

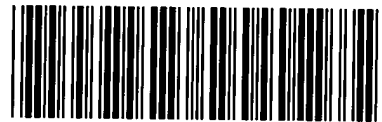
REGISTERED COMPANY NUMBER: 07943613 (England and Wales)

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2018**

SATURDAY



A13 \*A7LCØVVM\* #597  
22/12/2018  
COMPANIES HOUSE

McCabe Ford Williams  
Statutory Auditors &  
Chartered Accountants  
Bank Chambers  
1 Central Avenue  
SITTINGBOURNE  
Kent  
ME10 4AE

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

|   | Page  |
|---|-------|
| Reference and Administrative Details  | 1-4   |
| Report of the Trustees  | 5-13  |
| Governance Statement  | 14-17 |
| Statement On Regularity, Propriety And Compliance   | 18    |
| Statement of Trustees' Responsibilities   | 19    |
| Independent Auditor's Report on the Financial Statements  | 20-21 |
| Independent Reporting Accountant's Assurance Report on Regularity   | 22-23 |
| Statement of Financial Activities (including an income and expenditure account and Statement of Other Comprehensive Income) | 24    |
| Balance Sheet   | 25    |
| Statement of Cash Flows   | 26    |
| Notes to the Statement of Cash Flows  | 27    |
| Notes to the Financial Statements, incorporating:   |       |
| Statement of Accounting Policies  | 28-31 |
| Other Notes to the Financial Statements   | 32-49 |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

|                |                    | <b>Appointed</b> | <b>Resigned</b> |
|----------------|--------------------|------------------|-----------------|
| <b>Members</b> | Mr G Boyd          | 01.04.16         |                 |
|                | Mrs J Lank         | 01.04.16         |                 |
|                | Mrs A Custis       | 01.04.16         |                 |
|                | Mr J Wickett       | 01.04.16         |                 |
|                | Mr P Hudson OBE    | 01.04.16         |                 |
|                | Reverend J Tranter | 21.04.17         |                 |

|                 |   |          |          |
|-----------------|---|----------|----------|
| <b>Trustees</b> | Mr R Sampson*   | 09.02.12 |          |
|                 | Mr J Turvey, CEO, Headteacher and Accounting Officer* | 01.09.13 |          |
|                 | Mrs S Gardiner, Vice Chair **                         | 01.04.16 |          |
|                 | Mrs J Riley*  | 01.04.16 |          |
|                 | Mr R Summers, Chair**                                 | 01.04.16 |          |
|                 | Mrs E Vassie  | 01.04.16 | 28.11.17 |
|                 | Mr C Howse  | 25.05.16 |          |
|                 | Mr D Parkinson*                                       | 01.11.17 | 31.07.18 |
|                 | Mr A Fisher   | 01.12.17 |          |
|                 | Mr P Thatai*  | 01.12.17 |          |

\* Members of the Audit and Finance Committee in the year ended 31 August 2018

\*\* Mrs S Gardiner was the Chair of the Board until 18.09.17 and Mr R Summers, Vice Chair. On the 18.09.17, Mr R Summers became the Chair of the Board and Mrs S Gardiner became the Vice Chair.

**Chief Executive Officer** Mr J Turvey

**Company registered number** 07943613

**Principal and registered office** Tubbenden Primary School  
Sandy Bury  
Orpington  
KENT  
BR6 9SD

**Company Secretary** Mrs C Booker (Clerk to the Trustees)

**Senior Management Team**

|               |   |
|---------------|---|
| Mr J Turvey   | Chief Executive Officer<br>Headteacher – Tubbenden Primary School – resigned<br>31.08.18  |
| Mrs B Bruce   | Head of School – Tubbenden Primary School –<br>01.09.18                                   |
| Mrs N Diamond | Chief Operating / Financial Officer<br>School Business Manager – Tubbenden Primary School |
| Mrs M Foley   | Headteacher – Chelsfield Primary School   |
| Mr A Kilgour  | Headteacher – Darrick Wood Junior School  |
| Mr D Abrahams | Headteacher – Green Street Green Primary School -<br>Resigned 30.06.18                    |
| Mrs S Morgan  | Interim/Head of School – Green Street Green Primary<br>School – from 02.07.18             |
| Mrs S Kenneth | Headteacher – The Highway Primary School  |
| Mrs E Hodson  | Head of School – Pratts Bottom Primary School   |
| Mr A Linnett  | Executive Headteacher – Pratts Bottom Primary School (resigned 31.8.18)                   |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

