

Company Registration No. 10163646 (England and Wales)

SALISBURY PLAIN ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017



SALISBURY PLAIN ACADEMIES

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities including income and expenditure account	25 - 26
Balance sheet	27
Statement of cash flows	28
Notes to the accounts including accounting policies	29 - 52

SALISBURY PLAIN ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr P R S Howie
Ms H M Mathieson (Accounting Officer) (Resigned 31 July 2017)
Mr J L Nutt (Chair)
Ms A J Reeves
Ms C Tunnicliffe (Vice Chair)
Mr N Beckett (Appointed 9 September 2016)
Mr M Palmer (Appointed 9 September 2016)
Mrs J Mackay (Appointed 1 September 2017)
Ms S McNab (Appointed 1 September 2017)
Mr D Powell (Appointed 1 September 2017)

Members

- Chair	Mr M Nash
- Corporate SDBE Member; Foundation	Ms C Tunnicliffe
- Member	Mr J Nutt
- Member	Mrs L Wilkinson
- Member Appointed 28 September 2016	Mrs W Ivess-Mash

Senior management team

- Interim CEO	H Mathieson (Resigned 31 July 17)
- CEO	T Evans (Joined 01 August 17)
- Interim Director of Business and Finance	S Richardson (Resigned 29 March 17)
- Director of Business and Finance	B Lane (Joined 27 March 17)
- Principal (Avon Valley College)	T Webber (Resigned 02 December 16)
- Acting Principal (Avon Valley College)	J Baldwin (Joined 02 December 16, Resigned 31 August 17)
- Principal (Avon Valley College)	S Johnston (Joined 01 September 17)
- Interim Principal (St Michael's Figcheldean)	J Croker (Resigned 31 December 16)
- Principal (St Michael's Figcheldean)	N Phillips (Joined 01 January 17)
- Principal (Bulford St Leonard's)	S Ward
- Principal (Durrington All Saints)	L West

Company secretary

Ms R Ure

Company registration number

10163646 (England and Wales)

Registered office

Avon Valley College
Durrington
Salisbury
Wiltshire
SP4 8HH

Academies operated

Avon Valley College	Durrington
Figcheldean St Michael's C of E Primary School	Figcheldean
Bulford St Leonard's C of E Primary School	Bulford
Durrington All Saints C of E Infant School	Durrington
Salisbury Plain Academies	Durrington

Location

Principal

Sam Johnston
Nicky Phillips
Sarah Ward
Lindsay West
Tina Evans

SALISBURY PLAIN ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Solicitors

Taylor Culshaw
60 High Street
Burnham on Sea
Somerset
TA8 1AG

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates with 1 secondary, 2 primary and 1 infant academies in Wiltshire. Its academies have a combined pupil capacity of 1,480 and had a roll of 911 in the school census in October 2017.

Structure, governance and management

Constitution

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

The trustees of Salisbury Plain Academies are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1. The charitable company is known as Salisbury Plain Academies.

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 to cover the liability of 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. The Salisbury Plain Academies Trust and all its Academies are members of the Risk Protection Arrangement and are covered in this regard to an unlimited value on any one loss and any one membership year.

Method of recruitment and appointment or election of trustees

The Articles of Association state that the Members shall appoint up to 12 Trustees of whom at least one shall be a person serving or having previously served in the Armed Forces of the United Kingdom. In making such appointments the Members shall ensure that the number of Foundation Trustees appointed does not fall below 50% of the total number of Trustees. Co-opted Trustees may also be appointed by the Trust Board.

The term of office for any Trustee is four years.

Potential Trustees are interviewed by a panel consisting of the Chair of the Trust Board, the CEO plus at least one Member. Other Trustees may also join the interview panel when possible. Candidates for Trustees have been sought through several routes including via Academy Ambassadors. Trustees are sought following a Trust Board driven skills gap audit to ensure that the most comprehensive set of skills and knowledge is represented on the Board. All appointments made are subject to the receipt of satisfactory references.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees is tailored specifically to the needs of the individual and will depend on their existing skills and experience. All trustees are provided with copies of documents that they will need to undertake their role as trustees.

All Trustees and Academy Advisory Board members are required to undertake training on safeguarding and child protection.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The Governance structure is distinct from the internal, operational "management" structure which comprises those people employed by the Trust to carry out specific functions as described in their job descriptions.

The Members are the people who hold the Trust company, and therefore all of the assets within it, for its charitable purposes. They appoint a Trust Board to run the Trust.

The Trust Board is made up of the Trustees who are, in legal terms, the directors of the Trust company, and it is this Board which is accountable for the operation of the Trust as a whole, and each academy within it. The management of the Trust is delegated by the Trust Board to its Executive.

In turn, the CEO is accountable to the Trust Board as a whole and must seek approval for certain decisions, and account for his or her own performance to the Trust Board as a whole.

The Trust employs other leaders, such as principals, who are accountable to the Trust Board in two ways. Firstly, through the internal management structure when they report to the CEO and secondly, they are accountable to their own "non-executive" Academy Advisory Board, which reports to the Central Committees and through them, to the Trust Board.

Authority to make decisions on behalf of the Trust is delegated in three main ways:

- Formal Delegation of Governance functions by the Scheme of Delegation
- Policies & Procedures (which include the Strategic Plan and the Budget) which include authorisation for certain employees and external governance bodies to make certain decisions within the parameters of those policies
- Employment Contracts (through which all members of staff are required to make decisions – either day to day or more strategically, depending upon the nature of the role)

All Members, Trustees and Central Committee members must act in the best interests of the Trust, within the parameters of this Framework and in accordance with Trust policies and procedures and the published Academies Financial Handbook.

A Senior Leadership Team controls each academy at an executive level, implementing strategy and policies laid down by Trustees.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Arrangements for setting pay and remuneration of key management personnel

Trustees aim to ensure that all staff are fairly and competitively rewarded for their individual contributions by means of pay and remuneration.

The pay and remuneration policy for all staff, including teaching and support staff, is based on principles established to ensure fairness and equity in pay rates and salary administration and transparency in the process. The pay policy is based on the underlying principles defined by Wiltshire County Council, to ensure that staff of Salisbury Plain Academies are treated fairly in comparison with other local schools and academies.

