

**THE SPIRE CHURCH OF ENGLAND LEARNING
TRUST**

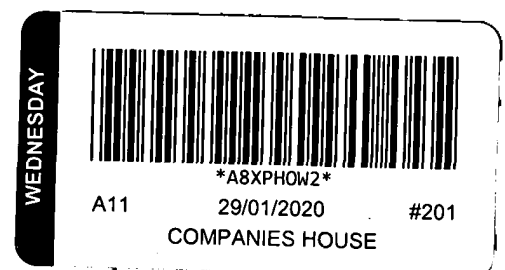
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019

Company Registration Number:

08355037(England and Wales)



THE SPIRE CHURCH OF ENGLAND LEARNING TRUST

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

TRUSTEES AND DIRECTORS

B Allbut	(resigned 1 September 2018) (re-appointed 19 September 2019)
C Ashman	(resigned 1 September 2018)
R Barbour	(appointed 1 September 2018)
A Elwell-Thomas	(resigned 1 September 2018)
E Ferguson	(appointed 1 September 2018) (resigned 12 September 2018)
J Foy	(resigned 1 September 2018)
T Gulliver	(appointed 1 September 2018)
F Hughes	(appointed 1 September 2018)
A James	(resigned 1 September 2018) (re-appointed 19 September 2019)
D Jenkins	(appointed 1 September 2018) (resigned 12 September 2018)
Rev R Khan	(resigned 19 September 2019)
J King	(appointed 1 September 2018)
A Lee	(resigned 1 September 2018)
N Limbrick	(resigned 1 September 2018)
S Pemberton	(resigned 1 September 2018)
R Powell	(resigned 1 September 2018)
G Roberts	
R Shorter	(appointed 1 September 2018)
R Sumner	(resigned 1 September 2018)
L Wallace	(resigned 1 September 2018)
T Williams	(appointed 1 September 2018)

MEMBERS

B Allbut	
C Ashman	(resigned 1 September 2018)
P Clague	(appointed 1 September 2018)
Tim Reid representing The Worcester Diocesan Academies Trust (Co No. 7693683)	(appointed 1 September 2018)
S Schofield	(appointed 1 September 2018)
R Shorter	

COMPANY SECRETARY

J Perrey

SENIOR MANAGEMENT TEAM

G Roberts MAT CEO and Accounting Officer

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISORS FOR THE PERIOD ENDED 31 AUGUST 2019 *(continued)*

COMPANY REGISTERED NUMBER

08355037

PRINCIPAL AND REGISTERED OFFICE

The Spire Church of England Learning Trust
Watt Close
Bromsgrove
Worcestershire,
B61 7DH

AUDITORS

Curo Professional Services Limited
Curo House
Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL

BANKERS

Lloyds Bank PLC
112, High Street
Bromsgrove
Worcestershire
B61 8EZ

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees report, and a directors' report under company law.

The trust operates two academies for pupils aged up to 13 serving schools within the Worcestershire catchment area.

The Multi Academy Trust caters for approximately 1060 at full capacity. Per the school census it has the following pupils.

Academy	NOR	Date Joined the Trust
St Johns C of E Middle School Academy Bromsgrove	640	10 January 2013
St Johns Primary School Kidderminster	363	1 September 2018

Structure, Governance and Management

Constitution

The Academy Trust is a charitable 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 Trustees of The Spire Church of England Learning Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Spire Church of England Learning Trust. Its articles were adopted on 11 September 2018

Details of the Trustees who served throughout the year, and to the date of these accounts are approved are included in the Reference and Administrative Details on page 3.

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.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such instances shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000

Trustees' Report *(continued)*

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Members shall comprise:

- a) The Diocesan Corporate Member;
- b) Two persons appointed by the Diocesan Corporate Member (whether corporate or individual);
- c) The chairman of the Directors; and
- d) Any person appointed under Article 15A, provided that at any time the minimum number of members shall not be less than three.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction and training will be provided on charity, educational, legal and financial matters. All new Trustees will be given a tour of the academy site and will be given the opportunity to meet with staff and students where appropriate. All Trustees have access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction will be done informally and will be tailored specifically to the individual trustee.

Organisational Structure

Governance:

The governance of the Trust is defined in the Memorandum and Articles of Associations together with the funding agreement with the Department for Education

The Board of Trustees is responsible for;

1. Ensuring that the vision, ethos and strategic direction of the Trust are clearly defined and implemented.
2. The performance of the Trust academies
3. Ensuring the sound, proper and effective use of the school's financial resources

The Chief Executive Officer (CEO) is the Accounting Officer and responsible for the day to day management of the Trust.

Academy Governance:

Each academy has its own Local Governing Body (LGB). Responsibilities are delegated by the Trust to the LGB through a scheme of delegation. The key functions of the LGB;

1. Ensuring that the vision and strategic direction of the Trust are clearly defined and implemented.
2. Ensuring the Headteacher performs their responsibilities for the educational performance of the school
3. Ensuring the sound, proper and effective use of the school's financial resources

The Headteachers's (Executive Headteacher/ Head of School) responsibilities include

1. The internal organisation, management and control of the academy
2. The educational performance of the school

The Board of Trustees normally meet once every half term. The board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of the Committees and other groups. It monitors the activities of the LGBs and Committees through minutes of their meetings.

Trustees' Report *(continued)*

Arrangements for Setting Remuneration of Key Management Personnel

The Trust's key management personnel are appointed by the Trustees with the pay scale for each post agreed in advance in accordance with appropriate pay scales.

Salaries for central staff are reviewed by the Trustees following an annual Performance Management Review and benchmarked against agreed pay scales.