| <b>Local Governing Bodies</b>            |  | <b>Appointed</b> | <b>Resigned</b> |
|--|--|------------------|-----------------|
| <b>Chelsfield Primary School</b>         | Mrs E Vassie, Chair to 31.08.18              | 07.10.14         |                 |
|  | Mrs R Tatton-Kelly, Chair, 01.09.18          | 01.09.18         |                 |
|  | Mrs M Foley, Headteacher                     | 01.01.93         |                 |
|  | Mrs G Chamarette                             | 09.11.15         |                 |
|  | Mr J Grainger                                | 16.11.13         |                 |
|  | Ms A Lowe, Parent Governor                   | 08.11.16         |                 |
|  | Mrs J Quinnell                               | 08.11.16         |                 |
|  | Revd. J Tranter, Member                      | 09.11.15         |                 |
|  | Mrs L Diggins                                | 08.11.16         |                 |
|  | Mrs N Burstow-Goff, Parent Governor          | 08.03.17         |                 |
|  | Miss L Sullivan, Parent Governor             | 08.03.17         |                 |
|  | Mrs R Tatton-Kelly, Staff Governor           | 08.11.16         | 31.08.18        |
|  | Mr R Wilson, Staff Governor                  | 08.11.16         |                 |
| <b>Darrick Wood Junior School</b>        | Mr E Niyazoglu, Chair                        | 19.11.13         |                 |
|  | Mr A Kilgour, Headteacher                    | 01.09.13         |                 |
|  | Mrs S Benstead, Staff Governor               | 29.11.16         |                 |
|  | Mr D Hackin, Staff Governor                  | 13.07.15         |                 |
|  | Mr N Robinson, Parent Governor               | 01.11.16         |                 |
|  | Ms C Pester, Parent Governor                 | 27.09.16         |                 |
|  | Ms B Shurety, Parent Governor                | 27.09.16         |                 |
|  | Mrs S Harrison                               | 27.09.16         |                 |
|  | Mr M Mohan                                   | 27.09.16         |                 |
|  | Mr A Salau                                   | 18.07.18         |                 |
| <b>Green Street Green Primary School</b> | Mr S Khan, Chair                             | 17.10.14         |                 |
|  | Mr D Abrahams, Headteacher                   | 01.04.13         | 30.06.18        |
|  | Mrs S Morgan, Interim/Head of School         | 02.07.18         |                 |
|  | Mrs J Brett, Parent Governor                 | 17.10.14         | 16.10.18        |
|  | Mr W Summer, Vice Chair                      | 01.09.16         | 02.10.18        |
|  | Mrs V Booth, Parent Governor                 | 01.08.15         |                 |
|  | Mr S Elvines, Staff Governor                 | 17.10.14         | 16.10.18        |
|  | Mr D Wanostrocht, Staff Governor             | 28.09.15         |                 |
|  | Councillor S Huntington-Thresher, Vice Chair | 04.12.14         |                 |
|  | 02.10.18                                     |                  |                 |
|  | Mr R Summers                                 | 17.10.14         |                 |
|  | Ms H Rogers                                  | 23.03.17         |                 |
|  | Mrs E Meadows, Staff Governor                | 04.05.17         |                 |
|  | Mrs X Wang                                   | 06.07.17         |                 |
|  | Mrs Julie Velvick, Staff Governor            | 01.10.18         |                 |
|  | Mrs Vicky Parry, Parent Governor             | 05.11.18         |                 |
|  | Mrs J Tobbell                                | 04.12.18         |                 |
|  | Mr A Reeves                                  | 04.12.18         |                 |
|  | Mr D Symmons                                 | 04.12.18         |                 |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