There is a clear performance management process based on objective setting for all members of the teaching staff through interim and final reviews. There is an annual pay review based on this process with any salary increases linked to successfully having met performance management targets, as well as targets linked to additional or increased responsibilities.

The teachers' pay policy is approved by the Leadership, Management and HR Committee and any performance related pay increases for teachers and Principals are reviewed and approved by a Pay Panel consisting of members from all SPA Committees.

In terms of key management personnel, Principals salaries are established and benchmarked against national guidance and reflect the skills and experience of the individuals. Principals performance is monitored by the CEO via SPA's performance management process and any performance related pay increases are reviewed and decisions approved by a Pay Panel.

The Chief Executive Officer and Director of Business and Finance Officer's remuneration is set and reviewed by the Trust Board and reflect the responsibilities of the roles with consideration to the multi academy trust landscape.

Related parties and other connected charities and organisations

SPA has relationships with the following related parties:

Helen Mathieson, Interim CEO and also Director of HM Consultancy (Educational Consultancy).

Tina Evans, CEO with effect from 1st August 2017 and prior to that as School Improvement Adviser and also Director of Tina Evans Ltd (Educational Consultancy).

Excalibur Academies Trust (MAT-to-MAT support).

As some of the academies within Salisbury Plain Academies are church schools, the Diocese of Salisbury is represented at both Member level (corporate member/SDBE member) and at Trustee level by Foundation Trustees.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

Salisbury Plain Academies is a mixed multi-academy trust made up of four academies offering its communities all-through education from 0-18:

- Durrington All Saints Church of England Infant School
- Bulford St Leonard's Church of England Primary School
- St Michael's Church of England Primary School
- Avon Valley College Community Secondary School

SPA is a mixed MAT, working with Wiltshire Council and the Diocese of Salisbury. SPA has no primary religious character – only the absolute determination to improve outcomes for all children, military and civilian, and to become expert at developing and sharing that expertise.

Our Mission

To transform life chances for children within centres of educational excellence

Our Vision

United as a family of schools by our core values, SPA will be a beacon of educational excellence. SPA schools will be schools of parental first choice because of our uncompromisingly high standards, and our reputation for achieving success through pride and ambition.

SPA learners will be confident, compassionate and curious global citizens, contributing positively to society and thriving in a rapidly changing world. SPA staff will be ambitious and well-trained leaders, engaging in research such that their practice is data driven and grounded in evidence. SPA stakeholders will be proud of schools that transform life chances for children through educational excellence.

Our Values

- Honesty
- Endeavour
- Fairness
- Mutual respect

Our Mantra

Success, Pride & Ambition

Our partnership allows the schools to work together to enhance learning, raise aspiration and improve learning opportunities. We work co-operatively and collaboratively to develop and sustain best practice, support each other and optimise the use of resources across our schools.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

Salisbury Plain Academies will achieve its vision through focusing on **four strategic objectives** that will be reviewed and measured annually. Progress against these objectives is monitored through the Academy Improvement Plan, which is reviewed at every Committee and Trust Board meeting.

- Build a strong infrastructure to support growth
 - Become established as a credible local MAT and sponsor, growing by at least one academy during the academic year
 - Improve financial management and financial position to secure ongoing sustainability
 - Introduce MAT-wide financial efficiencies through robust financial planning processes and realising the benefits of economies of scale
 - Secure an effective and sustainable core services function, that can fully support the MAT and its academies through this period of growth and development
 - Ensure that capital projects are completed on time and on budget, and that the improved buildings support the growth and success of the schools that they house
- Raise attainment and improve progress data
 - Ensure that school improvement plans are robust and support the achievement of targets
 - Closely monitor the attainment and progress of vulnerable groups, taking all necessary action to diminish differences
 - Closely monitor regular data drops to establish any emerging gaps. Take rigorous and swift action to address any inconsistencies, especially for vulnerable learners.
 - Monitor the impact of turbulence on pupil outcomes
 - Forensic focus on tracking and assessment at AVC to swiftly improve outcomes.
- Support excellent standards of teaching and learning
 - Introduce measures to ensure that QTLA is more consistent across schools and subject areas
 - Maintain intensive support for AVC
 - Teachers share good practice between and across MAT schools
 - Secure QTLA which specifically meets the needs of vulnerable learners
- Ensure strong leadership and governance
 - Enhance the skills and role of the SPA Trust Board by ensuring that trustees evidence an appropriate range of skills, and by providing training and development opportunities for Trustees and AAB members.
 - Ensure rigorous leadership challenge and rigour within the appraisal process
 - Through astute CPD and coaching develop the capacity of senior and middle leaders
 - Clarify and begin to embed a clearly articulated strategic vision and development plan

Public benefit

The Trustees confirm that they have complied with the duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Salisbury Plain Academies exists for the educational benefit of those students in the communities across Salisbury Plain and of the adjacent villages. The Trust is acutely aware of its duty to promote community cohesion and to lead through example.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

Rapid change has taken place across Salisbury Plain Academies during 2016/ 2017. A newly appointed substantive Chief Executive, experienced in school improvement supports the work of each school as well as the work of a now fully established Core Services team. Prior to this, the Chief Executive had been appointed to start school improvement work with the three primary/infant schools from September 2016 and made an immediate impact on the quality of leadership and management, the quality of teaching, learning and assessment, planning and accountability. Systems, policies and processes have been established and realistic targets for 2017 were set at national average plus (NAv+).

The Multi Academy Trust is embedding a culture of high expectations within all its primary schools, and all of them are rising to that challenge.

In the short time since conversion major changes have taken place at Avon Valley College and a programme of comprehensive MAT-to-MAT support from Excalibur Multi Academy Trust, Marlborough, was immediately put in place. The support specifically focuses on leadership and management, the quality of teaching and learning and the curriculum.

A new principal at AVC from a background of Future Leaders is now bringing much needed stability to our senior school, with the ongoing school to school support being provided by Excalibur Academy Trust. School leaders from outside our MAT have been supporting initial capacity issues, especially at AVC, with the added benefit of bringing in external thinking whilst we embed best practice.

We are also members of the Excalibur Teaching School Alliance and exploring the benefits of aligning with other Teaching School Alliances

The proximity of our schools facilitates leadership development across SPA. To support our vision for excellence in all aspects of education, SPA schools have worked to develop a Coaching and Mentoring ethos, underpinned by collaborative working across all its schools as well as with other primary schools within the area.