The salaries of all Headteachers in Trust academies are reviewed annually in accordance with the School Teachers Pay and Conditions Guidance following an annual Performance Management Review which is undertaken by the Trust and representatives of the LGB.

The salaries of all other senior leaders in Trust academies are reviewed annually in accordance with the School Teachers Pay and Conditions Guidance (2016) following an annual Performance Management Review which is undertaken by the Headteacher of the school.

Details of Trustee's expenses and related party transactions are disclosed in the notes to the accounts.

Trade Union Facility Time

There was no trade union officials during the year.

Related Parties and Other Connected Charities and Organisations

The trust is connected to the WDAT and the Diocese of Worcester Board of Education (DBE). Neither WDAT nor the DBE receive any financial gain from the Trust.

The following Trustees of the Board of the The Spire Church of England Learning Trust are also members of the WDAT:

Bryan Allbut

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of The Spire Church of England Learning Trust to provide education for pupils of different abilities between the ages of 4 and 13 with an emphasis on creativity and expression.

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and the academy trust, the trust is governed by a governing body which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the school. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

Objectives, Strategies and Activities

The main objectives of the academy trust during the period ended 31 August 2019 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement and attainment of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to maintain close links with the community and the church, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Trustees' Report *(continued)*

The Academy trust's main strategy is to raise standards of achievement through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy trust is teaching and learning. Its people and resources are constantly appraised by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its students.

Key activities which support the main strategic purpose of the organisation are:

- robust quality assurance processes which are transparent and inform all subsequent actions,
- secure use of data and tracking to measure progress and inform actions and intervention,
- constant review of CPD and training opportunities for staff,
- a core structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are clear.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The vision of the Trust is to deliver excellence in education and the very best outcomes for children and young people so that they can achieve their fullest potential – in line with its aims and the Church of England vision for education.

Achievements and Performance

The Trust continues to perform strongly and the focus on raising standards and pupil achievement is at the heart of all that we do.

St Johns C of E Middle School Academy – last Ofsted inspection 14 March 2012 – Outstanding. Preliminary Assessment data for 2019 shows at least expected progress for KS2, above national attainment for Reading, Spelling, Punctuation and Grammar, Maths, Reading Writing, Maths and Writing.

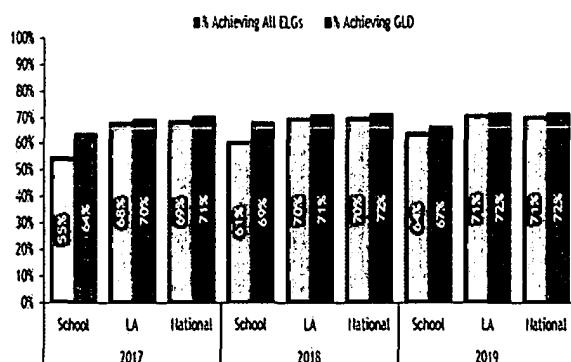
	READING		SPELLING, PUNCTUATION AND GRAMMAR		MATHS		READING, WRITING, MATHS		WRITING	
	At Expected Standard	Greater Depth	At Expected Standard	Greater Depth	At Expected Standard	Greater Depth	At Expected Standard	Greater Depth	At Expected Standard	Greater Depth
2019	79%	30%	80%	39%	94%	29%	71%	10%	79%	14%
2018	74%	30%	81%	35%	96%	26%	70%	13%	83%	28%
2017	74%	26%	76%	29%	95%	35%	68%	14%	80%	26%
2016	61%	22%	64%	19%	69%	14%	50%	7%	87%	28%
2019 National	73%	No Data	78%	No Data	79%	No Data	65%	No Data	78%	No Data
2018 National	75%	No Data	78%	No Data	76%	No Data	64%	No Data	78%	No Data
2017 National	72%	25%	77%	31%	75%	23%	61%	9%	76%	18%
2016 National	66%	23%	73%	19%	70%	17%	53%	5%	74%	15%

Trustees' Report *(continued)*

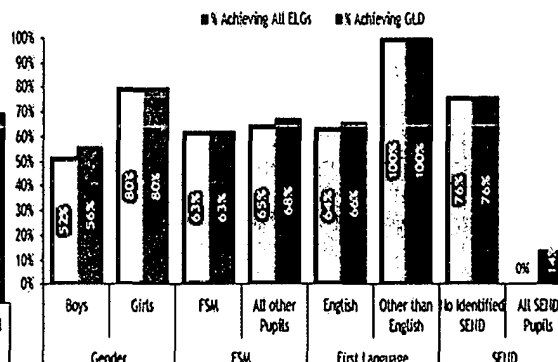
St Johns Primary School Kidderminster – last Ofsted inspection 6 June 2018 Inadequate. Preliminary assessment for data 2019 shows improved progress and attainment in KS1 and 2 following a substantial amount of input from the trust, to include regular reviews of teaching and learning. The academy is in a strengthening position.

