsible for the day-to-day operation of the Trust and its academies, in particular organising the teaching staff, facilities and matters relating to pupils.

The organisational structure changed with the transfer of the SBAT schools to United Learning Trust, on 1st April 2019, at which point the appointments of the interim CEO and interim COO came to an end and the three Trustees appointed to the Trust Board with the support of the Regional Schools Commissioner stood down.

United Learning Trust became the sole Member of the Trust, appointing a sole Director, with the intention of winding down the Trust's operations at the earliest possible opportunity.

f. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

For the period to 31st March 2019 the Chair and the Interim CEO were responsible for setting pay and remuneration of key leadership posts. Any salary enhancements or progressions were linked to additional responsibility taken on by the senior leadership team. The interim CEO's pay and remuneration were discussed and agreed by the Trustees.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

In the period ending 31st March 2019 all members, Trustees and Governors who were connected to the Academy had disclosed their pecuniary interests to the Trust. From 1st April 2019, at which point United Learning Trust became the sole member of the Trust and Anna Paige its sole Director, all interests have been disclosed to United Learning Trust.

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Objectives and Activities

a. OBJECTS AND AIMS

The primary objective for the year ending 31st August 2019 was to ensure that all four SBAT schools transfer to United Learning Trust on 1st April 2019 and that preparations are in hand to dissolve the Silver Birch Academy Trust legal entity.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The aim of the Trust is to provide the highest quality provision for all pupils who attend its schools, within a highly ambitious and aspirational culture.

c. PUBLIC BENEFIT

In setting the objectives and in planning future activities for the year, the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit.

THE SILVER BIRCH ACADEMY

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

a. GOING CONCERN

At the time of signing these financial statements, all four SBAT schools have transferred to United Learning Trust (ULT) and Silver Birch ceased to be an active Trust.

Financial review

FINANCIAL POSITION

The Trust held no assets, liabilities or reserves at the year end.

FINANCIAL REPORT FOR THE YEAR ENDED 31ST AUGUST 2019

Most of the Trust's income is obtained from the ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31st August 2019, total expenditure of £24,282K (before cost of transfer to ULT) was covered by recurrent grant funding from the ESFA together with other income and funds brought forward. The excess of expenditure over income for the year was £18,524K (before cost of transfer to ULT).

a. RESERVES POLICY

The policy for reserves is that all surplus deficit/GAG, LA and other government grants are categorised as restricted funds for use of enhancing educational needs across each of the Academies, these funds are used solely for the improvement of education.

Restricted Funds which are surplus/deficit funds from fund raising activities outside of grants will be used by the Trust where necessary to help fund school improvements, projects and any balance as at 31st March 2019 transferred to United Learning Trust as part of the merger process.

b. INVESTMENT POLICY AND PERFORMANCE

No form of investment is authorised at present.

THE SILVER BIRCH ACADEMY

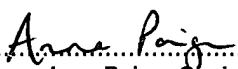
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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

c. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk is securing the effective merger of the Trust and schools into United Learning Trust. This was achieved with the transfer of the schools on 1st April 2019.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20/12/19 and signed on its behalf by:


.....
Anna Jane Paige, Chair
Chair of Trustees

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

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


.....
Anna Jane Paige
Chair of Trustees

Date: 20 December 2019

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SILVER BIRCH ACADEMY

OPINION

We have audited the financial statements of The Silver Birch Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR QUALIFIED OPINION

The financial statements have not been prepared in accordance with the Companies Act 2006 nor the Academies Accounts Direction 2018 to 2019 as the Trustee's report (which serves the purposes of both a trustees' report, and a directors' report and strategic report under company law) does not contain all matters required to be disclosed in a Directors Report or Strategic Report under the Companies Act 2006 and does not contain all matters required to be disclosed in a trustees' report under the Academies Accounts Direction 2018 to 2019. Additionally, the Governance statement and Statement on regularity, propriety and compliance have been omitted from these financial statements which are required by the Academies Accounts Direction 2018 to 2019. These omissions and matters are not disclosed due to the academy transferring its trade and assets to United Learning Trust as explained in the "Financial statements prepared on a basis other than going concern" paragraph below.

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

FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN GOING CONCERN

We draw attention to note 1.2 in the financial statements, which indicates that on 1 April 2019 the academy transferred its trade and assets to United Learning Trust, and ceased trading. As required by UK accounting standards, the director has prepared the financial statements on the basis that the academy is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE SILVER BIRCH ACADEMY

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SILVER BIRCH ACADEMY

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

We have nothing to report in this regard.

