

Company Registration No. 10163646 (England and Wales)

SALISBURY PLAIN ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

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SALISBURY PLAIN ACADEMIES

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3-14
Governance statement	15-18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditor's report on the accounts	21-23
Independent reporting accountant's report on regularity	24-25
Statement of financial activities including income and expenditure account	26-27
Balance sheet	28
Statement of cash flows	29
Notes to the accounts including accounting policies	30-53

SALISBURY PLAIN ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair	Mr M Nash
- Corporate SDBE Member; Foundation	Mrs C Tunncliffe
- Member	Mr J Nutt
- Member (Resigned 16 October 2019)	Mrs L Wilkinson
- Member	Mrs W Ivess-Mash

Trustees

Mr J L Nutt (Chair of Trustees)
Mrs C Tunncliffe (Vice Chair of Trustees)
Ms A J Reeves
Mr N Beckett
Mrs J Mackay
Mr D Powell (Resigned 31 December 2019)
Ms A Chawla
Mrs K L Allen
Mrs E Carrell (Resigned 22 October 2019)
Mrs D Harris (Resigned 31 October 2019)
Mr N J Richardson

Senior management team

- CEO and Accounting Officer (Resigned 31 December 2019)	T Evans
- Executive Principal and Accounting Officer (Appointed 2 January 2020)	S Johnston
- Director of Business and Finance (Resigned 31 December 2019)	B Lane
- Chief Financial Officer (Appointed 11 May 2020 and Resigned 4 November 2020)	F Simpson
- Chief Financial Officer (Appointed 5 November 2020)	L Fox
- Principal (Avon Valley College) (Moved to Accounting Officer 2 January 2020)	S Johnston
- Interim Head of School (Avon Valley College) (Appointed 2 January 2020)	L Paston
- Principal (Bulford St Leonard's)	J Trickett
- Principal (St Michael's)	N Phillips
- Principal (Durrington All Saints) (Appointed 1 September 2019)	H Cooper
- Principal (Pembroke Park)	Y Johnston
- Principal (Netheravon All Saints)	G Durrans
- Strategic Adviser (Appointed 1 January 2020, resigned 31 August 2020)	S Orman

Company secretary

C Cave (Appointed 3 February 2020)
C Sawyer (Resigned 11 December 2019)

Company registration number

10163646 (England and Wales)

Registered office

Avon Valley College
Durrington
Salisbury
Wiltshire
SP4 8HH

SALISBURY PLAIN ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
Pembroke Park Primary School (Transferred out of the Trust 1 September 2020)	Salisbury	Y Johnston
Netheravon All Saints Primary School	Netheravon	G Durrans
Avon Valley College	Durrington	S Johnston
St Michael's C of E Primary School	Larkhill	N Phillips
Bulford St Leonard's C of E Primary School	Bulford	J Trickett
Durrington All Saints C of E Infant School	Durrington	H Cooper (Appointed 1 September 2019)
Salisbury Plain Academies	Durrington	
Independent auditor	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ	
Bankers	Lloyds Bank Plc Salisbury 38 Blue Boar Row Salisbury Wiltshire SP1 1DB	
Solicitors	Taylor Culshaw 60 High Street Burnham on Sea Somerset TA8 1AG	

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the academic year 2019/20 the Trust operated with 1 secondary, 4 primary and 1 infant academies in Wiltshire. Its academies have a combined pupil capacity between Reception and Y11 of 2,356 school age pupils, including Nursery and 6th form places. The combined roll of the academy schools in the census of October 2019 was 1,456.

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. The charitable company operates as Salisbury Plain Academies.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

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. Trustees are permitted to serve two terms of office if re-appointed.

Potential Trustees are interviewed by a panel consisting of the Chair of the Trust Board, the Accounting Officer 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.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 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 Executive Principal (the Accounting Officer) 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.

The Trust employs other leaders, such as Principals/Headteachers, who are accountable to the Trust Board in two ways. Firstly, through the internal management structure when they report to the Executive Principal 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 2020

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 ensures 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 primarily from the Leadership, Management and HR Committee.

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 Executive Principal via SPA's performance management process and any performance related pay increases are reviewed and decisions approved by a Pay Panel.

The Executive Principal's salary is set and reviewed by the Trust Board and reflect the responsibilities of the roles with consideration to the multi academy trust landscape.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

1,414

Total pay bill

6,574,624

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

0.02%

Trade Union facility arrangements are purchased through Wiltshire Council and no employees have trade union responsibilities.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with employees

The Trustees seek to actively engage with employees of the academy trust throughout the year. Each school is supported with a link Trustee, who works closely with the respective Headteacher and Academy Advisory Board.

Employee communication is principally driven through the Headteachers, who meet with the Executive Principal weekly to share key messages and discuss operational and strategic performance. It has been recognised by the Trustees the importance of employee engagement. The Executive Principal will be overseeing an employee wellbeing survey in 2020/21 which will be reviewed by Trustees and shared with all Salisbury Plain Academies employees and Academy Advisory Boards.

Salisbury Plain Academies welcomes applications for employment from disabled persons. Employees with temporary or permanent disabilities are supported to ensure their working environment is appropriately adapted. Building work is designed within the requirements of the Disability Discrimination Act. Recent examples include the incorporation of vision panels in fire doors at Avon Valley College. The newly built St Michael's Primary and Avon Valley College new building are both designed to comply with latest disability building guidelines.

Related parties and other connected charities and organisations

Salisbury Plain Academies has relationships with the following related parties:

- 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.
- Partnership working with Acorn Education Trust has increased during 2019/20, with both Trusts benefitting from the sharing of staff expertise.
- Benefits have been gained through grant awards from the Armed Forces Education Trust (AFET), and the Ministry of Defence Education Support Fund (MOD ESF).

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

Salisbury Plain Academies is a mixed multi-academy trust made up of five academies, offering its communities all-through education from 2 -18 years:

- Avon Valley College Community Secondary School and Sixth Form
- Bulford St Leonard's Church of England Primary School
- Durrington All Saints Church of England Infant School
- Netheravon All Saints Primary School
- Pembroke Park Primary School
- St Michael's Church of England Primary School

Salisbury Plain Academies works closely with Wiltshire Council and the Diocese of Salisbury, the Regional Schools Commissioner, other local MATs and the Directorate of Children and Young People (DCYP) representing military pupils.

Salisbury Plain Academies has no primary religious character – only the absolute determination to improve outcomes for all children, military and civilian within their communities.

Our Mission

Transforming life chances for children through educational excellence.