Percentage of Pupils achieving at least Expected level across all ELGs or Good Level of Development - 2019

School Performance over 3 years compared to Worcestershire and National

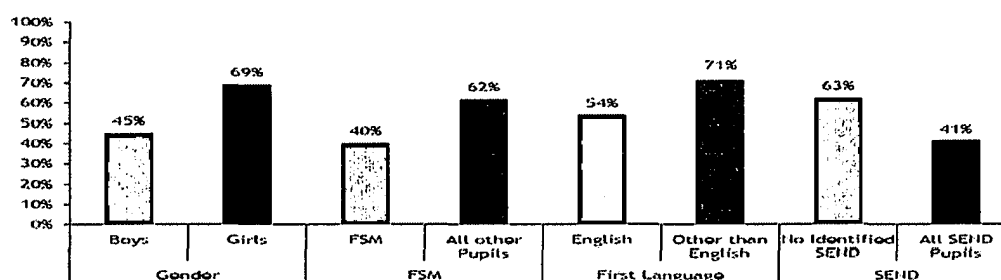


School Performance in 2019 comparing pupil groups



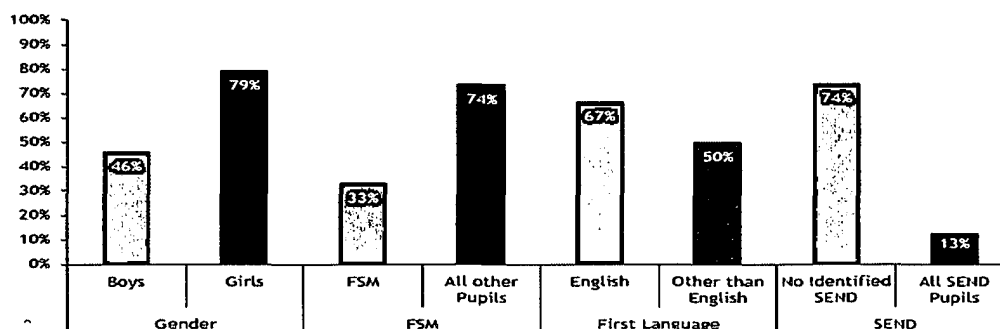
Key Stage 1 - St John's CE Primary School

Reaching EXPECTED Standard in Reading, Writing & Maths - 2019



Key Stage 2 - St John's CE Primary School

Reaching EXPECTED Standard in Reading, Writing & Maths - 2019



Trustees' Report *(continued)*

To ensure that standards are continually raised the Trust, the Governing Body and the Leadership Group:

- Operates robust quality assurance through Performance Management which monitors the quality of teaching and learning;
- Is visited and scrutinised and supported by an independent Consultant Advisor and improvement partner; and
- Undertakes a rigorous and regular review of attainment using ASP and GL entry and exit data to benchmark the progress of students and uses SIM to track individual and group performance throughout the year.

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, GAG carried forward was £NIL.

As funding is based on pupil numbers this is also key performance indicator. Pupil numbers for 2018/19 were

Staffing costs as a percentage of GAG is a key performance indicator. For the year under review this was 122.2% (2018 – 97.9%) which is in line with benchmarking.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The trust has a number of financial policies in place to ensure that it maintains and develops systems of financial control which conform to the requirements of property, regularity and of sound financial management.

The main source of income for the Academy Trust are grants from the Department of Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), any capital grants and donations of fixed assets are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Trust's accounting policies.

During the period ended 31 August 2019, total expenditure of £6,260,000 (2018: £3,460,000) was covered by recurrent grant funding from the ESFA together with other incoming resources.

At 31 August 2019 the net book value of fixed assets was £4,624,000 (2018: £4,540,000) as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

At 31 August 2019 there was a deficit of £1,604,000 (2018: £352,000 surplus) as shown in the Statement of Financial Activities. This deficit can be broken down further into an operating deficit of £923,000 (2018: £162,000 surplus) and losses on pension revaluations of £681,000 (2018: £190,000 gain). The deficit in the current year is due to increased investment in the trust and its educational operations.

The Trust has taken on the deficit in Local Government Pension Scheme in respect of its non-teaching staff. The deficit is incorporated within the Statement of Financial Activity with details in note 27 to the financial statements.

Trustees' Report *(continued)*

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, managers, budget holders and other staff as well as delegated authority in spending.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, including future capital projects and the nature of reserves. The overall aim is to improve the financial sustainability of Trust. The level of reserves will be kept

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves. The level of reserves will be kept under review by the Trustees.

At 31 August 2019 the total reserves are £2,389,000 (2018: £3,993,000) which consists of General Unrestricted funds, Restricted funds, and Restricted Fixed Asset funds.

General unrestricted funds consist of income funds which are freely available for general purpose expenditure and will be carried forward to future periods. At 31 August 2019 general unrestricted funds is in surplus of £609,000 (2018: £541,000).

Restricted funds are available for the Academy trust's educational operations only, any surplus will be carried forward for future expenditure. At 31 August 2019 the restricted fund is in deficit to the amount of £2,430,000 (2018: £700,000 deficit). This deficit can be broken down into two funds – the general restricted funds £0 surplus (2018: £0 surplus) and the pension fund of £2,430,000 deficit (2018: £700,000 deficit).

Restricted fixed asset funds consist of capital assets matched to capital grants or assets held on conversion to an academy. These funds are not available for general purposes and are carried forward to future periods. At 31 August 2019 the restricted fixed asset fund is in surplus to the amount of £4,210,000 (2018: £4,152,000).

At 31 August 2019 the total funds available for future spending is £609,000 (2018: £541,000). This shows all reserves net of the pension fund and restricted fixed asset fund.

Principle Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

Financial – the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 84% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failure of governance (Trust level) the trust commits to ensuring a high focus on strong governance; building up the skillset of the Board. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Failure of the leadership and management of the Trust (Compliance): This could arise from the potential failure to effectively manage Trust finances or comply with relevant regulations and legislation. To mitigate this, Trustees have employed a skilled finance team and ensure robust measures are in place to review current systems and procedures.

Reputational: The continuing success of the Trust depends on maintaining high educational standards and outcomes within Trust academies. This is particularly important in ensuring the Trust continues to attract additional schools and gross in number.