| <b>Local Governing Bodies (continued)</b> |   | <b>Appointed</b> | <b>Resigned</b> |
|---|---|------------------|-----------------|
| <b>The Highway<br/>Primary School</b>     | Mr A Birks-Agnew, Chair                               | 08.07.15         |                 |
|   | Mrs S Kenneth   | 01.09.07         |                 |
|   | Mr S Cook, Vice Chair                                 | 28.06.14         | 27.06.18        |
|   | Mr G Boyd   | 08.07.15         | 14.11.17        |
|   | Ms S London   | 08.07.15         |                 |
|   | Mr J Wickett, Member                                  | 07.01.15         |                 |
|   | Mr R Dixey  | 28.06.14         | 27.06.18        |
|   | Mrs S Gardiner, Vice Chair                            | 08.07.15         |                 |
|   | Ms J Clark  | 08.07.15         | 10.10.18        |
|   | Ms H Bennett  | 08.07.15         |                 |
|   | Ms D Brockwell  | 17.10.16         |                 |
|   | Miss H Crisp, Staff Governor                          | 16.10.16         |                 |
|   | Miss A Heather, Staff Governor                        | 16.10.16         | 31.08.18        |
|   | Mr M Palmer   | 22.03.17         |                 |
|   | Mrs K Clemmey   | 04.07.18         |                 |
|   | Mrs P Hill  | 10.10.18         |                 |
|   |   |                  |                 |
| <b>Pratts Bottom<br/>Primary School</b>   | Mr P Hudson OBE, Chair, Member                        | 09.07.15         |                 |
|   |   |                  |                 |
|   | Mr A Linnett, Executive Headteacher                   | 01.09.17         | 31.08.18        |
|   | Mrs E Hodson, Head of School                          | 01.09.17         |                 |
|   | Mrs N Lippert, Staff Governor                         | 07.09.15         | 30.04.18        |
|   | Mrs K Savage, Parent Governor                         | 31.10.16         |                 |
|   | Mrs C Bone, Parent Governor                           | 27.09.13         | 26.09.17        |
|   | Mr P Embleton, Parent Governor                        | 27.09.13         | 27.09.17        |
|   | Mrs J Riley, Vice Chair to 12.09.18                   | 01.09.13         |                 |
|   | Mr T Storey   | 01.09.16         | 17.10.18        |
|   | Mr J Murfitt  | 23.01.17         | 30.10.18        |
|   | Mrs J Jensen, Parent Governor, Vice Chair<br>12.09.18 | 30.09.17         |                 |
|   | Mrs C Bone  | 09.10.17         |                 |
|   | Mr P Ioannou, Parent Governor                         | 15.11.17         |                 |
|   | Mrs S Perez, Staff Governor                           | 01.10.18         |                 |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

| <b>Local Governing Bodies (continued)</b> |  | <b>Appointed</b> | <b>Resigned</b> |
|---|--|------------------|-----------------|
| <b>Tubbenden</b>                          | Mr G Boyd, Chair, Member   | 10.02.15         |                 |
| <b>Primary School</b>                     | Mr J Turvey, Headteacher, CEO  | 01.09.13         | 31.08.18        |
|   | Mrs B Bruce, Head of School  | 01.09.18         |                 |
|   | Mr R Sampson, Trustee  | 09.02.12         |                 |
|   | Mr R Batchelor   | 21.03.12         |                 |
|   | Mrs D Williams, Staff Governor   | 01.10.13         | 30.09.17        |
|   | Mrs D Williams, Staff Governor   | 26.02.18         |                 |
|   | Mr T Maxwell   | 26.03.14         | 07.12.17        |
|   | Mr A Bloodworth, Parent Governor   | 25.02.15         |                 |
|   | Mrs S Mosedale, Parent Governor  | 25.02.15         | 31.12.17        |
|   | Mr M Ming, Parent Governor   | 24.06.16         |                 |
|   | Mr D Parkinson, Parent Governor  | 20.12.16         | 31.10.17        |
|   | Mrs C Mohamed, Vice Chair  | 04.01.17         |                 |
|   | Mrs S Davey, Staff Governor  | 01.04.17         |                 |
|   | Mrs L Yardley  | 01.12.17         | 01.05.18        |
|   | Mr K Liu, Parent Governor  | 19.02.18         |                 |
|   | Mr M Pearce, Parent Governor   | 03.12.18         |                 |
|   | Mrs K Soole, Parent Governor   | 03.12.18         |                 |
|   | Mrs R Charkraborty, Co-opted Governor  | 03.12.18         |                 |
| <b>Auditor</b>                            | Clair Rayner FCA DChA (Senior Statutory Auditor)<br>McCabe Ford Williams<br>Statutory Auditors and Chartered Accountants<br>Bank Chambers<br>1 Central Avenue<br>Sittingbourne<br>Kent |                  |                 |
| <b>Bank</b>                               | Lloyds Bank PLC  |                  |                 |
| <b>Solicitors</b>                         | Winckworth Sherwood<br>Minerva House<br>5 Montague Close<br>London<br>SE1 9BB  |                  |                 |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 5 primary schools and one junior school in the London Borough of Bromley. Its schools have a combined pupil capacity of 1,830 (2017: 1,859) and had a roll of 1,858 (2017: 1,870) in the school census of January 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

South Orpington Learning Alliance ("SOLA") Multi-Academy Trust was incorporated on 9 February 2012 as Tubbenden Primary School, a company limited by guarantee with no share capital and an exempt charity. It became a multi-academy trust on 1 April 2016 and changed its name. The Trust's Memorandum and Articles of Association are its primary governing documents. The Trustees are also the directors of the Trust for the purposes of company law.