Our Vision

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

Salisbury Plain Academies learners will be confident, compassionate, and curious global citizens, contributing positively to society and thriving in a rapidly changing world. Salisbury Plain Academies staff will be ambitious and well-trained leaders, engaging in research such that their practice is data driven and grounded in evidence. Salisbury Plain Academies 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 locally 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.

Objectives, strategies and activities

Salisbury Plain Academies will achieve its vision through focusing on five strategic objectives that will be reviewed and measured annually. Progress against these objectives is monitored through the Performance Management Framework, which is reviewed at every Committee and Trust Board meeting.

- To secure the highest possible personal and academic outcomes for all young people
- To create a professional and ambitious learning community for all staff
- To ensure strong financial leadership and governance to secure the Trust's sustainability and growth
- Building for the future. To ensure the Trust has a strategic growth and estates plan to secure future stability and sustainability
- The Trustees will enable strong governance and leadership of the Trust

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Trustees confirm that they have complied with the duty to have due 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 towns and villages. The Trust is acutely aware of its duty to promote community cohesion and to lead through example.

Strategic report

Achievements and performance

Army Rebasing

Summer 2019 saw the peak of rebasing of the Army from Germany alongside the relocation of multiple units within UK as the Army rationalised its real estate and basing. This has seen over 800 new Married Quarters being built in Larkhill and Bulford alone, plus the St Michael's school new build to accommodate the influx of several thousand personnel in 5 major units and multiple minor ones in a period of just a few months. With the increased focus of the British Army on Salisbury Plain this should be appreciated as the most unique and novel set of circumstances never seen before or indeed experienced anywhere else in UK - and never to be repeated. Despite the best possible planning and preparation by the Trust and schools on the basis of the information provided, the uncertainty over pupil numbers and lack of confirmed detail has created a wide range of complex and challenging issues, many of which still remain.

While 2019 was planned as being the peak for unit moves the reality is that the family growth is not yet complete and will continue for the next 2-3 years involving further unit (and family) moves yet to come. Four of the schools already operate with circa 50% of pupils coming from Service Families and in the case of St Michael's the proportion is circa 90%. These levels already produce their own difficulties through not least the higher mobility issues associated with Service life and the absence of parents on training and operations. The continuing arrival of units will also result in a period of prolonged turbulence in terms of pupil numbers and planning uncertainty for the Trust and the schools within.

Academic Achievements:

Owing to there being no exams in 2019-20, the upwards trajectory shown in the schools can only be estimated in the primary schools. However, the following CAGs, some of which were upgraded by calculated grades were achieved in Years 11 and 13 at AVC:

Year 11

Cohort	2019/20	2018/19	2017/18	2016/17
Student	84	74	76	99
Attainment 8	42.29	38.05	37.69	31.89
Progress 8	-0.12	-0.35	-0.81	-1.1
English and Maths 5+	32%	30%	26%	15%
English and Maths 4+	60%	50%	46%	35%

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Year 13

9 students: mixture of A levels (13) and Btecs (11)

Average Point Score 80.6 representing CCD (62 prior year)

Business and Facilities Achievements:

2019/20 has been an exciting year in terms of the development of the SPA Estate.

The new school for St Michael's opened its doors in September 2018 and provides a state-of-the-art learning facility for the rapidly increasing number of returning service personnel and their families. The school has now nearly quadrupled and runs 12 classes compared to the original 4.

The new build IT and Creativity block is now open at Avon Valley College, with 15 new classrooms being built, also with state-of-the-art technology, art, drama, and IT facilities. A redundant garage space has been converted into a high-performance gym facility and a disused classroom into a community boxing facility. Lettings procedures have been reviewed and letting opportunities enhanced.

CIF 2020/21 – Urgent Tank House Repairs + Block D - Funding approval was delayed from April until July due to COVID-19. The roofs of Block D are being overlayed with new insulation and coverings making them more energy efficient and watertight. The pitched roof is already complete, and the flat roofs will begin as soon as the scaffolding has been altered.

Another application was made for UCS for the boiler replacement in Block D+E. There is currently no heating provision for Block D+E this winter which does present a risk at AVC. Some temporary electric heaters are being sourced however there could be an issue with electrical overloading. The funding was approved in September, without the usual school contribution.

Key performance indicators

Key performance indicators are used by Salisbury Plain Academies to monitor progress against the Performance Management Framework. 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.

The following KPIs have been monitored during 2019/20:

Salary Costs	2020	2019
% of salaries to main grant income	82%	84%
% salaries to total restricted costs	77%	78%
ESFA guidance of % of salaries to main grant income (max)	80%	80%
Pupil numbers (including Nursery)	1,471	1,301
Total income £ per pupil	6,106.91	6,280.89
Total cost £ per pupil	6,216.34	6,063.55

Due to Netheravon All Saints Primary joining 1st December 2018, pupil numbers are tracked using January census data, to ensure accurate comparability of KPIs.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Academy successes 2019/2020

- The Trust remained open throughout holidays, including bank holidays during the lockdown from 23 March to May half term. It took pupils from schools that were shut on a short- and long-term basis.

The Trust projected an outturn of over £200k deficit for 2019/20 but achieved a £164k surplus (after deducting loan interest of £25k). This was partly due to successful grant applications but also to extensive efficiencies at Avon Valley College in particular.

- Leadership at Avon Valley College continues to thrive and the impact of their work has been sustained throughout the lockdown. CAGs were often supplanted by calculated grades, suggesting that the trajectory of improvement in measures such as Progress 8 and Attainment 8 would have continued.
- The new Principal for Netheravon All Saints Primary School who took up post in January 2019 following a period of leadership transition for the school, has exhibited strong leadership throughout the lockdown.
- The recruitment of a highly effective Estates Manager has resulted in an improvement in estates functionality and systems. As an outcome of the diligent work of the Estates Manager and the oversight of the Estates and Maintenance Committee, the past year has seen a reduction in the overall estate / building risk that the Trust is carrying.
- Increasing success at grant applications (AFET and ESF) has secured significant additional capacity to support our military students at Avon Valley College.
- Engagement with Army HQ, DCYP and other networks has supported the transition of significant increases in pupil numbers into 3 of our 6 schools, as the rebasing from Germany and the move of several units from within UK into the catchment areas has been completed, although with more yet to come.
- A more effective structure within core services and upskilling of finance officers in schools means that internal systems run a lot smoother.

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. The Academy Trust has made financial governance improvements in 2019/20 which the Trustees recognise must continue to ensure sufficient reserves are available to service the long-term loan.