Trustees' Report *(continued)*

Staffing: The success of each individual academy depends on the quality of the staff and the leadership and management within each academy. The trust has developed high quality training opportunities to support the continued professional development of each member of staff and regular reviews and visits from school improvement partners ensures each Headteacher is fully supported to develop strong systems for the leadership and management of their academy.

Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline. These areas are monitored carefully at every level.

Fraud/mismanagement of funds: The Trust central finance team are responsible for checking policies and procedures in each academy are followed effectively. The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Risk Management

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks and that the procedures are consistent with the guidelines issued by the Charity Commission.

Plans for Future Periods

The Academy trust will continue striving to improve the levels of attainment and achievement of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving the Academy trust with regard to transfer to High School or Secondary School.

The Academy trust continuously strives to be at the forefront of innovation in education and we are perpetually revising our curriculum offer to suit the needs of our students. The Academy trust invests in alternative programmes of education which ensure that students with additional needs are as well supported and as successful as their peers.

As the Academy continues to go from strength to strength, we are better able to build partnerships with local schools. We have support and deliver differentiated programmes of study and interventions.

We plan to take an additional school into the Trust in February 2020

Fund Held as Custodian Trustee on behalf of Others

The Spire Church of England Learning Trust holds no funds as custodian trustee on behalf of others

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.

Approved by order of the members of the Governing Body on 13th December 2019 and signed on its behalf by:

R Shorter

Chair



Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Spire Church of England Learning 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 CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Spire Church of England Learning Trust and the Secretary of State for Education. He is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. Its purpose is to oversee the financial systems, procedures and operations of the Trust. The board of Trustees has formally met 4 times during the period.

Attendance during the period at meetings of the governing body was as follows:

Committee member	Meetings attended	Out of a possible
B Allbut	2	4
R Barbour	2	4
E Ferguson	0	4
T Gulliver	3	4
F Hughes	4	4
D Jenkins	1	4
J King	3	4
G Roberts	4	4
R Shorter	4	4
T Williams	3	4

Governance Statement *(continued)*

Review of Value for Money

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Spire Church of England Learning Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the board of Trustees 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; and
- 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 Anne Salsano, to carry out a programme of internal checks.

The internal reviewer'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:

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

On a quarterly basis, the reviewer reports to the board of trustees, through the general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Governance Statement *(continued)*

Review of Effectiveness

As Accounting Officer, the CEO 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 external auditor;
- the financial management and governance self assessment process; and
- 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 board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 13th December 2019 and signed on its behalf by:

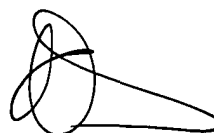
R Shorter

Chair



G Roberts

Accounting Officer



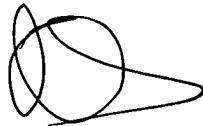
Statement on Regularity, Propriety and Compliance

As accounting officer of The Spire Church of England Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2018.

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

Signed

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line extending to the right.

**G Roberts
Accounting Officer**

Statement of Trustees' Responsibilities

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

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Governing Body on 13th December 2019 and signed on its behalf by:

R Shorter

Chair



Independent Auditor's Report to the Members of The Spire Church of England Learning Trust

We have audited the financial statements of The Spire Church of England Learning Trust (the 'academy trust') for the year ended 31 August 2019 as set out on pages 23 to 48. 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 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 and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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;
- 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 and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Independent Auditor's Report to the Members of The Spire Church of England Learning Trust (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' 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 trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

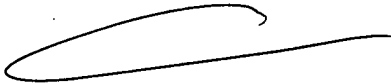
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Independent Auditor's Report to the Members of The Spire Church of England Learning Trust (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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



Anna Madden FCA (Senior Statutory Auditor)
for and on behalf of Curo Professional Services Limited (Statutory Auditors)
Curo House, Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL
13th December 2019

Independent Accountant's Assurance Report on Regularity to The Spire Church of England Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 January 2013 and further to the requirements of the Education and 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 Spire Church of England Learning Trust during the period 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 Spire Church of England Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Spire Church of England Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Spire Church of England Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Spire Church of England Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Spire Church of England Learning Trust's funding agreement with the Secretary of State for Education dated 10 June 2013 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 and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our review 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.

**Independent Accountant's Assurance Report on Regularity to The Spire
Church of England Learning 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 year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Anna Madden FCA (Senior Statutory Auditor
for and on behalf of Curo Professional Services Limited Statutory Auditors)
Curo House
Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL

13th December 2019

Statement of Financial Activities for the period ended 31 August 2019

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted non fixed asset funds £000	Restricted fixed asset funds £000	Total 2019 £000	Total 2018 £000
Incoming and endowments from						
Donations and capital grants	3	-	-	94	94	344
• Transfer from local authority on conversion	3	-	-	171	171	-
Charitable activities						
• Funding for the Academy's educational operations	4	-	4,481	-	4,481	2,903
Other trading activities	5	591	-	-	591	375
Total income		<u>591</u>	<u>4,481</u>	<u>265</u>	<u>5,337</u>	<u>3,622</u>
Expenditure						
Expenditure on raising funds		-	-	-	-	-
Charitable activities						
• Academy's educational operations	7	344	4,887	155	5,386	3,460
• Transfer from local authority on conversion	7	-	874	-	874	-
Total expenditure		<u>344</u>	<u>5,761</u>	<u>155</u>	<u>6,260</u>	<u>3,460</u>
Net income / (expenditure) before transfers	17	247	(1,280)	110	(923)	162
Gross transfers between funds	17	(179)	231	(52)	-	-
Net income for the year		<u>68</u>	<u>(1,049)</u>	<u>58</u>	<u>(923)</u>	<u>162</u>
Other recognised gains and losses						
Actuarial (losses)/ gains on defined benefit pension schemes	27	-	(681)	-	(681)	190
Net movement in funds		<u>68</u>	<u>(1,730)</u>	<u>58</u>	<u>(1,604)</u>	<u>352</u>
Reconciliation of funds						
Funds brought forward at 1 September 2018	17	541	(700)	4,152	3,993	3,641
Funds carried forward at 31 August 2019	17	<u>609</u>	<u>(2,430)</u>	<u>4,210</u>	<u>2,389</u>	<u>3,993</u>