Details of the Trustees who served during the year and up to the date of this report are included in the Reference and Administrative Details on page 1.

**Members' Liability**

Each member of the Trust (henceforth referred to as a 'Member') is appointed either by the Local Governing Body of each of the schools or by the Members themselves. The current Members comprise those individuals listed on page 1. Six Members were appointed on 1<sup>st</sup> April 2016, with a seventh joining on 21<sup>st</sup> April 2017. Each Member undertakes to contribute to such amount as may be required, not exceeding £10, to the assets of the Trust in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, for the debts and liabilities contracted before they ceased to be a Member.

**Trustees' Indemnities**

The Trust maintains Trustees' and Officers' liability insurance which gives appropriate cover for any legal action brought against either of them. The Trust has also granted indemnities to each of its Trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the Trustees or other officers may incur to third parties in the course of acting as Trustees or officers of the Trust.

**Method of Recruitment and Appointment or Election of Trustees**

In accordance with its Articles of Association (henceforth referred to as the "Articles"), the Trust is governed by its Board of Trustees (henceforth referred to as the "Board"), which may be comprised as follows:

- up to six Trustees each of whom is either a Member or is appointed by a Member;
- staff Trustees appointed by the Members at their option;
- if no Local Governing Body is established, a minimum of two Parent Trustees appointed by election;
- the CEO at his option; and
- any number of Trustees Co-opted by those Trustees who have not themselves been Co-opted.

In respect of those appointed, when a vacancy arises the Members and Trustees seek to maximise the skills and experience across the Board. The term of appointment is 4 years.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. As the number of new Trustees and Trustee 'turnover' is low, induction tends to be performed informally and is tailored to the needs of the individual. All Trustees have access to a full training program offered by Octavo as well as other training through Trust membership of the National Governor's Association. All Trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as Trustees.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

**Organisational Structure**

The organisational structure of the Trust comprises the Board which delegates authority for the management of the Trust to the Senior Management Team (SMT) comprising two executive roles (Chief Executive Officer (CEO) and Chief Operating Officer (COO)) and the Headteacher/Head of Schools of the six schools. The Board further delegates authority for the management of its six schools under a Scheme of Delegation to the respective Local Governing Bodies (LGB) and the Senior Leadership Teams (SLT) of each school. The aim of the management structure is to delegate authority and encourage involvement in decision making at all levels.

The Board comprises those people appointed as Trustees under the Articles. The Board meets half-termly and has a Finance and Audit Committee, which meets and reports termly. The Board has appointed a School Improvement Partner (SIP).

The Trust is managed by the Board, which may exercise all of the powers of the Trust. This is achieved through strategic planning, policy setting and delegation to the CEO, COO, SMT and the LGB's. It is managed through business planning, budget monitoring, performance management, the setting of standards and the implementation of quality management processes. The Board has reserved the power to approve the final budget and audited accounts, the appointment of Headteacher/Head of Schools and other Senior Leaders, and expenditure over prescribed amounts.

The governance of each of the schools is delegated to a LGB which meets at least termly and reports are circulated to the Board. LGBs are organised as necessary to ensure full review of all resources, including finances, premises and staffing matters and of Teaching and Learning.

Each LGB has responsibility for setting some strategic policy within their school subject to the Scheme of Delegation documented and adopted across the Trust.