The Trustees have appointed the Executive Principal to drive the strategic direction of the Trust and build a sustainable operating model, where resources are allocated equitably and effectively across the schools. A Chief Financial Officer has been appointed to further build financial governance and ensure the Trust fully addresses its three-year financial position. The Trustees are committed to working with the relevant public bodies including the ESFA and RSC to implement any changes deemed necessary to ensure Salisbury Plain Academies is a going concern on a long-term basis.

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 2020

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 1 July 2016 is covered by a 14-year loan from Wiltshire Council at a PSBR of 1.53%.

The land, building and other assets relating to Avon Valley College and Netheravon All Saints Primary were transferred to the Trust upon conversion. The Trust has been granted 'permission to occupy' the land, building and other assets in respect of 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 been granted 'permission to occupy' the land, building and other assets in respect of Pembroke Park Primary in conjunction with the Local Authority.

The Trust has implemented stricter financial controls over the year 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 in Note 20 to the financial statements.

In 2019/20 the Trust delivered an in-year revenue surplus of £189,227 (excluding pension reserve and long term loan). The Trust brought forward revenue funds of £370,581 (excluding pension reserve and long term loan) therefore carrying forward revenue funds of £559,808, bringing total funds before fixed assets fund and pension reserve to -£1,078,118 deficit. This deficit includes the 14 year loan inherited from Wiltshire Council on conversion to Academy Trust. Details of the loan can be found in note 16. The in-year surplus has been achieved through the primary settings. In part the surplus is due to lower running costs in the second half of the year due to Covid-19 pandemic restrictions. Part of the in-year surplus is attributed to unspent ESFA pupil premium (£7,643) and sports grant funding (£15,240), as well as a Wiltshire Council careers grant (£1,000) and an Aspire Defence Limited careers grant (£500) which will be spent in 2020/21 academic year.

The Trust has in place Financial Plans covering the period to 2020/ 21, and a long-range 10-year plan to 2028. The Finance, Audit, Maintenance and Estates (FAME) Committee is responsible for reviewing and refreshing the Financial Plan at appropriate intervals during the business year. The Committee is responsible for reporting to the Trust Board accordingly.

Reviews will take place in December, February and June and will consider, amongst other things, the following.

- Latest numbers on roll along with the most recent pupil number projections
- 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 and the number of pupils within the schools

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 2020

Reserves policy

The Trustees have determined the level of cash 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 regularly at least termly as part of the management reporting process. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

The pension position is reviewed annually. The trust currently holds a deficit pension reserve, which would generally indicate a future cash flow risk, with a requirement to increase employers' pension contributions over a period of years. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme. Note 20 details the assumptions and movements during the year on the Scheme.

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

The total funds reserve is £13,322,198. Revenue reserves are in deficit due to the conversion loan from Wiltshire Council which is repayable over 14 years. The fixed asset fund represents funds which can only be realised by disposing of fixed assets. On 31 August 2020, the balances in the Trust's revenue funds were:

Restricted general funds (excluding pension reserve and restricted loan) £559,808, of which £535,425 are GAG funds and £24,383 are other restricted funds.

Restricted Loan (£1,637,926), of which £50,000 is payable in June 2021.

Investment policy

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 2020

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 DfE including CIF and ESF bids.
- Financial - The Trust will commence capital repayments of the long-term loan in June 2021. With pupil number growth below expected levels, the Trust's ability to deliver the revenue surplus to service this loan might not be realised risking existing cash balances.
- Undeliverable planned efficiencies might have an impact on schools' ability to achieve in-year budgets, which would lead to further budget pressures in following years and not adhering to the Reserves Policy.
- Non-adherence to the Academies Financial Handbook, Salisbury Plain Academies Financial Handbook and Scheme of Delegation might lead to financial mismanagement within Salisbury Plain Academies, which could result in regulatory compliance issues, audit failure and possibility of fraud.
- Fewer students joined the Trust in September 2019 than were predicted in May 2019 resulted in the Trust having excess teaching staff following planned Summer 2019 recruitment to meet expected numbers, which resulted in the need for short notice redundancy campaign to address long term excessive costs.
- 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 financially support the achievement of high educational standards. To mitigate this risk, Trustees ensure that student success and achievement is closely monitored, that school improvement plans are ambitious and grant opportunities to support school improvement are sourced.
- Pupil numbers – the Trustees continue to closely monitor student numbers within the Trust. The impact of the MOD Salisbury Plain re-basing programme did not increase pupil numbers as significantly as received intelligence from the MOD and Local Authority led us to believe. However, there are signs of ongoing growth across the Trust as the impact of recruitment to the Super Garrison area continues.
- 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.

Fundraising

Approach to fundraising / Fundraising conforming to recognised standards

The School / pupils raise money for local or national charities. Students vote for the charities they wish to support in an academic year. Usually fund raising for the school is decided by the senior leadership team and is led by a specific project leader.

Income from fundraising projects and requests run by the schools are used to benefit students directly and support the costs of resources, educational visits, activities, and improvements to educational facilities at individual schools. Publicity for fund raising events is measured and is restricted to students at the school, their family members, and the local community.

For trips that occur during the school day, parents are requested to make a voluntary donation towards the costs of the trip. Parents are made aware that there is no obligation to contribute and no student will be omitted from the trip if their parents do not contribute, but the trip may not take place if sufficient voluntary contributions are not forthcoming.

The Trust does not work with any third-party commercial participators or professional fundraisers to raise funds. There have been no fundraising complaints during 2019/20.

Fund raising projects for the school are managed through the school newsletter and other local communications with parents. Voluntary donations towards trips are requested through letters to parents ensuring they are not made to feel pressurised into paying as payment is voluntary and not compulsory.

SALISBURY PLAIN ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Salisbury Plain Academies increased the number of academies within the Trust from an original number of four to six from 1 December 2018. However, Pembroke Park left on 1 September 2020.

St Michael's Primary successfully moved from the village of Figcheldean to a brand new 420 place primary (plus 60 place Nursery) in Larkhill on the 1 September 2018.

The new build at Avon Valley College was opened in September 2020.

The Trust is exploring other local growth opportunities, in line with its growth strategy that comprises four phases – the first of which is complete. 'G block' was formally opened on 24 September but open for use on 1 September.

Trust-wide solutions for cleaning, catering grounds maintenance and IT are being sought that will improve the service and be better value for money.

Numbers are continuing to rise but the numbers from rebasement have stabilised, meaning more accurate financial planning and more efficient staffing structures.

Funds held as custodian trustee on behalf of others

As at the 31 August 2020 Salisbury Plain Academies does not act as Custodian Trustee on the behalf of others.