Key performance indicators

The key performance indicators are used by Salisbury Plain Academies to monitor progress against the School Development Plan, whilst monitoring the net incoming and outgoing resources for the year, prior to any depreciation charge and other recognised gains and losses. Salisbury Plain Academies complies with all terms and conditions of its Funding Agreement.

Performance across the trust is monitored by utilising examination and key stage results, pupil attendance data, pupil recruitment data and financial and investment performance. Performance in respect of employee matters is monitored at Academy level analysing headcount and staff absence, alongside achievement against objectives (set as part of the annual performance management process) and overall realisation of the individual Academy Improvement Plans.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The following KPIs have been monitored during 2016/17:

Salary costs		2017
% of salaries to main grant income		75%
% of salaries to total restricted costs		72%
EFA Guidance of % of salaries to main grant income (MAX)		80%
Pupil Numbers		911
Total income £ per pupil		6,134.62
Total cost £ per pupil		6,434.60

A more detailed suite of KPIs will be developed for 2017/2018 using the base data collected during SPA's second year of operations.

Academy successes 2016/2017

- Demonstrable school improvement in the three primaries. All underperformance in QTLA has been challenged, and where necessary supported through a constructive coaching and mentoring approach.
- School improvement impact can be evidenced by increased phonic outcomes at Durrington Infants by +45% from 2016 to 91% in 2017; a result of targeted school improvement across the Trust. Additionally, the increased percentage of children attaining greater depth at KS1 evidences significant progress, and the improvement in maths outcomes at Y6 in Bulford from 56% in 2016 to 70% in 2017 evidences the impact of a focus on the effective teaching of maths across the Trust.
- A thorough and rigorous recruitment process was carried out to appoint a highly effective new Principal for St Michael's CE Primary School in preparation for new 420 place school at Larkhill.
- The new St Michael's Principal is a leader of QTLA and is running school to school support to secure effective QTLA with our NQT/RQTs, as well as working with our Trust literacy leaders to secure effective and consistent practice in all aspects of literacy.
- Our core services team now includes a full time Business and Finance Director (qualified accountant), Senior Operations Manager and HR Manager. Functionality and systems are improving rapidly and becoming embedded.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

- The expansion of the Trust Board with 3 new Trustees, all of whom have significant and relevant skills to build capacity within the Trust. David Powell, who has significant experience in Estates and risk management, Jane McKay a careers and personal development officer with 10 years' experience in Wiltshire and military secondary schools, and Sujata McNab a chartered accountant with experience as interim CEO of Cabot Academy.
- The establishment of an effective local governance structure. Our local Academy Advisory Boards are operating effectively and are meeting their statutory responsibilities around safeguarding, data analysis leading into school improvement and the monitoring of PPG impact and PE spend.
- The development and operation of an effective leadership structure within and between schools is having a significant impact on securing better and consistent practice and outcomes. This is core to our target of becoming a self-sustaining, self-improving school led organisation. At the same time, we are looking outwards to engage with and support local cluster work.
- A recent external monitoring visit of Durrington Infant School by Neil Revell the Diocesan adviser commented very positively on the impact of leadership on school improvement and outcomes for pupils.

Going concern

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

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this Report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The deficit brought forward on conversion on the 1st July 2016 is covered by a 10 year loan from Wiltshire Council at a PSBR of 1.53%.

The land, building and other assets relating to Avon Valley College were transferred to the Trust upon conversion. The Trust has been granted 'permission to occupy' the land, building and other assets in respect of Figheldean St Michael's C of E Primary School, Bulford St Leonard's C of E Primary School and Durrington All Saints C of E Infant School through a Church Supplement Agreement. These assets are treated as a notional donation for a rolling two year period in the Trust's financial statements.

The Trust has implemented strict financial controls since conversion with the aim of ensuring continued financial sustainability in the future.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details on Note 19 to the financial statements.

The Trust has in place a Financial Plan covering the period 2017/ 18 to 2027/ 28. The Finance, Audit, Maintenance and Estates (FAME) Committee is responsible for reviewing and refreshing the Finance Plan at appropriate intervals during the business year. The Committee is responsible for reporting to the Trust Board accordingly.

Reviews will take place in November, January and July and will consider, amongst other things, the following;

- Latest numbers on roll along with the most recent pupil number projections with particular focus on the latest information concerning the MoD 'Rebasing' project
- Funding announcements
- Pay cost pressures created through Pay Review announcements, Pension revaluations, National Insurance changes
- Performance against Budget in the current year. Progress made against in year cost reduction and income generation targets.
- Progress against the Growth Strategy in respect of the plan to increase the number of schools within the MAT.

A revised Finance Plan will be produced following each of these reviews and actions taken as necessary to ensure continued financial viability and the maintenance of predicted cash balances at the levels stipulated in the Reserves Policy.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Reserves policy

The Trustees have determined the level of reserves should equate to one month's average payroll costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Currently due to the loan issued on conversion, the revenue funds are showing as a deficit balance. Once this loan is repaid, the reserves will be held per our above policy.

The Trustees review the reserve levels annually. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

All reserves are reported and reviewed regularly at management meetings and expenditure from reserves approved by the Trustees.

As at the 31st August 2017 the Trust has a deficit revenue reserve balance. The reason for the deficit is the loan from Wiltshire Council, which was awarded on conversion to cover the brought forward deficit. This loan is repayable over 10 years.

At 31 August 2017 the balances in the Trust's revenue funds were:

GAG restricted fund £315,454

Restricted Loan (£1,289,314)

Other restricted funds (£nil)

Unrestricted funds £nil

Total revenue reserves (£973,860)

Investment policy and powers

The Trustees' investment powers are governed by the Memorandum and Articles of Association, which permit the Trust's funds to be held in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The Trust has an Investment Policy which ensures that any invested surplus funds, in short or medium term deposits, achieve the optimum return.

The Trust's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association.