Each school has a SLT who control each school at a senior level implementing the policies laid down by the Trustees, the LGBs, the Headteacher/Head of Schools, and reporting back to them. As a group, each SLT is responsible for the authorisation of spending within agreed budgets and the appointment of some staff. Some spending control is devolved to Middle Leaders and Subject Leaders, with limits above which the Headteacher/Head of School, COO or CEO must countersign. SLTs across the Trust comprise the following roles:

- Chelsfield Primary School: Headteacher and Inclusion Manager, Deputy Headteacher and Assessment leader, Early Years and KS1 leader.
- Darrick Wood Junior School: Headteacher, Deputy Headteacher, Assistant Headteacher, Special Educational Needs Co-ordinator and School Business Manager.
- Green Street Green Primary School (period to 30<sup>th</sup> July 2018): Headteacher, Deputy Headteacher, Assistant Headteacher in charge of Inclusion and Safeguarding, Assistant Headteacher in charge of Speech and Language Provision, EYFS Leader and School Business Manager. After 30<sup>th</sup> July 2018: Interim Head of School, Interim Deputy Head of School in charge of Speech and Language Provision, Assistant Head of School teacher in charge of Inclusion and Safeguarding, EYFS Leader and School Business Manager.
- The Highway: Headteacher, Deputy Headteacher, Raising Standards Leader, Maths Leader, KS1 & Science Leader, EYFS Leader and Inclusion Manager.
- Pratts Bottom: Executive Head Teacher, Head of School, Assistant Headteacher, Inclusion Leader and School Business Manager.
- Tubbenden Primary School: Headteacher, Senior Deputy Headteacher, Deputy Headteacher, Year Leader and Head of Maths and School Business Manager.

During the period under review the Headteacher of Tubbenden Primary School was also the Chief Executive Officer and Accounting Officer, and the School Business Manager of Tubbenden Primary School is the Chief Operating / Financial Officer of the Trust. On 1 September 2018, The CEO stepped down as Headteacher of Tubbenden Primary School.



**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

**Arrangements for setting pay and remuneration of key management personnel**

The SMT are the key management personnel of the Trust. The pay of the Chief Executive Officer (CEO) and Chief Operating Officer (COO) is set annually by the Board, having regards to performance against objectives set in the previous year and is paid pro rata relative to their roles as Headteacher and School Business Manager of Tubbenden Primary School and their roles as CEO and COO. Pay of other SMT members and all staff on Leadership Grade is set by the Trust Board having regard to performance against previously agreed objectives and any recommendations made by the CEO. The CEO has agreed to be a Trustee but he receives no remuneration for this role.

**Trade Union Facility Time**

**Relevant union officials**

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 6  | 6                                    |

**Percentage of time spent on facility time**

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0%                 | 6                   |
| 1% - 50%           | 0                   |
| 51% - 99%          | 0                   |
| 100%               | 0                   |

**Percentage of pay bill spent on facility time**

|   |            |
|---|------------|
| Provide the total cost of facility time   | £500       |
| Provide the total pay bill  | £8,059,232 |
| Provide the percentage of the total pay bill spent on facility time, calculated as:<br>(total cost of facility time ÷ total pay bill) × 100 | 0%         |

**Paid trade union activities**

|   |    |
|---|----|
| Time spent of trade union activities as a percentage of total paid facility time hours calculated as:<br>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100 | 0% |
|---|----|

**Related Parties and other Connected Charities and Organisations**

Each of the schools enjoys a friends or parents association which organises various fundraising events to provide facilities for the pupils of each school. At present, there are no connected organisations and no subsidiary companies.

The Trust maintains a Register of Business Interests which records any relationships of Trustees with related parties and any other charities/organisations with which the Trust co-operates in the pursuit of charitable activities.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

As detailed in the articles of association the Trust's objects are specifically restricted to the following:

- To advance for the public benefit education.
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation.

The Trust is comprised of six state funded schools which provides and strives to promote, the advancement of education to primary aged children (and some Nursery provision) within the Orpington area of South East London.

In setting objectives and planning activities the Board has given careful consideration to the Charity Commission's general guidance on public benefit. The Board believes Trust aims and its admissions criteria are demonstrably to the public benefit and that each school aims to contribute in ways that are of benefit to the wider community.

The objectives of the Trust are best demonstrated within its Vision Statement:

"The South Orpington Learning Alliance will be known as a community where:

- The schools each have unique strengths, but collectively demonstrate a culture and commitment to continuously improve together;
- Through a wealth of inspiring and innovative opportunities to discover and grow, children develop a thirst for knowledge and a confidence to learn. They:
  - work hard and relish challenge;
  - develop the skills, knowledge and independence they will need for the future;
  - develop character and talents, believing they can be successful;
  - are happy and safe.
- They are the schools of choice for parents and staff;
  - All schools are judged 'Good' or better."