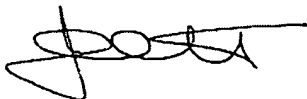
Auditor

In so far as the Trustees are aware:

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

A resolution proposing that Moore (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 22nd December 2020 and signed on its behalf by:



.....
Mr J L Nutt
Chair of Trustees

SALISBURY PLAIN ACADEMIES

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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. As Trustees we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principle 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 Executive Principal 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 five 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 J L Nutt (Chair of Trustees)	5	5
Mrs C Tunnicliffe (Vice Chair of Trustees)	5	5
Ms A J Reeves	4	5
Mr N Beckett	5	5
Mrs J Mackay	5	5
Mr D Powell (Resigned 31 December 2019)	1	2
Ms A Chawla	5	5
Mrs K L Allen	4	5
Mrs E Carrell (Resigned 22 October 2019)	0	1
Mrs D Harris (Resigned 31 October 2019)	0	1
Mr N J Richardson	5	5

No new Trustees were appointed in 2019/20. All Trustee appointments are made following a skills gap audit which identifies areas of expertise and knowledge that is sought.

The Trustees review the regularity of Board meetings it conducts annually. The Board considers that five meetings a year is adequate in order to provide effective oversight of financial control given the size of the Trust. These meetings are supplemented by regular contact between the Chairman of the Finance, Audit, Estates and Maintenance Committee and the Trust's finance officers and between the Chairman of the Board and the Accounting Officer. Further the Chair of the Board carries out individual review meetings with each Trustee.

The Finance, Audit, Estates and Maintenance committee is a committee of the main board of Trustees. Its purpose is to ensure that the Executive Principal is operating within the parameters of the Funding Agreements and Academies Financial Handbook and providing value for money.

The committee also reviews expenditure priorities in regard to the Salisbury Plain Academies estate and provides the Executive Principal with advice and guidance on the delivery of efficiencies required to achieve the annual budget.

During the financial year, Salisbury Plain Academies' Finance and Business Director resigned and after his departure, the committee provided advice and guidance to both the Board and the Executive Principal on the strategy required to cover this gap.

SALISBURY PLAIN ACADEMIES

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Mrs C Tunnicliffe (Vice Chair of Trustees)	1	3
Mr N Beckett	3	3
Mr D Powell (Resigned 31 December 2019)	1	1
Mr N J Richardson	2	3

Review of value for money

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

The Executive Principal 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 Executive Principal for the academy trust has delivered improved value for money during the year by:

- Implementing strict purchase controls and obtaining requisite number of quotes for larger purchases and use of service providers
- Monitoring previously established contracts, such as facilities management, to ensure that best value is obtained and giving notice of termination where not
- Implementing Trust-wide solutions to achieve greater efficiency, such as IT, grounds maintenance, and cleaning
- Overseeing structural changes in the finance team and a clear monthly calendar for submission of information to the centre so that Trust Board can receive monthly management accounts in a timely fashion
- Removing the use of a consultant and recruiting a part time CFO

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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 2020

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.
- development and regular scrutiny of a 3-year financial forecast
- 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 scrutiny function and a programme of internal checks has taken place during the 2019/2020 academic year, carried out by external auditor Moore (South) LLP.

During 2019/ 2020 Internal Audits were conducted on the following areas of activity

- Payroll and HR – covering the processes and controls in place in Schools and Central services
- Follow up of the action taken to address the 2018/2019 external audit recommendations

In line with Government COVID19 advice at the time, the schedule of work was delivered remotely, during July and August 2020 and the final report was presented the Trust Board on 23rd September 2020.

- The Auditors did not raise any 'High' grade recommendations in the report however, they deemed the internal scrutiny process did not meet Section 3 of the Academies Financial Handbook as the programme of work was not agreed early enough in the Academic year.

The Internal Audit highlighted that the 2018/2019 external audit recommendations have been mitigated if not eliminated. This is an acceptable result given the challenges that the Trust has faced in resourcing its finance team. These issues will continue to remain a key focus of the Finance Committee up to the point where the internal scrutiny process is fully operational.

The statutory 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.

The revised FRC Ethical Standard for Auditors states that a firm providing external audit shall not also provide internal audit services, unless already engaged as 15 March 2020. Moore (South) LLP continued to provide internal scrutiny on that basis. The Board of Trustees is considering the internal scrutiny options available to it within the revised FRC Ethical Standards for 2020/21 academic year.

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.
- undertaking the SRMA assessments.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the internal scrutiny work undertaken by internal audit.

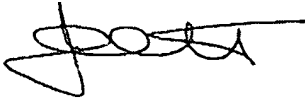
SALISBURY PLAIN ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Board of Trustees on 22nd December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J L Nutt', written in a cursive style.

Mr J L Nutt
Chair of Trustees

SALISBURY PLAIN ACADEMIES

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

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 terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

2019/20 has proved to be another challenging year for the trust, partly due to high staff turnover in key positions and capacity issues within the finance department. As a result, changes reported last year to the internal control systems have taken longer to implement than anticipated and improvements are continuing to be made.

Payroll continues to be approved by the heads of school, and from January 2020 onwards it has also been authorised by the Executive Principal as intended. Historic errors and delays in postings to the financial system have been rectified this year and from January 2020 procedures were implemented to ensure bank reconciliations and management accounts have been prepared on a more regular and frequent basis. VAT returns are now submitted regularly and the outstanding returns from previous periods have also been processed. Although a purchase order system has been introduced, a large percentage of purchases are still being made without a valid purchase order. Steps are being taken to introduce a process so that there is reasonable rationale for some purchases to be made without an order.

Notwithstanding the improvements reported above, capacity to manage the financial position effectively was hindered by the vacancy of the Chief Financial Officer position. The Board of Trustees have taken action by partnering with other Trusts and appointing appropriate finance staff and advisors to ensure the continued improvement of the situation. The Board of Trustees and I are confident that the systems and processing are up to date and running properly to enable the Trust to move forward.

Since my appointment as Executive Principal, structural changes have been made in the finance team and progress has been made towards improving the control environment and ensuring reporting is undertaken in a timely manner.



Mr S Johnston
Accounting Officer

22 December 2020

SALISBURY PLAIN ACADEMIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who 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 Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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:

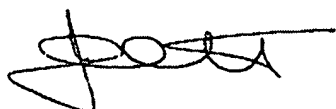
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 22nd December 2020 and signed on its behalf by:



Mr J L Nutt
Chair of Trustees

SALISBURY PLAIN ACADEMIES

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Salisbury Plain Academies for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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 Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. 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)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report and directors' 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 and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 and directors' 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 (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, 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 academy trust, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Ann Mathias

Ann Mathias (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

23 December 2020

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 15 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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;
- substantive testing of individual transactions.