Principal risks and uncertainties

At each meeting, the Trustees review major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust maintains a risk register. Risks are monitored and reviewed through the Committees of the Trust. The Committees in turn report to the main Trust Board.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The principal risks and uncertainties facing the Trust are as follows:

- Financial – the Trust has considerable reliance in continued funding through the ESFA and additional grants from the MOD for the rebasing of troops from Germany to Salisbury Plain. In the period over 96% of the Trust's incoming resources was ultimately government funded and 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.
- Failures in Governance and / or Management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trust continues to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the success of the Trust is dependent on attracting student applicants in sufficient numbers to enable achievement of high educational standards. To mitigate this risk Trustees ensure that student success and achievement is closely monitored.
- Fraud and mis-management of Funds – the Trust has implemented a financial handbook which outlines processes to be used for financial transactions. A fraud prevention policy is in place and all finance staff receive training to keep them up to date with finance practice requirements and develop their skills in this area.
- Safeguarding and Child Protection – the Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.
- Pupil numbers – the Trustees continue to monitor student numbers within the Trust. Due to the MOD Salisbury Plain re-basing programme to relocate troops from Germany to the area, student numbers are expected to fluctuate considerably and grow exponentially. There is a risk that as funding is lagged, a significant number of students will be unfunded for a period of time.
- Staffing – the success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Risk that financial data cannot be recovered in the event of a disaster – all electronic data is backed up offsite by our IT support company.

Plans for future periods

Salisbury Plain Academies aims to grow the MAT with additional schools in the local area over the next two years.

Building projects are also underway with a new wing to open at Avon Valley College in 2019 and a new St. Michael's school (420 places plus a 60 place nursery) to open in Larkhill in September 2018.

Funds held as custodian trustee on behalf of others

As at the 31st August 2017 Salisbury Plain Academies does not act as Custodian Trustee on the behalf of others.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Moore Stephens (South) LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15th December 17 and signed on its behalf by:

.....*C Tunnicliffe*.....

Ms C Tunnicliffe

Vice Chair

SALISBURY PLAIN ACADEMIES

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Salisbury Plain Academies 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 Salisbury Plain Academies and the Secretary of State for Education. The CEO is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met seven times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr P R S Howie	6	7
Ms H M Mathieson (Accounting Officer) (Resigned 31 July 2017)	7	7
Mr J L Nutt (Chair)	7	7
Ms A J Reeves	6	7
Ms C Tunnicliffe (Vice Chair)	7	7
Mr N Beckett (Appointed 9 September 2016)	5	7
Mr M Palmer (Appointed 9 September 2016)	6	7
Mrs J Mackay (Appointed 1 September 2017)		
Ms S McNab (Appointed 1 September 2017)		
Mr D Powell (Appointed 1 September 2017)		

In addition, three new Trustees were appointed on the 1st September 2017 in order to ensure there are enough Trustees available to assist with the tasks required in establishing a new multi academy trust. All Trustee appointments are made following a skills gap audit which identifies areas of expertise and knowledge that is sought.

A review of governance has been carried out during 2016/17. A skills audit has been completed by all Trustees. As a result of this, three new Trustees were appointed in September 2017 in order to sufficiently fill any identified gaps. A Trustee training programme has been identified for 2017/18 to further expand and enhance the Board's expertise. The Chair of the Board has carried out individual review meetings with each Trustee. A Financial Management and Governance Self-Assessment was completed and a full audit took place in February 2017. Seven recommendations were identified and progress against these recommendations is monitored by the Finance, Audit, Maintenance and Estates Committee, who are held accountable by the Trust Board. A Board Away Day is scheduled for April 2018 where a further review of governance will take place.

SALISBURY PLAIN ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The **Finance, Audit, Estates and Maintenance committee** is a sub-committee of the main board of trustees. Its purpose is to ensure that the CEO and Director of Business and Finance are operating within the parameters of the Funding Agreements and Academies Financial Handbook and providing value for money.

During the year, S Richardson, Interim Director of Business and Finance, left (March 2017) and was replaced by B Lane who was appointed into the role in a permanent capacity (joined March 2017). Both S Richardson and B Lane are qualified accountants.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Mr P R S Howie	2	3
Ms H M Mathieson (Accounting Officer) (Resigned 31 July 2017)	1	3
Mr N Beckett (Appointed 9 September 2016)	3	3
Mr M Palmer (Appointed 9 September 2016)	1	3

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 Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Strict purchasing controls have been implemented and quotes are obtained for larger purchases
- Monitoring previously established contracts, such as facilities management, to ensure that best value is obtained.
- Strict sign off process for recruitment requests to ensure that opportunities for improved efficiencies and savings are explored before commencing a recruitment process.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Salisbury Plain Academies for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

SALISBURY PLAIN ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, audit, maintenance and estates committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and is currently in discussion with Wiltshire County Council to carry out a programme of internal checks during the 2017/ 2018 academic year.

The auditor will report to the Board of Trustees, through the Finance, Audit and Estates Management Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of effectiveness

As accounting officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit, Maintenance and Estates Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15th December 17 and signed on its behalf by:


Ms C Tunnicliffe
Vice Chair


Ms T Evans
Accounting Officer

SALISBURY PLAIN ACADEMIES

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Salisbury Plain Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



Ms T Evans
Accounting Officer

.....

SALISBURY PLAIN ACADEMIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the board of trustees on 15th December 17 and signed on its behalf by:


Ms C Tunnicliffe
Vice Chair

SALISBURY PLAIN ACADEMIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALISBURY PLAIN ACADEMIES

Opinion

We have audited the accounts of Salisbury Plain Academies for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 accounts' 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 accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

SALISBURY PLAIN ACADEMIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALISBURY PLAIN ACADEMIES (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

SALISBURY PLAIN ACADEMIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALISBURY PLAIN ACADEMIES (CONTINUED)

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

Hastings

**Louise Hastings (Senior Statutory Auditor)
for and on behalf of Moore Stephens (South) LLP**

21/12/17

**Chartered Accountants
Statutory Auditor**

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

SALISBURY PLAIN ACADEMIES

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SALISBURY PLAIN ACADEMIES AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 5 January 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salisbury Plain Academies during the period 1 September 2016 to 31 August 2017 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 Salisbury Plain Academies and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Salisbury Plain Academies and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Salisbury Plain Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Salisbury Plain Academies's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Salisbury Plain Academies's funding agreement with the Secretary of State for Education dated 29 June 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;.