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**OBJECTIVES AND ACTIVITIES – continued**  
**Objectives, strategies and activities**

The key aims and objectives for the 2017-18 year were in scope of the Trust's Growth Strategy and the Board are pleased to report that all significant aims and objectives were met. Key goals for the year 2017-18 can be summarised as follows:

|   |
|---|
| <b>1.0 School Improvement and Leadership</b>  |
| I. Progress outcomes from KS1 to 2 are above national averages in two thirds of Trust academies |
| II. Increase and refine Strategic Management  |
| III. Introduce a distributed senior leadership model  |
| IV. Define areas of Trust-wide training   |
| V. Refine the moderation process  |
| VI. Rollout a Trust-hosted student training programme   |
| <b>2.0 People Management</b>  |
| I. Establish Pay, Appraisal and Capability policies   |
| II. Introduce Trust training events to include MDS, first aid etc.                              |
| III. Introduce use of a Trust owned teacher supply pool   |
| IV. Introduce Trust-wide staff contracts  |
| <b>3.0 Operations</b>   |
| I. Complete the introduction of a three year budget forecast cycle                              |
| II. Complete the roll-out of a Central Finance Team   |
| III. Commence a review of the 'top-slice' model   |
| IV. Continue Trust procurement activity to drive out cost savings across catering and cleaning. |
| <b>4.0 Community and Wider Engagement</b>   |
| I. Explore opportunities presented by buildings/site  |
| II. Engage with local MATs  |
| III. Introduce an additional Unit class to Tubbenden Primary School                             |
| IV. Engage with potential partners  |

**Public Benefit**

The Board confirms that it has complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. It has referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Board considers how planned activities will contribute to the aims and objectives they have set. The principal public benefit of the Trust is the advancement of education within the local community.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Key Performance Indicators**

The following targets have been set in the area of pupil progress and attainment:

1. For the percentage of pupils achieving the expected standard to be above the national average in nationally reported assessments;

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

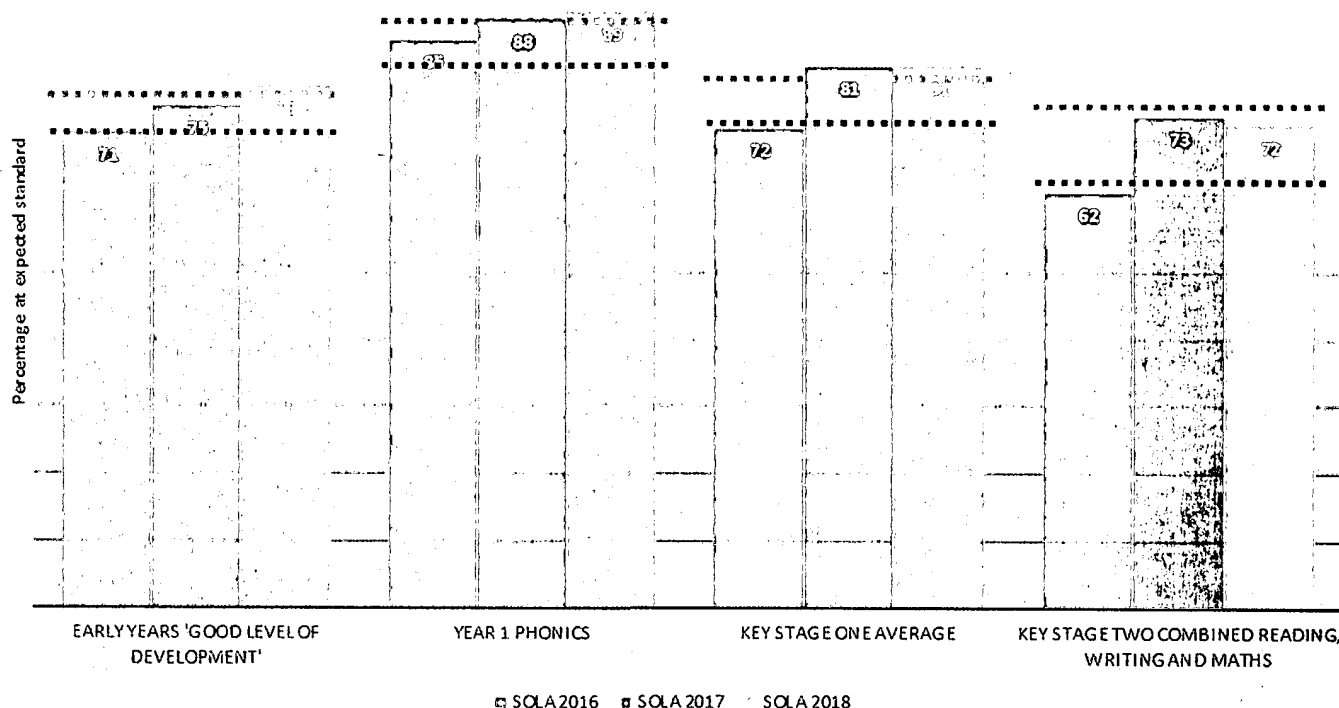
**ACHIEVEMENTS AND PERFORMANCE - continued**