SALISBURY PLAIN ACADEMIES

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the course of our work we followed up the weaknesses to the internal control systems of the Trust reported in the 2018/19 external audit and the 2019/20 internal scrutiny. Our observations are as follows:

- Prior to January 2020 monthly payroll reports were not evidenced as reviewed and approved by the Chief Executive Officer. This has since been addressed by the new finance team.
- In the first part of the year bank reconciliations were not printed and reviewed by the Business and Finance Director. From January 2020 this has subsequently been addressed by the finance team. Within the newly adopted month end timetable bank transactions are expected to be cleared within one week and then bank reconciliations will be reviewed and signed by the Chief Financial Officer from November 2020.
- Monthly management accounts were not being prepared on a timely basis for the Board. However procedures have now been implemented to ensure these are now being prepared to a timetable as set by the Chief Financial Officer.
- 42% of purchases sampled were found to have been processed without a valid purchase order. However a number of these purchases would not practically require purchase orders and hence reducing the sample error to 30% of purchases tested. All purchases raised without a purchase order were reviewed to ensure no large or unusual purchase orders were being placed without approval. We are aware that a new policy on raising purchase orders has been adopted since the year end and procedures implemented to ensure this policy is followed. Finance officers have been informed that purchase order compliance is a priority and appropriate training is being given to staff.

Improvements have been made since the previous financial year and the weaknesses identified in the prior year have or are being addressed. The finance team have the remit to continue making changes and improvements on our recommendations.

Moore (South) LLP

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

Dated: *23 December 2020*

SALISBURY PLAIN ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £	£	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	500	603,340	603,840	650,819
Donations - transfer of existing academy into the trust		-	(77,000)	-	(77,000)	6,424,626
Charitable activities:						
- Funding for educational operations	4	-	8,067,356	-	8,067,356	7,096,804
Other trading activities	5	319,287	-	-	319,287	423,288
Investments	6	428	-	-	428	528
Total		319,715	7,990,856	603,340	8,913,911	14,596,065
Expenditure on:						
Charitable activities:						
- Educational operations	9	319,715	8,232,049	379,363	8,931,127	8,087,454
Total	7	319,715	8,232,049	379,363	8,931,127	8,087,454
Net income/(expenditure)		-	(241,193)	223,977	(17,216)	6,508,611
Transfers between funds	18	-	57,737	(57,737)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	424,000	-	424,000	(791,000)
Net movement in funds		-	240,544	166,240	406,784	5,717,611
Reconciliation of funds						
Total funds brought forward		-	(3,018,662)	15,934,076	12,915,414	7,197,803
Total funds carried forward		-	(2,778,118)	16,100,316	13,322,198	12,915,414

SALISBURY PLAIN ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	-	-	650,819	650,819
Donations - transfer of existing academy into the trust		29,932	98,854	6,295,840	6,424,626
Charitable activities:					
- Funding for educational operations	4	-	7,096,804	-	7,096,804
Other trading activities	5	423,288	-	-	423,288
Investments	6	528	-	-	528
Total		453,748	7,195,658	6,946,659	14,596,065
Expenditure on:					
Charitable activities:					
- Educational operations	9	453,748	7,337,350	296,356	8,087,454
Total	7	453,748	7,337,350	296,356	8,087,454
Net income/(expenditure)		-	(141,692)	6,650,303	6,508,611
Transfers between funds	18	-	(125,139)	125,139	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(791,000)	-	(791,000)
Net movement in funds		-	(1,057,831)	6,775,442	5,717,611
Reconciliation of funds					
Total funds brought forward		-	(1,960,831)	9,158,634	7,197,803
Total funds carried forward		-	(3,018,662)	15,934,076	12,915,414

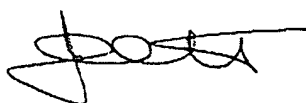
SALISBURY PLAIN ACADEMIES

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		15,772,495		15,590,489
Current assets					
Debtors	14	903,555		841,686	
Cash at bank and in hand		807,929		760,054	
		<u>1,711,484</u>		<u>1,601,740</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(873,855)		(884,325)	
Net current assets			<u>837,629</u>		<u>717,415</u>
Total assets less current liabilities			<u>16,610,124</u>		<u>16,307,904</u>
Creditors: amounts falling due after more than one year	16		<u>(1,587,926)</u>		<u>(1,616,490)</u>
Net assets before defined benefit pension scheme liability			<u>15,022,198</u>		<u>14,691,414</u>
Defined benefit pension scheme liability	20		<u>(1,700,000)</u>		<u>(1,776,000)</u>
Total net assets			<u><u>13,322,198</u></u>		<u><u>12,915,414</u></u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			16,100,316		15,934,076
- Restricted income funds			(1,078,118)		(1,242,662)
- Pension reserve			<u>(1,700,000)</u>		<u>(1,776,000)</u>
Total restricted funds			<u>13,322,198</u>		<u>12,915,414</u>
Unrestricted income funds	18		-		-
Total funds			<u><u>13,322,198</u></u>		<u><u>12,915,414</u></u>

The accounts on pages 26 to 53 were approved by the Trustees and authorised for issue on 22nd December 2020 and are signed on their behalf by:



Mr J L Nutt
Chair of Trustees

Company Number 10163646

SALISBURY PLAIN ACADEMIES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		10,655		(364,867)
Cash funds transferred on conversion			-		120,317
			<u>10,655</u>		<u>(244,550)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		428		528	
Capital grants from DfE Group		387,930		650,819	
Capital funding received from sponsors and others		215,410		-	
Purchase of tangible fixed assets		<u>(561,369)</u>		<u>(543,982)</u>	
Net cash provided by investing activities			42,399		107,365
Cash flows from financing activities					
Repayment of long term bank loan		24,683		28,352	
Repayment of other loan		(3,247)		6,494	
Finance costs		<u>(26,615)</u>		<u>(32,539)</u>	
Net cash (used in)/provided by financing activities			<u>(5,179)</u>		<u>2,307</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			47,875		(134,878)
Cash and cash equivalents at beginning of the year			760,054		894,932
Cash and cash equivalents at end of the year			<u>807,929</u>		<u>760,054</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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 Trust 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 i.e. 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.