QUALIFIED OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, based on the work undertaken in the course of the audit:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE SILVER BIRCH ACADEMY

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SILVER BIRCH ACADEMY

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Malcolm Lucas FCA (Senior statutory auditor)
for and on behalf of
Menzies LLP
Chartered Accountants
Statutory Auditor
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

Date: *20 December, 2019.*

THE SILVER BIRCH ACADEMY

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SILVER BIRCH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Silver Birch Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE SILVER BIRCH ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Silver Birch Academy's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Approach

The work undertaken to draw to our conclusion includes:

- Testing of a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing, for a sample, that the academy followed their procurement procedures
- Testing of a sample of grants received and other income streams; and
- Making appropriate enquiries of the Accounting Officer.

THE SILVER BIRCH ACADEMY

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SILVER BIRCH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

In anticipation of the transfer of academies the directors did not prepare Responsible Officer reports in the period.



Menzies LLP

Chartered Accountants
Statutory Auditor

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

Date: *20 December, 2019*

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
INCOME AND ENDOWMENTS FROM:						
Charitable activities	2	-	5,529	41	5,570	9,516
Other trading activities	3	170	16	-	186	378
Investments	4	2	-	-	2	4
TOTAL INCOME AND ENDOWMENTS		172	5,545	41	5,758	9,898
EXPENDITURE ON:						
Charitable activities:						
Charitable activities - Academy's educational operations		873	5,127	298	6,298	11,050
Transfer to United Learning Trust		13	(2,533)	20,504	17,984	-
TOTAL EXPENDITURE	6	886	2,594	20,802	24,282	11,050
NET EXPENDITURE BEFORE TRANSFERS		(714)	2,951	(20,761)	(18,524)	(1,152)
Transfers between Funds	17	584	(584)	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(130)	2,367	(20,761)	(18,524)	(1,152)
Actuarial gains on defined benefit pension schemes	21	-	-	-	-	630
NET MOVEMENT IN FUNDS		(130)	2,367	(20,761)	(18,524)	(522)
RECONCILIATION OF FUNDS:						
Total funds brought forward		130	(2,367)	20,761	18,524	19,046
TOTAL FUNDS CARRIED FORWARD		-	-	-	-	18,524

THE SILVER BIRCH ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08107310

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£000	31 March 2019 £000	31 August 2018 £000
FIXED ASSETS				
Tangible assets	13		-	20,784
CURRENT ASSETS				
Debtors	14	-	638	
Cash at bank and in hand		-	1,040	
		-	1,678	
CREDITORS: amounts falling due within one year	15	-	(1,388)	
NET CURRENT ASSETS			-	290
TOTAL ASSETS LESS CURRENT LIABILITIES			-	21,074
CREDITORS: amounts falling due after more than one year	16	-	-	(17)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			-	21,057
Defined benefit pension scheme liability	21	-	-	(2,533)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			-	18,524
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	-	166	
Restricted fixed asset funds	17	-	20,761	
Restricted income funds excluding pension liability		-	20,927	
Pension reserve		-	(2,533)	
Total restricted income funds		-	-	18,394
Unrestricted income funds	17	-	-	130
TOTAL FUNDS			-	18,524

The financial statements on pages 14 to 37 were approved and authorised for issue by the Trustees, and are signed on their behalf, by:


 Anna Jane Paige

Date: 20 December 2019

THE SILVER BIRCH ACADEMY

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(751)</u>	<u>(1,979)</u>
Cash flows from investing activities:			
Interest		2	4
Purchase of tangible fixed assets		(6)	(61)
Capital grants from DfE Group		41	25
Transfer of cash on transfer to ULT		<u>(326)</u>	<u>-</u>
Net cash used in investing activities		<u>(289)</u>	<u>(32)</u>
Change in cash and cash equivalents in the year		(1,040)	(2,011)
Cash and cash equivalents brought forward		<u>1,040</u>	<u>3,051</u>
Cash and cash equivalents carried forward	20	<u><u>-</u></u>	<u><u>1,040</u></u>

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Silver Birch Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Company transferred its activities, assets and liabilities to United Learning Trust on 1 April 2019 and has ceased activities. The Governing Body intend to liquidate the entity as a result, and for this reason, consider it inappropriate to prepare the financial statement on a going concern basis and have therefore prepared these financial statements on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the United Learning Trust at their carrying amounts.