SALISBURY PLAIN ACADEMIES

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SALISBURY PLAIN ACADEMIES AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens (South) LLP

Reporting Accountant

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Dated: 21/12/17

SALISBURY PLAIN ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted funds:		Total 2017	Total 2016 as restated
	Notes	£	General	Fixed asset	£	£
Income and endowments from:						
Donations and capital grants	3	-	-	55,974	55,974	12,036
Donations - transfer from local authority on conversion		-	-	-	-	6,666,878
Charitable activities:						
- Funding for educational operations	4	-	6,194,672	-	6,194,672	1,011,460
Other trading activities	5	255,810	-	-	255,810	13,056
Investments	6	482	-	-	482	274
Total income and endowments		<u>256,292</u>	<u>6,194,672</u>	<u>55,974</u>	<u>6,506,938</u>	<u>7,703,704</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	<u>247,061</u>	<u>6,027,919</u>	<u>112,367</u>	<u>6,387,347</u>	<u>1,006,714</u>
Total expenditure	7	<u>247,061</u>	<u>6,027,919</u>	<u>112,367</u>	<u>6,387,347</u>	<u>1,006,714</u>
Net income/(expenditure)		9,231	166,753	(56,393)	119,591	6,696,990
Transfers between funds		(45,358)	97,962	(52,604)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	239,000	-	239,000	(516,000)
Net movement in funds		(36,127)	503,715	(108,997)	358,591	6,180,990
Reconciliation of funds						
Total funds brought forward		<u>36,127</u>	<u>(2,834,575)</u>	<u>8,979,439</u>	<u>6,180,991</u>	-
Total funds carried forward		<u>-</u>	<u>(2,330,860)</u>	<u>8,870,442</u>	<u>6,539,582</u>	<u>6,180,990</u>

SALISBURY PLAIN ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

Comparative information ended 31 August 2016 As restated	Notes	Unrestricted Funds £	General	Restricted funds: Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	-	-	12,036	12,036
Donations - transfer from local authority on conversion		49,424	(2,362,911)	8,980,365	6,666,878
Charitable activities:					
- Funding for educational operations	4	-	1,011,460	-	1,011,460
Other trading activities	5	13,056	-	-	13,056
Investments	6	274	-	-	274
Total income and endowments		<u>62,754</u>	<u>(1,351,451)</u>	<u>8,992,401</u>	<u>7,703,704</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	21,353	967,124	18,237	1,006,714
Total expenditure	7	<u>21,353</u>	<u>967,124</u>	<u>18,237</u>	<u>1,006,714</u>
Net income/(expenditure)		41,401	(2,318,575)	8,974,164	6,696,990
Transfers between funds		(5,274)	-	5,274	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	-	(516,000)	-	(516,000)
Net movement in funds		36,127	(2,834,575)	8,979,438	6,180,990
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>36,127</u>	<u>(2,834,575)</u>	<u>8,979,438</u>	<u>6,180,990</u>

SALISBURY PLAIN ACADEMIES

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		8,797,636		8,906,632
Current assets					
Stocks	13	-		11,560	
Debtors	14	397,156		294,740	
Cash at bank and in hand		527,302		650,838	
		<u>924,458</u>		<u>957,138</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(536,198)		(977,780)	
Net current liabilities			388,260		(20,642)
Total assets less current liabilities			9,185,896		8,885,990
Creditors: amounts falling due after more than one year	16		(1,289,314)		(1,275,000)
Net assets excluding pension liability			7,896,582		7,610,990
Defined benefit pension liability	20		(1,357,000)		(1,430,000)
Net assets			<u>6,539,582</u>		<u>6,180,990</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			8,870,442		8,979,438
- Restricted income funds			(973,860)		(1,404,575)
- Pension reserve			(1,357,000)		(1,430,000)
Total restricted funds			<u>6,539,582</u>		<u>6,144,863</u>
Unrestricted income funds	18		-		36,127
Total funds			<u>6,539,582</u>		<u>6,180,990</u>

The accounts set out on pages 25 to 52 were approved by the board of trustees and authorised for issue on 15 December 17 and are signed on its behalf by:


 Ms C Tunnicliffe
 Vice Chair

Company Number 10163646

SALISBURY PLAIN ACADEMIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(176,622)		(461,222)
Cash funds transferred on conversion			-		(157,940)
			<u>(176,622)</u>		<u>(619,162)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		482		274	
Capital grants from DfE and EFA		55,974		12,036	
Payments to acquire tangible fixed assets		<u>(3,370)</u>		<u>(17,310)</u>	
			53,086		(5,000)
Cash flows from financing activities					
New government loan		-		1,275,000	
			-		<u>1,275,000</u>
Change in cash and cash equivalents in the reporting period			<u>(123,536)</u>		<u>650,838</u>
Cash and cash equivalents at 1 September 2016			650,838		-
Cash and cash equivalents at 31 August 2017			<u><u>527,302</u></u>		<u><u>650,838</u></u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Salisbury Plain Academies meets the definition of a public benefit entity under FRS 102.

The Academy incorporated on the 5 May 2016 and started operating as an Multi-Academy Trust on 1 July 2016.

1.2 Going concern

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

1.3 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 receivable

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

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

Capital grants are recognised 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.

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.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

During the year, the Trust has received a transfer of land and buildings from the local authority. This was valued at the latest available insurance valuation. The gain is recognised as funds received on conversion and a corresponding amount is included in the appropriate fixed asset category.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land & buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	3 years

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

1.13 Financial Instruments

The only financial instruments held by the school are debtors and creditors. These are categorised as "basic" in accordance with Section 11 of FRS102 and are initially recorded at transaction price. These are subsequently measured at their transaction price less any impairment.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.14 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in a note to the accounts.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

On conversion to an academy trust, the assets and liabilities of the School are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, refer to note 12 for further detail of this estimation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	55,974	55,974	12,036

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,096,604	5,096,604	861,877
Other DfE / ESFA grants	-	492,036	492,036	65,670
	-	5,588,640	5,588,640	927,547
Other government grants				
Local authority grants	-	185,118	185,118	18,126
Other government grants	-	420,914	420,914	65,787
	-	606,032	606,032	83,913
Total funding	-	6,194,672	6,194,672	1,011,460

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	20,146	-	20,146	2,784
Catering income	74,832	-	74,832	6,007
Other income	160,832	-	160,832	4,265
	255,810	-	255,810	13,056

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	482	-	482	274

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	3,768,783	-	425,223	4,194,006	697,046
- Allocated support costs	873,677	571,412	748,252	2,193,341	309,668
	<u>4,642,460</u>	<u>571,412</u>	<u>1,173,475</u>	<u>6,387,347</u>	<u>1,006,714</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	7,500	5,000
- Other services	6,115	2,825
Operating lease rentals	15,410	685
Depreciation of tangible fixed assets	112,367	18,237
Bank interest payable	19,508	-
Net interest on defined benefit pension liability	31,000	4,000