The Trust board has reviewed budgets and projections over a 3 year period and re-assessed the underlying assumptions and rebasing of pupils over the next 3 years. Further details are set out in the Trustees' Report in the going concern statement.

For this reason it continues to adopt the going concern basis in preparing the financial statements.

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

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.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donations

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

Other income

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

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.

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

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 2020

1 Accounting policies (Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,500 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	Buildings straight line 50 years, land is not depreciated
Leasehold land & buildings	Straight line over the remaining period of the lease
Computer equipment	Straight line 3 years
Fixtures, fittings & equipment	Straight line 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.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

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.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Critical areas of judgement

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 13 for further detail of this estimation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	603,340	603,340	650,819
Other donations	-	500	500	-
	<u>-</u>	<u>603,840</u>	<u>603,840</u>	<u>650,819</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,590,426	5,590,426	5,566,151
Other DfE group grants	-	1,644,835	1,644,835	832,522
	-	7,235,261	7,235,261	6,398,673
Other government grants				
Local authority grants	-	432,999	432,999	444,532
Other government grants	-	391,447	391,447	253,599
Exceptional government funding				
Coronavirus job retention scheme grant	-	7,649	7,649	-
	-	832,095	832,095	698,131
Total funding	-	8,067,356	8,067,356	7,096,804

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its wrap around care staff under the government's CJRS. The funding received of £8k relates to staff costs in respect of 11 staff which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	9,686	-	9,686	16,444
Catering income	39,001	-	39,001	25,726
Other income	270,600	-	270,600	381,118
	319,287	-	319,287	423,288

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	428	-	428	528

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2020	2019
	£	£	£	£	£
Academy's educational operations					
- Direct costs	5,051,487	-	579,130	5,630,617	5,061,323
- Allocated support costs	1,553,904	1,114,118	632,488	3,300,510	3,026,131
	<u>6,605,391</u>	<u>1,114,118</u>	<u>1,211,618</u>	<u>8,931,127</u>	<u>8,087,454</u>
Net income/(expenditure) for the year includes:				2020	2019
				£	£
Fees payable to auditor for:					
- Audit				28,795	12,300
- Other services				35,516	13,987
Operating lease rentals				28,929	19,308
Depreciation of tangible fixed assets				379,363	296,356
Bank and loan interest				26,615	32,539
Net interest on defined benefit pension liability				40,000	25,000
				<u></u>	<u></u>

8 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 GAG and budgeted rebasing income (6.5%) (2019: flat percentage of income (6.5%), with a reduction for a part de-centralisation of the finance function).

The amounts charged during the year were as follows:	2020	2019
	£	£
Pembroke Park Primary School (Transferred out of the Trust 1 September 2020)	62,734	59,014
Netheravon All Saints Primary School	44,996	35,955
Avon Valley College	139,742	134,245
St Michael's C of E Primary School	52,272	20,193
Bulford St Leonard's C of E Primary School	59,068	31,917
Durrington All Saints C of E Infant School	34,980	33,233
Salisbury Plain Academies	-	-
	<u>393,792</u>	<u>314,557</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	134,363	5,496,254	5,630,617	5,061,323
Support costs				
Educational operations	185,352	3,115,158	3,300,510	3,026,131
	<u>319,715</u>	<u>8,611,412</u>	<u>8,931,127</u>	<u>8,087,454</u>

Analysis of costs	2020 £	2019 £
Direct costs		
Teaching and educational support staff costs	5,048,309	4,499,851
Staff development	25,326	49,090
Technology costs	143,484	100,358
Educational supplies and services	281,881	224,908
Examination fees	40,120	42,110
Educational consultancy	14,538	49,464
Other direct costs	76,959	95,542
	<u>5,630,617</u>	<u>5,061,323</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

(Continued)

Support costs		
Support staff costs	1,589,827	1,501,808
Depreciation	379,363	296,356
Technology costs	75,159	101,073
Recruitment and support	5,941	24,045
Maintenance of premises and equipment	337,398	165,867
Cleaning	151,673	172,053
Energy costs	161,627	155,242
Rent, rates and other occupancy costs	61,151	77,777
Insurance	22,906	34,915
Security and transport	42,135	57,962
Catering	131,120	162,879
Finance costs	66,615	57,539
Legal costs	15,755	25,395
Other support costs	159,644	165,233
Governance costs	100,196	27,987
	<u>3,300,510</u>	<u>3,026,131</u>

10 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	4,803,010	4,497,282
Social security costs	415,781	396,455
Pension costs	1,355,833	988,084
Staff costs - employees	<u>6,574,624</u>	<u>5,881,821</u>
Agency staff costs	30,767	70,731
	<u>6,605,391</u>	<u>5,952,552</u>
Staff development and other staff costs	58,071	98,197
Total staff expenditure	<u>6,663,462</u>	<u>6,050,749</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	78	77
Administration and support	185	169
Management	7	8
Admin and support casual	27	30
Teaching staff casual	16	20
	<u>313</u>	<u>304</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	72	70
Administration and support	78	71
Management	7	8
	<u>157</u>	<u>149</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	5	2
£70,001 - £80,000	-	2
£80,001 - £90,000	1	-
	<u></u>	<u></u>

The Trust would like to highlight the amount of casual staff employed by the trust due to the large difference between headcount and FTE.

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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £572,184 (2019: £636,284).

The employee benefits do not include the cost of one member of the key management personnel who was paid via invoice, total cost of £40,200. Details can be seen in the related party note.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Trustees' remuneration and expenses

During the year, no expenses were reimbursed to trustees (2019: £Nil).

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

12 Insurance for Trustees and officers

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.

13 Tangible fixed assets

	Freehold land & buildings £	Leasehold land & buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 September 2019	11,739,179	3,959,992	167,687	263,105	16,129,963
Additions	359,289	-	157,778	44,302	561,369
At 31 August 2020	12,098,468	3,959,992	325,465	307,407	16,691,332
Depreciation					
At 1 September 2019	371,158	33,115	58,584	76,617	539,474
Charge for the year	206,152	33,115	52,973	87,123	379,363
At 31 August 2020	577,310	66,230	111,557	163,740	918,837
Net book value					
At 31 August 2020	11,521,158	3,893,762	213,908	143,667	15,772,495
At 31 August 2019	11,368,021	3,926,877	109,103	186,488	15,590,489

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

(Continued)

The Avon Valley College 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 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 Primary and St Michael's Primary, 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 - £336,505
Bulford St Leonards Primary - £185,110
St Michael's Primary - £357,945

The buildings and remainder of the land have been removed 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.