Statement of Financial Activities for the period ended 31 August 2018

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted non fixed asset funds £000	Restricted fixed asset funds £000	Total 2018 £000
Incoming and endowments from					
Donations and capital grants	3	-	-	344	344
• Transfer from local authority on conversion	3	-	-	-	-
Charitable activities					
• Funding for the Academy's educational operations	4	-	2,903	-	2,903
Other trading activities	5	265	110	-	375
Total income		<u>265</u>	<u>3,013</u>	<u>344</u>	<u>3,622</u>
Expenditure					
Expenditure on raising funds		-	-	-	-
Charitable activities					
• Academy's educational operations	7	123	3,202	135	3,460
Total expenditure		<u>123</u>	<u>3,202</u>	<u>135</u>	<u>3,460</u>
Net income / (expenditure) before transfers	17	142	(189)	209	162
Gross transfers between funds	17	(116)	116	-	-
Net income for the year		26	(73)	209	162
Other recognised gains and losses					
Actuarial (losses)/ gains on defined benefit pension schemes	27	-	190	-	190
Net movement in funds		<u>26</u>	<u>117</u>	<u>209</u>	<u>352</u>
Reconciliation of funds					
Funds brought forward at 1 September 2017	17	515	(817)	3,943	3,641
Funds carried forward at 31 August 2018	17	<u>541</u>	<u>(700)</u>	<u>4,152</u>	<u>3,993</u>

Balance sheet at 31 August 2019

COMPANY NUMBER: 08355037

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets		-	-
Tangible assets	12	4,624	4,540
Current assets			
Debtors	13	207	153
Cash at bank and in hand		657	547
		<hr/> 864	<hr/> 700
Creditors: Amounts falling due within one year	14	659	547
		<hr/>	<hr/>
Net current assets		205	153
Total assets less current liabilities		<hr/> 4,829	<hr/> 4,693
Creditors: Amounts falling due after more than one year	15	(10)	-
		<hr/>	<hr/>
Net assets excluding pension liability		4,819	4,693
Pension scheme liability	27	(2,430)	(700)
		<hr/>	<hr/>
Net assets including pension liability		2,389	3,993
		<hr/>	<hr/>
Funds of the academy:			
Restricted funds			
Fixed asset fund	17	4,210	4,152
General fund	17	-	-
Pension reserve	17	(2,430)	(700)
		<hr/>	<hr/>
Total restricted funds		1,780	3,452
		<hr/>	<hr/>
Unrestricted funds			
General fund	17	609	541
		<hr/>	<hr/>
Total funds		2,389	3,993
		<hr/>	<hr/>

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on 13th December 2019 and are signed on their behalf by:

R Shorter
Director



G Roberts
Director



Statement of Cash Flows for the period ended 31 August 2019

	<i>Note</i>	2019	2018
		£000	£000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	<i>21</i>	96	588
Cash flows from financing activities	<i>21</i>	-	-
Cash flows from investing activities	<i>23</i>	14	(215)
Increase/(Decrease) in cash in the period	<i>24</i>	110	373
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2018		547	174
		<hr/>	<hr/>
Net funds at 31 August 2019		657	547
		<hr/>	<hr/>

Notes

(Forming part of financial Statements)

1 Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

Notes (continued)

Statement of Accounting Policies (continued)

- **Donations**

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

- **Other Income**

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

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 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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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.

Notes (continued)

Statement of Accounting Policies (continued)

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 basis over its expected useful life, as follows:

Freehold buildings	2%
Long leasehold buildings	2%
Furniture and equipment	10% - 20%
Computer equipment	33%

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

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

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

Notes (continued)

Statement of Accounting Policies (continued)

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 part 11, chapter 3 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.

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.

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

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 & Skills Funding Agency and the Department for Education.

Notes (continued)

Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

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

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Conversion to an Academy Trust

The conversion of St Johns Church of England Primary 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 the local authority 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 Charitable activities – 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 29.

2 General Annual Grant (GAG)

	2019	2018
	£000	£000
Results and Carry Forward for the Year		
GAG brought forward from previous year	-	-
GAG allocation for current period	4,136	2,575
	<hr/>	<hr/>
Total GAG available to spend	4,136	2,575
Recurrent expenditure from GAG	(4,136)	(2,575)
Fixed assets purchased from GAG	-	-
	<hr/>	<hr/>
GAG carried forward to next year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

3 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000
Capital grants	-	94	94	-	344	344
Donated fixed assets	-	171	171	-	-	-
	<u>-</u>	<u>265</u>	<u>265</u>	<u>-</u>	<u>344</u>	<u>344</u>

4 Funding for the Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000
DFE / ESFA grants						
General Annual Grant (GAG)	-	4,136	4,136	-	2,575	2,575
Other DfE / ESFA grants	-	345	345	-	328	328
	<u>-</u>	<u>4,481</u>	<u>4,481</u>	<u>-</u>	<u>2,903</u>	<u>2,903</u>

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000
Hire of facilities	16	-	16	18	-	18
Catering income	75	-	75	60	-	60
Educational visits	166	-	166	-	110	110
Other income	334	-	334	187	-	187
	<u>591</u>	<u>-</u>	<u>591</u>	<u>265</u>	<u>110</u>	<u>375</u>