Central services

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

- human resources;
- financial services;
- school improvement;
- legal services; and
- educational support services

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

- flat percentage of income (6%);

The amounts charged during the year were as follows:

	Total £
Avon Valley College	197,295
Figheldean St Michael's C of E Primary School	23,424
Bulford St Leonard's C of E Primary School	61,873
Durrington All Saints C of E Infant School	36,240
Salisbury Plain Academies	-
	<u>318,832</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	32,206	4,161,800	4,194,006	697,046
Support costs - educational operations	214,855	1,978,486	2,193,341	309,668
	<u>247,061</u>	<u>6,140,286</u>	<u>6,387,347</u>	<u>1,006,714</u>

Analysis of costs

	2017 £	2016 £
Direct costs		
Teaching and educational support staff costs	3,741,830	659,788
Staff development	26,953	-
Educational supplies and services	189,169	25,974
Examination fees	44,045	11,284
Educational consultancy	159,803	-
Other direct costs	32,206	-
	<u>4,194,006</u>	<u>697,046</u>
Support costs		
Support staff costs	738,677	106,726
Depreciation and amortisation	112,367	18,237
Technology costs	195,786	18,089
Recruitment and support	66,907	1,898
Maintenance of premises and equipment	157,666	12,426
Cleaning	151,010	23,072
Energy costs	99,759	10,073
Rent and rates	22,525	15,036
Insurance	25,441	6,559
Security and transport	73,974	7,650
Catering	160,100	14,580
Interest and FRS 102 pension costs	185,508	16,000
Other support costs	106,710	7,685
Governance costs	96,911	51,637
	<u>2,193,341</u>	<u>309,668</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

	2017 £	2016 £
Wages and salaries	3,230,692	570,920
Social security costs	292,322	47,455
Operating costs of defined benefit pension schemes	694,334	114,322
Apprenticeship levy	772	-
Staff costs	4,218,120	732,697
Supply staff costs	238,259	5,567
Staff restructuring costs	115,500	39,200
Staff development and other staff costs	70,581	1,050
Total staff expenditure	4,642,460	778,514

Staff numbers

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

	2017 Number	2016 Number
Teachers	92	98
Administration and support	143	94
Management	3	6
	238	198

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £283,356 (2016: £72,285 for the two month period). Additionally two key management personnel who resigned in the year received £97,500 in redundancy costs.

The above does not include the cost of four interim key management personnel who were paid via invoice, total cost of £126,000. Details can be seen in the related party note.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

One of the trustees has been paid for contracted services with the academy trust. This is detailed in the related parties note.

During the year, travel and subsistence payments totalling £955 (2016: £821) were reimbursed to 1 trustee.

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

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

12 Tangible fixed assets

	Freehold land & buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2016	8,907,560	15,395	1,915	8,924,870
Additions	-	3,370	-	3,370
At 31 August 2017	8,907,560	18,765	1,915	8,928,240
Depreciation				
At 1 September 2016	17,603	529	106	18,238
Charge for the year	105,620	6,108	638	112,366
At 31 August 2017	123,223	6,637	744	130,604
Net book value				
At 31 August 2017	8,784,337	12,128	1,171	8,797,636
At 31 August 2016	8,889,957	14,866	1,809	8,906,632

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

(Continued)

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education and Skills Funding Agency as at 31 August 2016. The valuation is for Avon Valley College, the land was valued at £2,747,000 and the buildings at £1,848,000.

Also included in the value of land and buildings above is a proportion of the land for the three church schools; Durrington Infants, Bulford St Leonards Infants and St Michael's Infants, which are held under a 125 year lease with Wiltshire Council. The buildings and the remainder of the land for the church schools are not owned by the Trust. The land is recognised as follows:

Durrington Infants - £357,945
Bulford St Leonards Infants - £185,110
St Michael's Infants - £336,505

The buildings and remainder of the land have been removed by way of a prior year adjustment due to the clarification by the ESFA on Church owned land and buildings operated by the Trust on a Church Supplementary Agreement. A notional rent value has not been included as it cannot be reliably measured.

Additionally the valuation for Avon Valley College has been amended by way of a prior year adjustment. The EFSA valuation was not available when preparing the prior year accounts so an insurance valuation was used. The ESFA valuation has been adopted and depreciation has been recalculated based on this valuation. A professional valuation has not been requested as it was not seen to be a good use of public funds.

13	Stocks	2017 £	2016 £
	School Uniform	-	11,560
14	Debtors	2017 £	2016 £
	Trade debtors	32,660	1,648
	VAT recoverable	228,634	54,599
	Prepayments and accrued income	135,862	238,493
		397,156	294,740
15	Creditors: amounts falling due within one year	2017 £	2016 £
	Government loans	5,194	-
	Trade creditors	226,105	221,543
	Other taxation and social security	72,687	80,962
	Other creditors	4,474	68,529
	Accruals and deferred income	227,738	606,746
		536,198	977,780

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Creditors: amounts falling due after more than one year	2017 £	2016 £
Government loans	1,289,314	1,275,000
Analysis of loans		
Not wholly repayable within five years by instalments	735,791	-
Wholly repayable within five years	558,717	1,275,000
	1,294,508	1,275,000
Less: included in current liabilities	(5,194)	-
Amounts included above	1,289,314	1,275,000
Loan maturity		
Debt due in one year or less	5,194	-
Due in more than one year but not more than two years	30,274	-
Due in more than two years but not more than five years	523,249	344,585
Due in more than five years	735,791	930,415
	1,294,508	1,275,000

The other government loans is a loan from Wiltshire Council for £1,275,000, a loan balance of £965,040 were brought forward on conversion on 5 May 2016, a further £309,960 was drawn on 1 July 2016. The loan interest rate is charged at 1.53% per annum, with total interest over the life of the loan amounting to £137,263. The first loan repayment the academy trust will make is in June 2018, where a payment of £25,000 will be made, this will be then increased in June 2019 with a payment of £50,000. It was then agreed repayments of £191,038 will be made annually from June 2020 until June 2026 when the loan is fully repaid. The loan repayments shown above take account of the interest charged and therefore only show the capital element being repaid.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year	101,450	421,614
	Deferred income at 1 September 2016	421,614	-
	Released from previous years	(421,614)	
	Amounts deferred in the year	101,450	421,614
	Deferred income at 31 August 2017	101,450	421,614