Pembroke Park Primary leasehold buildings were transferred into the trust on 1 September 2018. The buildings transferred were valued at £3,959,992 and are being depreciated over the remaining term of the lease.

Netheravon All Saints Primary land and buildings transferred into the trust on 1 December 2018. The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education Funding agency as at the 31 March 2015. The land was valued at £547,000 and the buildings at £1,848,000. The land and buildings were transferred into the trust at net book value of £547,000 and £1,675,520 respectively. The academy has not obtained a separate valuation. The academy did not consider it an effective use of public funds to obtain an additional valuation. The land and buildings are owned by the trust. The Academy Trust lease a mobile classroom to a Pre-School the term of the agreement is until 1 January 2024.

14 Debtors

	2020 £	2019 £
Trade debtors	32,966	19,688
VAT recoverable	171,430	463,372
Prepayments and accrued income	699,159	358,626
	<u>903,555</u>	<u>841,686</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Government loans	50,000	-
Other loans	3,247	3,247
Trade creditors	367,067	323,266
Other taxation and social security	97,370	97,155
Other creditors	1,614	-
Accruals and deferred income	354,557	460,657
	<u>873,855</u>	<u>884,325</u>

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Government loans	1,587,926	1,613,243
Other loans	-	3,247
	<u>1,587,926</u>	<u>1,616,490</u>
	2020 £	2019 £
Analysis of loans		
Not wholly repayable within five years by instalments	920,816	1,096,738
Wholly repayable within five years	720,357	522,999
	<u>1,641,173</u>	<u>1,619,737</u>
Less: included in current liabilities	(53,247)	(3,247)
Amounts included above	<u>1,587,926</u>	<u>1,616,490</u>
Loan maturity		
Debt due in one year or less	53,247	3,247
Due in more than one year but not more than two years	147,257	48,897
Due in more than two years but not more than five years	519,853	470,855
Due in more than five years	920,816	1,096,738
	<u>1,641,173</u>	<u>1,619,737</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due after more than one year

(Continued)

The government loan is a loan from Wiltshire Council for £1,275,000 made on conversion on 1 July 2016, being the estimated deficit prior to conversion. A further £292,593 was advanced on 4 December 2017 to cover the full historic deficit before conversion. The next repayment of £50,000 is due in June 2021, followed by annual repayments of £192,702 from June 2022 until June 2030 when the loan is fully repaid. The loan interest rate is charged at 1.53% per annum, with total interest over the life of the loan amounts of £241,724. The loan repayments shown above take account of the interest charged and therefore only show the capital element plus the interest accrued at the balance sheet date being repaid.

The other loans balance is £3,247 due to Salix Finance Ltd to be repaid in bi-annual instalments of £1,624 from September 2020 to March 2021.

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	226,307	376,123
Deferred income at 1 September 2019	376,123	172,198
Released from previous years	(376,123)	(172,198)
Resources deferred in the year	226,307	376,123
Deferred income at 31 August 2020	226,307	376,123

Deferred income refers to income received in the period to 31 August 2020 which relates to the year ending 31 August 2021:

UIFSM	£114,204
SGO Grant	£13,883
School Fund	£3,429
Rates Relief	£23,939
MOD ESF Grant	£67,651
Other income	£3,201
Total	<u>£226,307</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	370,581	5,590,426	(5,483,319)	57,737	535,425
Other DfE / ESFA grants	-	1,644,835	(1,621,952)	-	22,883
Other government grants	-	832,095	(831,095)	-	1,000
Other Restricted Funds	(1,613,243)	500	(24,683)	-	(1,637,426)
Pension reserve	(1,776,000)	-	(348,000)	424,000	(1,700,000)
	<u>(3,018,662)</u>	<u>8,067,856</u>	<u>(8,309,049)</u>	<u>481,737</u>	<u>(2,778,118)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>15,934,076</u>	<u>603,340</u>	<u>(379,363)</u>	<u>(57,737)</u>	<u>16,100,316</u>
Total restricted funds	<u>12,915,414</u>	<u>8,671,196</u>	<u>(8,688,412)</u>	<u>424,000</u>	<u>13,322,198</u>
Unrestricted funds					
General funds	<u>-</u>	<u>319,715</u>	<u>(319,715)</u>	<u>-</u>	<u>-</u>
Total funds	<u>12,915,414</u>	<u>8,990,911</u>	<u>(9,008,127)</u>	<u>424,000</u>	<u>13,322,198</u>

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 (£535,425), to be spent on education within the academy; other related DfE, other authority grants and non-public grants (£24,383); Wiltshire Council long term loan (-£1,637,926); and the Local Government Pension Scheme liability (-£1,700,000).

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 2020.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Pembroke Park Primary School (Transferred out of the Trust 1 September 2020)	753,655	235,119	44,367	123,798	1,156,939	1,174,156
Netheravon All Saints Primary School	567,681	135,603	55,545	59,205	818,034	656,533
Avon Valley College	1,830,183	296,767	233,521	569,493	2,929,964	3,021,833
St Michael's C of E Primary School	754,864	147,804	90,703	127,005	1,120,376	619,721
Bulford St Leonard's C of E Primary School	732,393	238,571	86,717	148,106	1,205,787	1,134,325
Durrington All Saints C of E Infant School	399,914	91,747	33,278	103,502	628,441	642,817
Salisbury Plain Academies	9,619	213,218	38,175	160,211	421,223	432,713
	<u>5,048,309</u>	<u>1,358,829</u>	<u>582,306</u>	<u>1,291,320</u>	<u>8,280,764</u>	<u>7,682,098</u>

Total cost analysis by academy agrees to total costs (£8,931,127) less depreciation (£379,363) and FRS102 pension valuation service costs (£231,000) and finance costs (£40,000).