1.3 Fund accounting

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

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

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

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

THE SILVER BIRCH ACADEMY

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

IT equipment costing more than £1,000 and all other assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	50 years
Furniture and equipment	-	5 years
Computer equipment	-	3 years

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy 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 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.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General annual grant (GAG)	-	4,426	4,426	7,727
Other Restricted	-	41	41	25
Other DfE/EFA grants	-	593	593	967
Local Authority grants	-	487	487	764
Other income from the academy trust's educational operations	-	23	23	33
	-	5,570	5,570	9,516
Total 2018	-	9,516	9,516	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	30	-	30	23
Catering income	76	-	76	103
Other income	64	16	80	252
	<u>170</u>	<u>16</u>	<u>186</u>	<u>378</u>
Net income from other trading activities	<u>170</u>	<u>16</u>	<u>186</u>	<u>378</u>

4. INVESTMENT INCOME

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Investment income	<u>2</u>	<u>-</u>	<u>2</u>	<u>4</u>
Total 2018	<u>4</u>	<u>-</u>	<u>4</u>	

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

5. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,530	4,540
National insurance	217	420
Pension cost	351	840
Pension finance cost	-	81
Support staff costs	454	923
Direct costs	18,182	438
	<u>21,734</u>	<u>7,242</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	564	898
National insurance	56	65
Pension cost	147	183
Depreciation	298	507
Premises costs	666	1,021
Other support costs	243	535
Governance costs	574	599
	<u>2,548</u>	<u>3,808</u>
	<u>24,282</u>	<u>11,050</u>

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

6. EXPENDITURE

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational activities:					
Direct costs	3,543	-	18,191	21,734	7,242
Support costs	<u>768</u>	<u>666</u>	<u>1,114</u>	<u>2,548</u>	<u>3,808</u>
	<u>4,311</u>	<u>666</u>	<u>19,305</u>	<u>24,282</u>	<u>11,050</u>
Total 2018	<u>8,123</u>	<u>1,021</u>	<u>1,906</u>	<u>11,050</u>	

7. NET INCOME/(EXPENDITURE)

This is stated after charging:
0

	2019 £000	2018 £000
Depreciation of tangible fixed assets:		
- owned by the charity	298	511
Loss on disposal of fixed assets	-	13
Auditors' remuneration	<u>37</u>	<u>40</u>

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	3,095	5,437
Social security costs	273	485
Operating costs of defined benefit pension schemes	497	1,022
	<u>3,865</u>	<u>6,944</u>
Supply teacher costs	441	932
Staff restructuring costs	-	9
Other staff costs	5	247
	<u>4,311</u>	<u>8,132</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £nil (2018: £9,000).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	62	64
Admin and support	144	166
Management	21	15
	<u>227</u>	<u>245</u>

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	0	3
In the band £100,001 - £110,000	0	1
In the band £160,001 - £170,000	0	1
In the band £220,001 - £230,000	0	1

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £521k.

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

9. CENTRAL SERVICES

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

- financial services
- educational support services

The academy charges for these services on the following basis:

A flat percentage of 5% of each academies' General Annual Grant is charged by the Silver Birch Academy Trust.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Chingford Primary Academy	42	66
Whittingham Primary Academy	53	96
Longshaw Primary Academy	47	86
Winston Way Academy	80	138
Total	<u>222</u>	<u>386</u>

10. TRUSTEES' REMUNERATION AND EXPENSES

The highest paid Trustee received remuneration of £25,571 (2018 - £221,222).

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
P Davies (CEO & Trustee)	Remuneration	25-30	220-225
	Pension contributions paid	0-5	25-30
M Rayner (Trustee)	Remuneration		5-10
	Pension contributions paid		0-5

During the year, no Trustees received any reimbursed expenses.

11. TRUSTEES' AND OFFICERS' INSURANCE

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

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

12. OTHER FINANCE INCOME/(COST)

	2019 £000	2018 £000
Interest income on pension scheme assets	-	37
Interest on pension scheme liabilities	-	(118)
	<u>-</u>	<u>(81)</u>

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2018	21,850	324	274	22,448
Additions	-	3	3	6
Disposals	(21,850)	(327)	(277)	(22,454)
At 31 August 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation				
At 1 September 2018	1,258	199	207	1,664
Charge for the year	224	37	37	298
On disposals	(1,482)	(236)	(244)	(1,962)
At 31 August 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 31 August 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2018	<u>20,592</u>	<u>125</u>	<u>67</u>	<u>20,784</u>

Included in leasehold land and buildings were land and buildings of historic cost of £11,487k (2018: £11,487k) held under long leasehold agreements with London Borough of Waltham Forest and £9,558k (2018: £9,558k) held under long leasehold agreements with London Borough of Redbridge, who are the legal owners of the properties.

There was leasehold land with a historic cost of £2,759k (2018: £2,759k) which is not depreciated.