Deferred income refers to income received in the period to 31 August 2017 which relates to the year ending 31 August 2018:

MOD Grants	£26,000
UIFSM	£66,332
Rates	£9,117

18	Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
	Restricted general funds					
	General Annual Grant	60,336	5,096,604	(4,749,537)	(91,949)	315,454
	Other DfE / ESFA grants	-	492,036	(492,036)	-	-
	Other government grants	-	606,032	(606,032)	-	-
	Wiltshire Council Loan	(1,275,000)	-	(14,314)	-	(1,289,314)
	Other Restricted Funds	(189,911)	-	-	189,911	-
	Funds excluding pensions	(1,404,575)	6,194,672	(5,861,919)	97,962	(973,860)
	Pension reserve	(1,430,000)	-	(166,000)	239,000	(1,357,000)
		(2,834,575)	6,194,672	(6,027,919)	336,962	(2,330,860)
	Restricted fixed asset funds					
	DfE / ESFA capital grants	8,979,439	55,974	(112,367)	(52,604)	8,870,442
	Total restricted funds	6,144,864	6,250,646	(6,140,286)	284,358	6,539,582
	Unrestricted funds					
	General funds	36,127	256,292	(247,061)	(45,358)	-
	Total funds	6,180,991	6,506,938	(6,387,347)	239,000	6,539,582

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

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

The fixed asset fund was created with the donation of the schools land and buildings to the academy. Additional assets are added to the fund which is also written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the academy, and other related DfE of other authority grants.

Unrestricted funds are general donations and fund raising activities of the academy and are used to support the provision of education within the academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Movements in funds - previous year

	Balance at 5 May 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	861,877	(801,541)	-	60,336
Other DfE / ESFA grants	-	65,670	(65,670)	-	-
Other government grants	-	83,913	(83,913)	-	-
Wiltshire Council Loan	-	(965,040)	-	(309,960)	(1,275,000)
Other Restricted Funds	-	(499,871)	-	309,960	(189,911)
	-	(453,451)	(951,124)	-	(1,404,575)
Funds excluding pensions	-	(898,000)	(16,000)	(516,000)	(1,430,000)
Pension reserve	-	(1,351,451)	(967,124)	(516,000)	(2,834,575)
Restricted fixed asset funds					
Transferred on conversion	-	8,980,365	(70,368)	17,310	8,927,307
DfE / ESFA capital grants	-	12,036	52,131	(12,036)	52,131
	-	8,992,401	(18,237)	5,274	8,979,438
Total restricted funds	-	7,640,950	(985,361)	(510,726)	6,144,863
Unrestricted funds					
General funds	-	62,754	(21,353)	(5,274)	36,127
Total funds	-	7,703,704	(1,006,714)	(516,000)	6,180,990

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
Avon Valley College	(1,065,513)
Figcheldean St Michael's C of E Primary School	(11,770)
Bulford St Leonard's C of E Primary School	(589)
Durrington All Saints C of E Infant School	104,012
Salisbury Plain Academies	-
	<hr/>
Total before fixed assets fund and pension reserve	(973,860)
Restricted fixed asset fund	8,870,442
Pension reserve	(1,357,000)
	<hr/>
Total funds	6,539,582
	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Avon Valley College	2,224,766	276,995	189,146	741,747	3,432,654
Figcheldean St Michael's C of E Primary School	320,336	73,864	17,891	55,318	467,409
Bulford St Leonard's C of E Primary School	745,384	199,172	36,516	166,599	1,147,671
Durrington All Saints C of E Infant School	470,285	87,340	15,640	97,621	670,886
Salisbury Plain Academies	8,011	101,305	166,033	115,011	390,360
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,768,782	738,676	425,226	1,176,296	6,108,980
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy agrees to total costs (£6,387,347) less depreciation (£112,367) and FRS102 pension valuation service costs (£135,000) and finance costs (£31,000).

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2016 £
Fund balances at 31 August 2016 were allocated as follows:	
Avon Valley College	(1,340,890)
Figheledean St Michael's C of E Primary School	(33,935)
Bulford St Leonard's Primary School	(57,068)
Durrington All Saints C of E Infant School	56,549
Salisbury Plain Academies	6,896
Total before fixed assets fund and pension reserve	(1,368,448)
Restricted fixed asset fund	8,979,438
Pension reserve	(1,430,000)
Total funds	6,180,990

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Avon Valley College	392,031	60,803	30,337	113,533	596,704
Figheledean St Michael's C of E Primary School	44,848	7,658	1,689	7,111	61,306
Bulford St Leonard's Primary School	143,667	27,263	3,139	17,752	191,821
Durrington All Saints C of E Infant School	79,241	11,002	2,092	14,531	106,866
Salisbury Plain Academies	-	-	-	15,780	15,780
	659,787	106,726	37,257	168,707	972,477

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total
	Funds	General	Fixed asset	2017
	£	£	£	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	8,797,636	8,797,636
Current assets	382,055	469,597	72,806	924,458
Creditors falling due within one year	(382,055)	(154,143)	-	(536,198)
Creditors falling due after one year	-	(1,289,314)	-	(1,289,314)
Defined benefit pension liability	-	(1,357,000)	-	(1,357,000)
	<hr/>	<hr/>	<hr/>	
	-	(2,330,860)	8,870,442	6,539,582

	Unrestricted Funds	Restricted funds:		Total
	£	General	Fixed asset	2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	8,906,632	8,906,632
Current assets	37,198	847,134	72,806	957,138
Creditors falling due within one year	(1,071)	(976,709)	-	(977,780)
Creditors falling due after one year	-	(1,275,000)	-	(1,275,000)
Defined benefit pension liability	-	(1,430,000)	-	(1,430,000)
	<u>36,127</u>	<u>(2,834,575)</u>	<u>8,979,438</u>	<u>6,180,990</u>

20 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £365,361.

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.1% for employers and 5.1% for employees. The estimated value of employer contributions for the forthcoming year is £264,000 (2016: £286,000)

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.