Notes (continued)

6 Expenditure

	Staff costs	Premises	Other costs	Total 2019	Total 2018
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
Direct costs	3,296	-	249	3,545	2,237
Allocated support costs	883	500	458	1,841	1,223
Transfer from local authority on conversion	874	-	-	874	-
	<u>5,053</u>	<u>500</u>	<u>707</u>	<u>6,260</u>	<u>3,460</u>

	Staff costs	Premises	Other costs	Total 2018
	£000	£000	£000	£000
Expenditure on raising funds	-	-	-	-
Academy's educational operations				
Direct costs	2,061	-	176	2,237
Allocated support costs	558	298	367	1,223
	<u>2,619</u>	<u>298</u>	<u>543</u>	<u>3,460</u>

	2019 £000	2018 £000
Incoming/outgoing resources for the year include:		
Operating leases	14	12
Fees payable to auditor - audit	8	5
Fees payable to auditor – other services	3	3
Depreciation	158	141
(Profit)/Loss on disposal of fixed assets	9	-

Notes (continued)

7 Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000
Direct costs						
Teaching and educational support	-	3,296	3,296	-	2,061	2,061
Staff costs	-	-	-	-	-	-
Educational supplies	-	97	97	-	58	58
Other direct costs	152	-	152	-	118	118
	<u>152</u>	<u>3,393</u>	<u>3,545</u>	<u>-</u>	<u>2,237</u>	<u>2,237</u>
Allocated support costs						
Support staff costs	-	883	883	-	460	460
Pension liability on conversion	-	874	874	-	-	-
Non-pay staff costs	-	36	36	-	98	98
Premises costs	-	178	178	-	106	106
Depreciation	63	95	158	53	88	141
Loss on disposal of fixed assets	-	9	9	-	-	-
Cleaning	-	74	74	-	16	16
Catering	90	-	90	34	-	34
Subscriptions	-	62	62	-	80	80
Utilities	-	89	89	-	55	55
Other support costs	39	190	229	36	106	142
Governance costs	-	33	33	-	91	91
	<u>192</u>	<u>2,523</u>	<u>2,715</u>	<u>123</u>	<u>1,100</u>	<u>1,223</u>
	<u>344</u>	<u>5,916</u>	<u>6,260</u>	<u>123</u>	<u>3,337</u>	<u>3,460</u>

Notes (continued)

8 Staff costs

Staff costs during the period were:	2019	2018
	£000	£000
Wages and salaries	3,110	1,952
Social security costs	311	179
Pension costs	1,558	319
	<hr/>	<hr/>
Redundancy costs	13	-
Supply staff costs	61	70
	<hr/>	<hr/>
	5,053	2,520
	<hr/>	<hr/>

The average number of persons (including senior management team) employed by the Academy during the period by headcount was as follows:

	2019	2018
	No.	No.
Teachers	103	58
Administration and support	33	31
Management	8	4
	<hr/>	<hr/>
	144	93
	<hr/>	<hr/>

The number of employees whose emoluments fell within the following bands was:

	2019	2018
	No.	No.
£60,001 – £70,000	-	-
£70,001 – £80,000	-	-
£80,001 – £90,000	-	1
£90,001 – £100,000	1	-
	<hr/>	<hr/>

59 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £560,936 (2018: £346,822). The other employees participated in the Local Government Pension Scheme, pension contributions for whom amounted to £170,320 (2018: £94,171).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £676,132 (2018: £393,505).

Notes (continued)

9 Related party transactions – Trustees remuneration and expenses

The Headteacher, key management personnel and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment. Other Trustees did not receive any payments, or expenses, from the Academy in respect of their role as Trustees.

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

G Roberts (MAT CEO and Trustee)

Remuneration £95,000 - £100,000 (2018: £80,000 - £85,000)

Employer's pension contributions paid £15,000 - £20,000 (2018: £10,000 - £15,000)

10 Governors', 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 business. The insurance provides cover up to £3,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

11 Central Services

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

- The services of the Chief Executive,
- Human resources and Finance support,
- Legal and Professional charges,
- Insurance,
- Other services as arising.

The Academy Trust charges for these services on the following basis:

- A flat percentage of income,

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
St Johns Church of England Primary School	74	-
St Johns Church of England Middle School	-	-
	<hr/> 74	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

12 Tangible Fixed assets

	Leasehold Land and Buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost at 1 September 2018				
Brought forward	4,888	223	175	5,286
Additions	190	20	41	251
Disposals	(9)	-	-	(9)
At 31 August 2019	5,069	243	216	5,528
Depreciation at 1 September 2018	456	129	161	746
Charged in period	95	36	27	158
Adjustment on disposal	-	-	-	-
At 31 August 2019	551	165	188	904
Net book value				
At 31 August 2019	4,518	78	28	4,624
At 31 August 2018	4,432	94	14	4,540

The Academy Trust currently occupies the following land and buildings:

- St. Johns Middle School, Watt Close, Bromsgrove (B61 7DH)
- St. Johns C of E Primary School, Blakebrook, Kidderminster (DY11 6AP)

The majority of the land and buildings occupied by the Academy Trust are subject of a deed from the Worcester Diocesan Board of Finance Limited which grants the school use of the properties until earlier of the termination of the funding agreement or the diocese giving the Academy Trust two years notice. The Academy Trust is not aware of either of these circumstances arising in the foreseeable future. As this is the case the Academy Trust takes responsibility for the maintenance, insurance and control of access.

The remainder of the land is comprised of land leased to the Academy Trust from the local authorities which are subject to long leases.