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	15,772,495	15,772,495
Current assets	-	1,380,416	331,068	1,711,484
Creditors falling due within one year	(4,000)	(866,608)	(3,247)	(873,855)
Creditors falling due after one year	-	(1,587,926)	-	(1,587,926)
Defined benefit pension liability	-	(1,700,000)	-	(1,700,000)
Total net assets	<u>(4,000)</u>	<u>(2,774,118)</u>	<u>16,100,316</u>	<u>13,322,198</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	232,483	5,600,721	(5,337,484)	(125,139)	370,581
Other DfE / ESFA grants	-	832,522	(832,522)	-	-
Other government grants	-	698,131	(698,131)	-	-
Other Restricted Funds	(1,289,314)	36,284	(360,213)	-	(1,613,243)
Pension reserve	(904,000)	28,000	(109,000)	(791,000)	(1,776,000)
	<u>(1,960,831)</u>	<u>7,195,658</u>	<u>(7,337,350)</u>	<u>(916,139)</u>	<u>(3,018,662)</u>
Restricted fixed asset funds					
DfE group capital grants	9,158,634	6,946,659	(296,356)	125,139	15,934,076
	<u>9,158,634</u>	<u>6,946,659</u>	<u>(296,356)</u>	<u>125,139</u>	<u>15,934,076</u>
Total restricted funds	<u>7,197,803</u>	<u>14,142,317</u>	<u>(7,633,706)</u>	<u>(791,000)</u>	<u>12,915,414</u>
Unrestricted funds					
General funds	-	453,748	(453,748)	-	-
	<u>-</u>	<u>453,748</u>	<u>(453,748)</u>	<u>-</u>	<u>-</u>
Total funds	<u>7,197,803</u>	<u>14,596,065</u>	<u>(8,087,454)</u>	<u>(791,000)</u>	<u>12,915,414</u>

Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Pembroke Park Primary School (Transferred out of the Trust 1 September 2020)	22,165	(30,012)
Netheravon All Saints Primary School	121,023	109,826
Avon Valley College	(1,571,613)	(1,449,813)
St Michael's C of E Primary School	184,589	73,474
Bulford St Leonard's C of E Primary School	814	(53,309)
Durrington All Saints C of E Infant School	166,866	136,970
Salisbury Plain Academies	(1,962)	(29,798)
Total before fixed assets fund and pension reserve	<u>(1,078,118)</u>	<u>(1,242,662)</u>
Restricted fixed asset fund	16,100,316	15,934,076
Pension reserve	<u>(1,700,000)</u>	<u>(1,776,000)</u>
Total funds	<u>13,322,198</u>	<u>12,915,414</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	15,590,489	15,590,489
Current assets	-	1,251,659	350,081	1,601,740
Creditors falling due within one year	3,247	(884,325)	(3,247)	(884,325)
Creditors falling due after one year	(3,247)	(1,609,996)	(3,247)	(1,616,490)
Defined benefit pension liability	-	(1,776,000)	-	-(1,776,000)
Total net assets	-	(3,018,662)	15,934,076	12,915,414

20 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016, and that of the LGPS related to the period ended 31 March 2019.

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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £705,935 (2019: £453,679).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5 to 12.5% for employers and 23.0% for employees. The estimated value of employer contributions for the forthcoming year is £361,000 (2019: £461,000)

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:

Total contributions made	2020 £	2019 £
Employer's contributions	437,000	442,000
Employees' contributions	93,000	93,000
Total contributions	530,000	535,000

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020 Years	2019 Years
Retiring today		
- Males	21.7	21.4
- Females	24.0	23.7
Retiring in 20 years		
- Males	22.5	22.3
- Females	25.5	25.1

Sensitivity Analysis

Change in assumptions at 31st August 2020

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	879
0.5% increase in the Salary Increase Rate	1%	51
0.5% increase in the Pension Increase Rate	12%	816

Defined benefit pension scheme net liability

Scheme assets	5,267,000	4,385,000
Scheme obligations	(6,967,000)	(6,161,000)
Net liability	(1,700,000)	(1,776,000)

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	2,949,520	3,113,350
Bonds	1,685,440	613,900
Cash	-	87,700
Property	632,040	570,050
Total market value of assets	5,267,000	4,385,000

The actual return on scheme assets was £144,000 (2019: £312,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	230,000	60,000
Past service cost	1,000	24,000
Interest income	(102,000)	(107,000)
Interest cost	142,000	132,000
Total operating charge	271,000	109,000

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	6,161,000
Transferred in on existing academies joining the Academy Trust	361,000
Current service cost	667,000
Interest cost	142,000
Employee contributions	93,000
Actuarial (gain)/loss	(382,000)
Benefits paid	(76,000)
Past service cost	1,000
At 31 August 2020	6,967,000

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2020 £
At 1 September 2019	4,385,000
Transferred in on existing academies joining the Academy Trust	284,000
Interest income	102,000
Actuarial gain	42,000
Employer contributions	437,000
Employee contributions	93,000
Benefits paid	(76,000)
At 31 August 2020	<u>5,267,000</u>

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

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(17,216)	6,508,610
Adjusted for:		
Net deficit/(surplus) on transfer of academy in the trust	77,000	(6,424,626)
Capital grants from DfE and other capital income	(603,340)	(650,819)
Investment income receivable	(428)	(528)
Finance costs payable	26,615	32,539
Defined benefit pension costs less contributions payable	231,000	84,000
Defined benefit pension scheme finance cost	40,000	25,000
Depreciation of tangible fixed assets	379,363	296,356
(Increase) in debtors	(61,869)	(498,772)
(Decrease)/increase in creditors	(60,470)	283,758
Stocks, debtors and creditors transferred on conversion	-	(20,385)
Net cash provided by/(used in) operating activities	<u>10,655</u>	<u>(364,867)</u>

22 Analysis of changes in net debt

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	760,054	47,875	807,929
Loans falling due within one year	(3,247)	(50,000)	(53,247)
Loans falling due after more than one year	(1,616,490)	28,564	(1,587,926)
	<u>(859,683)</u>	<u>26,439</u>	<u>(833,244)</u>

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	28,493	19,041
Amounts due in two and five years	29,788	2,349
	<u>58,281</u>	<u>21,390</u>

24 Related party transactions

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

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

Expenditure related party transactions

From 1 January 2020, the Academy Trust have appointed Stephen Orman as the Strategic Advisor to the Trust, carrying out a management role. Stephen Orman has been remunerated via invoice. Expenditure for his services up to 31 August 2020 amounted to £40,200 (2019: £Nil). No amounts were outstanding at the year end.

Salary of £12,433 (2019: £12,600) was paid to Mrs C Nash, spouse of Chair of Members Mr M Nash, for supply teaching at Bulford St Leonard's.

SALED Ltd provide services to the Trust. This company is controlled by the Salisbury Diocese Board of Education and provided services related to training and SIAMS inspections. The Salisbury Diocese Board of Education is a related party of the Trust due to its power to appoint a corporate member and one further member, and approve the appointment of Foundation Trustees. The total services invoiced in the period were £1,008. There were no balances outstanding at the year end.

25 Post balance sheet events

On 1 September 2020, the Pembroke Park Primary School transferred out of Salisbury Plain Academies. Funds being transferred have not been finalised at the date of signing.

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

SALISBURY PLAIN ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £2,384 and disbursed £2,384 from the fund. At the year end there were no undistributed funds.