The contributions made to the LGPS scheme for the period are as follows:

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Total contributions made	2017 £	2016 £
Employer's contributions	203,000	36,000
Employees' contributions	51,000	9,000
Total contributions	254,000	45,000
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	2.4
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

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

	2017 Years	2016 Years
Retiring today		
- Males	22.5	22.5
- Females	24.9	24.9
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7

Sensitivity Analysis

Change in assumptions at 31st August 2017

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	473
1 year increase in member life expectancy	3-5%	95-158
0.5% increase in the Salary Increase Rate	4%	126
0.5% increase in the Pension Increase Rate	10%	336

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

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

	2017 Fair value £	2016 Fair value £
Equities	1,544,960	1,244,880
Bonds	304,640	259,350
Cash	43,520	17,290
Property	282,880	207,480
Total market value of assets	2,176,000	1,729,000

Actual return on scheme assets - gain/(loss)	193,000	90,000
--	---------	--------

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	135,000	12,000
Interest income	(39,000)	(8,000)
Interest cost	70,000	12,000
Total operating charge	166,000	16,000

Changes in the present value of defined benefit obligations

	2017 £	2016 £
Obligations at 1 September 2016	3,159,000	2,492,000
Current service cost	338,000	48,000
Interest cost	70,000	12,000
Employee contributions	51,000	9,000
Actuarial (gain)/loss	(85,000)	598,000
At 31 August 2017	3,533,000	3,159,000

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

	2017 £	2016 £
Assets at 1 September 2016	1,729,000	1,594,000
Interest income	39,000	8,000
Actuarial gain	154,000	82,000
Employer contributions	203,000	36,000
Employee contributions	51,000	9,000
At 31 August 2017	2,176,000	1,729,000

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Reconciliation of net income to net cash flows from operating activities

	2017 £	2016 £
Net income for the reporting period	119,591	6,696,990
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(6,666,878)
Capital grants from DfE/EFA and other capital income	(55,974)	(12,036)
Investment income	(482)	(274)
Financing costs	19,508	-
Defined benefit pension costs less contributions payable	135,000	12,000
Defined benefit pension net finance cost/(income)	31,000	4,000
Depreciation of tangible fixed assets	112,367	18,237
(Increase)/decrease in stocks	11,560	(11,560)
(Increase)/decrease in debtors	(102,416)	(294,740)
Increase/(decrease) in creditors	(446,776)	977,780
Stocks, debtors and creditors transferred on conversion	-	(13,197,182)
Net cash used in operating activities	(176,622)	(12,473,663)

22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	25,865	29,722
Amounts due in two and five years	34,610	63,023
	60,475	92,745

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2017**

23 Related party transactions

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

During the year the Trust operated with an Interim CEO and CFO. Payments made in relation to these services are detailed below.

Payments were made to HM Consultancy of £59,000 (2016: £12,000), which is owned by Helen Mathieson, a trustee, for her services as CEO of the trust until her resignation on 31st July 2017.

Payments were made to Academy FMS of £35,000 (2016: £5,878), which is owned by Sandra Richardson, a member of the senior leadership team, for her services as CFO of the trust. Sandra was in the position of CFO until 29th March 2017.

Payments were made to J Croker of £26,400, a member of the senior leadership team, for his services as interim principal at St Michael's Figcheldean until his resignation on 31st December 2016.

From 1st August 2017 the Trust appointed Tina Evans as CEO. During the year to 31st July 2017 Tina Evans was commissioned by the Board to provide 'External Advisor Support' for school improvement. Payments were made to Tina Evans Ltd, which is owned by Tina Evans, a member of the senior leadership team of £47,800.

Salary of £32,835 was paid to Mrs C Nash, spouse of trustee Mr M Nash, for her full time teaching position at Bulford St Leonard's.

24 Members' liability

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

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £8,740 and distributed £8,740 from the fund. There are no undistributed fund at the year end.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

26 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for funds and net income or expenditure, as follows.

	Notes	1 September 2015 £	31 August 2016 £
Reconciliation of funds			
Funds as previously reported		-	18,141,300
Adjustments arising:			
In respect of removal of Church land and buildings held under a supplementary agreement		-	(6,017,374)
In respect of revaluation of land and buildings per ESFA valuations		-	(5,942,936)
Funds as restated		-	6,180,990
Reconciliation of net income for the previous financial period			
	Notes		2016 £
Net income as previously reported			18,657,300
Adjustments arising:			
In respect of removal of Church land and buildings held under a supplementary agreement			(6,017,374)
In respect of revaluation of land and buildings per ESFA valuations			(5,942,936)
Net income as restated			6,696,990

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

26 Prior period adjustment

(Continued)

Notes to restatement

Prior period adjustment 1:

Under previous ESFA Academies Accounts Direction guidance the trust church schools as fixed assets in the Academy Trust's accounts. Under ESFA Academies Accounts Direction 16/17 church schools should only be recognised when the Academy Trust's right over the premises meet the definition of an asset. In addition to this capital works on the church schools are now recognised in repairs and maintenance in the year, effectively as a donation to the church.

FRS102 defines an asset as 'a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow'.

The different basis of occupancy for church academies is because the freehold will generally be owned by a diocese, and the academy trust will generally have a license to occupy whereby the premises are made available for its use, normally with no rental payable. Under the license agreements, Church Supplementary Agreements, the academy trust do not have control over access, or control over works. The agreements simply delegate the management of the premises to the academy trust, whilst the control is still held by the church.

In the case of Salisbury Plain Academies, they currently occupy three schools under Church supplementary agreements. The buildings and a proportion of the land is therefore not owned by the school. This year these have been removed from fixed assets in the accounts along with any associated capital works. Details of these adjustments are noted below:

Bulford St Leonard's Primary School - Cost b/f £3,614,890 and Depreciation b/f £12,667.

St Michael's CE Primary School - Cost b/f £2,163,495 and Depreciation b/f £8,333.

Durrington All Saints CE Infant School - Cost b/f £262,055 and Depreciation b/f £2,067.

Prior period adjustment 2:

The land and buildings of Avon Valley College were transferred on 5 May 2016 when converted, at a value of £14,000,000, being the insurance valuation. This value was based on the rebuilding cost of the buildings. The ESFA valuations were obtained this year and are materially different to the insurance valuations, therefore a prior year adjustment has been posted to the accounts to amend to the ESFA valuation of £8,028,000.