In order to maximise value for money obtained from public funds, the Academy trust uses valuations supplied by the Education and Skills Funding Agency (ESFA) for all land and buildings occupied by the trust.

Land and buildings at St. Johns C of E Middle School, Watt Close, Bromsgrove (B61 7DH) were valued by the ESFA on 31 March 2013 at £4,251,000 on conversion to an Academy Trust.

The Land and Buildings at St. Johns C of E Primary School, Blakebrook, Kidderminster (DY11 6AP) is yet to be valued by the ESFA, however this will be published in March 2020. The Academy Trust has valued the land and buildings at £171,090, being the value on conversion from the local authority, until the ESFA valuation is available.

Notes (continued)

13 Debtors: amounts due within one year

	2019 £000	2018 £000
Trade debtors	7	2
VAT	26	65
Prepayments and accrued income	110	60
Other debtors	64	26
	<hr/> 207	<hr/> 153
	<hr/> <hr/>	<hr/> <hr/>

Included in other debtors is an amount held in a school fund account, of which £48,969 is included in other creditors as deposits relating to trips taking place in the academic year ended to 31 August 2020.

14 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	209	232
Social security	71	47
Accruals	81	100
Deferred income	189	106
Other creditors	109	62
	<hr/> 659	<hr/> 547
	<hr/> <hr/>	<hr/> <hr/>

	2019 £000	2018 £000
Deferred Income		
Amount brought forward	106	36
Resources deferred in the year	189	106
Amounts released from previous years	<u>(106)</u>	<u>(36)</u>
Deferred Income at 31 August	<hr/> 189	<hr/> 106
	<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date the Academy Trust was holding funds received for the pupil premium grant of £68,949 (2018: £34,353) and universal infant free school meals of £26,257 (2018: £nil) relating to the 2019/20 financial year.

At the balance sheet date the Academy Trust was holding funds ringfenced for spending on the future conversion of schools into the Trust £74,000 (2018: £nil).

Notes (continued)

15 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Loans	10	-
	<u>10</u>	<u>-</u>

16 Loans

An analysis of the maturity of loans is given below:

	2019 £000	2018 £000
Amounts falling due within one year: Loans	-	-
	<u>-</u>	<u>-</u>
Amounts falling due between one and two years: Loans	-	-
	<u>-</u>	<u>-</u>
Amounts falling due between two and five years: Loans	3	-
	<u>3</u>	<u>-</u>
Amounts falling due in more than five years: Loans	7	-
	<u>7</u>	<u>-</u>

A CIF loan of £10,492 was received in the year and is repayable over 10 years with an interest rate of 2.29%.

Notes (continued)

17 Funds

	Balance at 1 September 2018 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General annual grant (GAG)	-	4,136	(4,367)	231	-
Start Up Grant	-	-	-	-	-
Other DfE/ESFA grants	-	345	(345)	-	-
Restricted income	-	-	-	-	-
Pension reserves	(700)	-	(1,049)	(681)	(2,430)
	<u>(700)</u>	<u>4,481</u>	<u>(5,761)</u>	<u>(450)</u>	<u>(2,430)</u>
Restricted fixed asset funds					
Donations	3,811	171	(79)	6	3,909
Devolved Formula Capital	61	66	-	(80)	47
Construction & Improvement Fund	280	28	(76)	22	254
	<u>4,152</u>	<u>265</u>	<u>(155)</u>	<u>(52)</u>	<u>4,210</u>
Total Restricted Funds	<u>3,452</u>	<u>4,746</u>	<u>(5,916)</u>	<u>(502)</u>	<u>1,780</u>
Unrestricted funds	541	591	(344)	(179)	609
Total unrestricted funds	<u>541</u>	<u>591</u>	<u>(344)</u>	<u>(179)</u>	<u>557</u>
Total funds	<u>3,993</u>	<u>5,337</u>	<u>(6,260)</u>	<u>(681)</u>	<u>2,389</u>

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

DfE revenue grants

The general Annual Grant and other DfE/ESFA grants were paid to cover the running costs of the Academy trust in accordance with its primary purpose as a public benefit entity. The funds spent in the year have been done so in line with the Academies funding agreement.

Fixed asset fund

The fixed asset fund comprises fixed assets donated to the trust on conversion of each School to Academy status and grant funding from the ESFA in respect of a range of capital projects, primarily the maintenance of land and buildings occupied by the Academy Trust.

Unrestricted funds

Unrestricted funds comprise income generated by the Academy Trust throughout the year through the provision of services, unrestricted donations and trading activities. These funds are held as a reserve for unforeseen expenditure in current and future periods.

Transfers between funds have been made to reallocate balances in accordance with requirements set out in the Academy Accounts Direction 2018 to 2019.

Notes (continued)

17 Funds (continued)

Funds balances at 31 August 2019 were allocated as follows:

	Total Funds £000
St John's C of E Middle School	522
St John's C of E Primary School	86
Central Services	1
	<hr/>
Total before fixed asset and pension reserve	609
Restricted fixed asset fund	4,210
Pension reserve	(2,430)
	<hr/>
Total	2,389