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

14. DEBTORS

	31 March 2019 £000	31 August 2018 £000
Trade debtors	-	12
Other debtors	-	276
Prepayments and accrued income	-	350
	<u>-</u>	<u>638</u>

15. CREDITORS: Amounts falling due within one year

	31 March 2019 £000	31 August 2018 £000
Other loans	-	7
Trade creditors	-	1,021
Other taxation and social security	-	135
Other creditors	-	4
Accruals and deferred income	-	221
	<u>-</u>	<u>1,388</u>

Other creditors in 2017 and trade creditors in 2018 represents amounts owed to London Borough of Waltham Forest.

	31 March 2019 £000	31 August 2018 £000
Deferred income		
Deferred income brought forward	130	145
Resources deferred during the year	70	130
Amounts released from previous years	(130)	(145)
Transfer to ULT	(70)	-
	<u>-</u>	<u>130</u>

Grant income relating to the financial year 2018/19 has been deferred at 31 August 2018 on a straight line basis.

16. CREDITORS: Amounts falling due after more than one year

	31 March 2019 £000	31 August 2018 £000
Other loans	<u>-</u>	<u>17</u>

Loans comprise of Salix loan of £24,000 which is repayable over an 8 year period from 1st March 2017.

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2019 £000
Unrestricted funds					
Unrestricted funds	130	172	(886)	584	-
Restricted funds					
General Annual Grant (GAG)	166	4,426	(4,008)	(584)	-
Other DfE grants	-	616	(616)	-	-
Other restricted (including LA)	-	503	(503)	-	-
Pension reserve	(2,533)	-	2,533	-	-
	<u>(2,367)</u>	<u>5,545</u>	<u>(2,594)</u>	<u>(584)</u>	<u>-</u>
Restricted fixed asset funds					
DfE/LA capital grants	524	41	(565)	-	-
Capital expenditure from GAG	413	-	(413)	-	-
Assets from predecessor school	19,824	-	(19,824)	-	-
	<u>20,761</u>	<u>41</u>	<u>(20,802)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>18,394</u>	<u>5,586</u>	<u>(23,396)</u>	<u>(584)</u>	<u>-</u>
Total of funds	<u>18,524</u>	<u>5,758</u>	<u>(24,282)</u>	<u>-</u>	<u>-</u>

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

Restricted fixed asset fund

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Academy upon conversion which represent the school site including the long leasehold interest of land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

General Annual Grant (GAG)

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Agency by the Department of Education. The General Annual Grant Fund has been set up because the GAG 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 2018.

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (continued)

Capital Reserve from GAG

The Capital Reserve from GAG (Capital Annual Grant) fixed assets fund has been set up to recognise the tangible assets purchased by the Academy following conversion that have been funded from the GAG. This fund has been created by a transfer from the GAG fund of an amount equivalent to the cost of the tangible assets involved. Depreciation on those tangible assets is allocated to the fund.

Pension Reserve

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Status, and through which all the pension scheme movements are recognised.

Capital grants

The Capital Grants Fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure. Transfers are made to the capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

Other restricted

The other restricted income has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant restricted expenditure is then recorded through this fund.

Unrestricted funds

The Unrestricted fund has been set up for the funds received from sources outside of normal funding streams, this also includes surplus money received on the conversion to academy status. These funds are used for the purpose set out in the Trustees Report

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £000	Total 2018 £000
Whittingham Primary Academy	-	1,060
Longshaw Primary Academy	-	(91)
Winston Way Academy	-	514
The Silver Birch Academy Trust (central services)	-	(1,187)
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	-	296
 Restricted fixed asset fund	 -	 20,761
Pension reserve	-	(2,533)
	<hr/>	<hr/>
Total	-	18,524

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Chingford Hall Primary Academy	757	147	331	155	1,390	1,762
Whittingham Primary Academy	885	139	251	186	1,461	2,249
Longshaw Primary Academy	773	490	218	240	1,721	2,596
Winston Way Academy	1,073	180	254	383	1,890	2,752
The Silver Birch Academy Trust (central services)	95	112	47	671	925	1,184
	<u>3,583</u>	<u>1,068</u>	<u>1,101</u>	<u>1,635</u>	<u>7,387</u>	<u>10,543</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
General funds						
Unrestricted funds	763	356	(356)	(633)	-	130
Restricted funds						
General Annual Grant (GAG)	-	7,727	(8,194)	633	-	166
Other DfE grants	-	999	(999)	-	-	-
Other restricted (including LA)	-	783	(783)	-	-	-
Pension reserve	(2,964)	8	(207)	-	630	(2,533)
	<u>(2,964)</u>	<u>9,517</u>	<u>(10,183)</u>	<u>633</u>	<u>630</u>	<u>(2,367)</u>