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

	Balance at 1 September 2017 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General annual grant (GAG)	-	2,575	(2,691)	116	-
Start Up Grant	-	-	-	-	-
Other DfE/ESFA grant	-	328	(328)	-	-
Restricted income	-	110	(110)	-	-
Pension reserves	(817)	-	(73)	190	(700)
DfE/YPLA capital grants	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(817)	3,013	(3,202)	306	(700)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds					
Donations	3,895	-	(84)	-	3,811
Devolved Formula Capital	48	13	-	-	61
DfE/ESFA capital grants	-	331	(51)	-	280
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,943	344	(135)	-	4,152
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	3,126	3,357	(3,337)	306	3,452
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds	515	265	(123)	(116)	541
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	515	265	(123)	(116)	541
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	3,641	3,622	(3,460)	190	3,993
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds £000
Tangible fixed assets	414	-	4,210	4,624
Current assets	195	669	-	864
Current liabilities	-	(659)	-	(659)
Non-current liabilities	-	(10)	-	(10)
Pension scheme liability	-	(2,430)	-	(2,430)
Total net assets	609	(2,430)	4,210	2,389

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

	Unrestricted Funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds £000
Tangible fixed assets	471	-	4,069	4,540
Current assets	166	451	83	700
Current liabilities	(96)	(451)	-	(547)
Pension scheme liability	-	(700)	-	(700)
Total net assets	541	(700)	4,152	3,993

19 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	-

20 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Other		
Amounts due within one year	26	11
Amounts due between two and five years	77	19
Amounts due after five years	54	-
	157	30

Notes (continued)

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	At 31 August 2019 £000	At 31 August 2018 £000
Net income/ (expenditure)	(923)	162
Depreciation (note 12)	158	141
Loss on disposal of fixed assets	9	-
Capital grants from DfE and other capital income	(265)	(47)
Defined benefit pension scheme cost less contributions payable	1,049	73
Decrease/ (Increase in debtors)	(54)	26
(Decrease)/ Increase in creditors	122	233
Net cash inflow/(outflow) from operating activities	96	588

22 Cash flows from financing activities

	2019 £000	2018 £000
Interest received	-	-
Net cash inflow from returns on investment and servicing of finance	-	-

23 Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(80)	(262)
Capital grants from DfE/EFA	94	47
Net cash inflow/(outflow) from capital expenditure and financial investment	14	(215)

24 Analysis of changes in net funds

	At 1 September 2018 £000	Cash Flows £000	At 31 August 2019 £000
Cash in hand and at bank	547	110	657

25 Contingent liabilities

There are no contingent liabilities.

Notes (continued)

26 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.

27 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer Limited. 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 was 31 March 2012 and of the LGPS 31 March 2016.

There were outstanding contributions totalling £44,616 (2018: £28,997) due to the TPS and outstanding contributions totalling £14,481 (2018: £7,546) due to the LGPS at the end of the financial year. These are included within creditors.

Teachers' Pension Scheme (TPS)

Teachers' Pension Scheme Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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

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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £366,152 (2018: £346,822).

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

Notes (continued)

27 Pension and similar obligations (continued)

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.

As described in note 27 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £170,320 (2018: £94,171), of which employer's contributions totalled £122,936 (2018: £67,881) and employees' contributions totalled £47,384 (2018: £26,290).

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:

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.6%	3.6%
Rate of increase for pensions in payment	2.2%	2.2%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation assumption (CPI)	2.1%	2.1%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.1	24.9
Females	28.2	27.8

Notes (continued)

27 Pension and similar obligations (continued)

Sensitivity Analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	(78)	(35)
Discount rate -0.1%	80	36
Mortality assumption – 1 year increase	66	28
Mortality assumption – 1 year decrease	(65)	(27)
CPI rate +0.1%	80	35
CPI rate -0.1%	(78)	(34)

Local Government Pension Scheme

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	885	664
Government bonds	94	69
Bonds	63	40
Property	75	41
Cash	36	18
Other	96	31
Total market value of assets	1,249	863
Present value of scheme liabilities	(3,679)	(1,563)
- Funded		
Deficit in the scheme	(2,430)	(700)

The actual return on scheme assets was £47,000 gain. (2018: £50,000 gain).

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	(256)	(155)
Net interest cost	(42)	(18)
Administrative cost	(3)	-
Past service cost	(32)	-
Liability on conversion to an academy	(874)	-
Total operating charge	(1,207)	(173)

Notes (continued)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019 £000	2018 £000
At 1 September	1,563	1,521
On conversion to an Academy	1,039	-
Current service cost	256	155
Interest cost	73	36
Employee contributions	48	26
Actuarial (gain)/loss	698	(158)
Benefits/transfers paid	(30)	(17)
Past service cost	32	-
	<hr/>	<hr/>
At 31 August	3,679	1,563
	<hr/>	<hr/>

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

	2019 £000	2018 £000
At 1 September	863	704
On conversion to an Academy	165	-
Interest income	31	18
Actuarial gain/(loss)	17	32
Administrative expenses	(3)	(2)
Employer contributions	158	102
Employee contributions	48	26
Benefits/transfers paid	(30)	(17)
	<hr/>	<hr/>
At 31 August	1,249	863
	<hr/>	<hr/>

Notes (continued)

28 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

All academies within the trust have leasehold land held by The Worcester Diocesan Board of Finance Limited. The Worcester Diocesan Board of Finance Limited have granted the Academies via a supplemental agreement, the right to use the land for educational purposes indefinitely. However, The Worcester Diocesan Board of Finance Limited may give not less than two years written notice to the Company and Secretary of State to terminate this supplemental agreement.

No other related party transactions took place in the period of account, other than staff Trustees' remuneration already disclosed in note 9.

29 Conversion to an Academy Trust

On 1st September 2018 St Johns' Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Spire Church of England Learning Trust from the local Authority for £nil consideration.

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

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

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	171	171
Pension scheme liability	-	(874)	-	(874)
Total net assets	-	(874)	171	(703)

30 Company Status

On 1 September 2018 the Academy became a Multi-Academy Trust adopting new articles of association and a new funding agreement with the Department for Education.