THE SILVER BIRCH ACADEMY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/LA capital grants	504	25	(5)	-	-	524
Capital expenditure from GAG	537	-	(124)	-	-	413
Assets from predecessor school	20,206	-	(382)	-	-	19,824
	<u>21,247</u>	<u>25</u>	<u>(511)</u>	<u>-</u>	<u>-</u>	<u>20,761</u>
Total restricted funds	<u>18,283</u>	<u>9,542</u>	<u>(10,694)</u>	<u>633</u>	<u>630</u>	<u>18,394</u>
Total of funds	<u>19,046</u>	<u>9,898</u>	<u>(11,050)</u>	<u>-</u>	<u>630</u>	<u>18,524</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
-	-	-	-

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	20,784	20,784
Current assets	1,512	166	-	1,678
Creditors due within one year	(1,365)	-	(23)	(1,388)
Creditors due in more than one year	(17)	-	-	(17)
Provisions for liabilities and charges	-	(2,533)	-	(2,533)
	<u>130</u>	<u>(2,367)</u>	<u>20,761</u>	<u>18,524</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	(18,524)	(1,152)
Adjustment for:		
Depreciation charges	298	508
Dividends, interest and rents from investments	(2)	(4)
(Increase)/Decrease in debtors	147	(258)
Increase/(Decrease) in creditors	(613)	(1,263)
Capital grants from DfE and other capital income	(41)	(25)
Defined benefit pension scheme cost less contributions payable	-	126
Defined benefit pension scheme finance cost	-	81
Transfer of assets and liabilities to ULT	17,984	-
Pension Settlement	-	8
Net cash used in operating activities	(751)	(1,979)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash in hand	-	1,040
Total	-	1,040

21. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer and London Borough of Waltham Forest for Whittingham Primary Academy, Chingford Hall Primary Academy and Longshaw Primary Academy and by Hymans Robertson LLP for Winston Way Academy. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 TPS in the period amounted to £258,561 (2018 - £384,909)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £391,000 (2018 - £520,000), of which employer's contributions totalled £318,000 (2018 - £445,000) and employees' contributions totalled £73,000 (2018 - £75,000). The agreed contribution rates for future years are 28.7% for employers and 6.5% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	2.80%	2.80%
Rate of increase in salaries	3.60%	3.60%
Rate of increase for pensions in payment / inflation	2.20%	2.20%
Inflation assumption (CPI)	2.10%	2.10%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION COMMITMENTS (continued)

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

	2019	2018
Retiring today		
Males	22.5	22.5
Females	25.5	25.5
Retiring in 20 years		
Males	24.7	24.7
Females	27.9	27.9

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

	Fair value at 31 March 2019 £000	Fair value at 31 August 2018 £000
Equities	-	1,606
Bonds	-	277
Property	-	210
Other including cash	-	294
Total market value of assets	-	2,387

The actuarial gain on the defined benefit pension schemes for the period was £nil (2018: £630,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2019 £000	2018 £000
Current service cost	-	(571)
Past service cost	-	8
Interest income	-	37
Interest cost	-	(118)
Total	-	(644)
Actual return on scheme assets	-	171

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2019 £000	2018 £000
Opening defined benefit obligation	4,920	4,684
Current service cost	-	571
Interest cost	-	118
Employee contributions	-	75
Actuarial gains	-	(514)
Benefits paid	-	6
Effect of non-routine settlements	-	(20)
Transfer to ULT on 1 April 2019	(4,920)	-
Closing defined benefit obligation	-	4,920

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

	2019 £000	2018 £000
Opening fair value of scheme assets	2,387	1,717
Return on plan assets (excluding net interest on the net defined pension liability)	-	37
Actuarial losses	-	116
Employer contributions	-	445
Employee contributions	-	75
Benefits paid	-	6
Effect of non-routine settlements	-	(9)
Transfer to ULT on 1 April 2019	(2,387)	-
Closing fair value of scheme assets	-	2,387

The transfer figures in note 21 are as at 31 August 2018 as actuarial statements for pensions scheme were not available for the period to 31 March 2019. The pension liability transferred at 1 April 2019 and as such the balance at 31 August 2019 is correctly stated.

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Academies Finance Limited provided bookkeeping, accountancy and consultancy services to the Trust during the year, the aggregate sum of such services being £63,012 (2018: £75,930); the amount outstanding at the year end was £Nil (2018: £1,965).

Academies Finance Limited is a company controlled by Rose Nelson, the Trust's Interim Chief Operating Officer.

Contracts of £Nil (2018: £141,450) were paid to Sam Morgan Price, the niece of a trustee.