**Key Performance Indicators – continued**

2. For the percentage of pupils achieving the expected standard to be in line with the London Borough of Bromley average in all nationally reported assessments;
3. For at least 85% of our pupils to achieve the expected standard for their age in national assessments in Phonics (Year 1), Reading, Writing and Mathematics (Years 2 and 6);
4. For pupils to make progress from the end of Key Stage One to the end of Key Stage Two that is positive and in line with the London Borough of Bromley average.
5. For disadvantaged pupils to make progress that is above the national average.

Data has been captured for each of the KPIs and shared with the SMT and Trustees. The Trustees have scrutinised all KPI data and are delighted with the progress made in the academic year. KPIs are summarised in the following headline chart:

**Average Attainment Year on Year - SOLA**



Note: The orange lines represent the Bromley averages, and the black lines are the national averages.

Key financial performance indicators include wages as a percentage of GAG funding. In 2018, wages were 104.39% of GAG (2017: 99.79%).

The Trust monitors a number of financial metrics, including undertaking annual benchmarking and analysis of Financial Efficiency. The Trustees are pleased to note that all schools within the Trust demonstrate a high Financial Efficiency Decile and that each school forecasts a carry forward of funds for the forthcoming academic year.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**ACHIEVEMENTS AND PERFORMANCE - continued**

**Going Concern**

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

**FINANCIAL REVIEW**

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2018 total expenditure of £11,141,376 (2017: £10,603,401) was funded by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year, including other recognised gains and losses, (excluding restricted fixed asset funds) was £512,343 (2017: £526,688). At 31 August 2018 the net book value of fixed assets was £30,897,752 (2017: £29,725,743) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The combined deficit for the year on unrestricted funds and restricted general funds, excluding the pension fund, was £191,657 (2017: £261,88).

Total funds, including fixed assets and pension liabilities, stand at £29,904,779 as at 31 August 2018 (2017: £29,454,431).

**Reserves Policy**

The policy of the Board is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that reserves do not exceed any level permitted by the DfE. The Board has agreed the following reserves policy:

- All academies are targeted with retaining 5% of GAG income as a reserves target. Schools with reserves above 5% need only set a break-even budget and can utilise reserves (with permission of the Board). They can go below this minimum level (with the Board's permission) if there was a specific large necessary project but a plan would have to be drawn up which showed how they would return to the minimum reserve level. Academies which are currently below minimum reserve levels must set a surplus budget with a plan to return to minimum reserves within an agreed time frame.
- There is no targeted surplus on the MAT entity but the entity should target a break-even position.
- The Trust is targeted to demonstrate a total reserves retention of 5% of total GAG income, approximately £394,000.

In the year ended 31 August 2018 the free reserves of the Trust were £537,166 (2017 £773,720) and the general restricted funds, excluding fixed assets and pension liabilities were £117,085 (2017 £72,188). This makes a total of £654,251 (2017 £845,908) of current funds.

**Funds in Deficit**

The Local Government Pension Scheme is stated in the accounts to be in deficit in the sum of £1,855,000 (2017: £2,559,000) as at the balance sheet date. It should be noted however that this deficit will not crystallise within the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2019.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW – continued**

**Reserves Policy – continued**

The Trust's level of free reserves (unrestricted funds) is in line with its reserves policy. Taking into account anticipated future funding pressures and subject to regular review, the Board anticipates the strategy of maintaining free reserves at a level of 5% of income to continue.

**Investment Policy**

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

**Principal risks and uncertainties**

The Board has assessed the major risks to which the Trust is exposed, in particular those relating to academic performance, finances and child welfare. The Board and each LGB have implemented a number of systems to assess risks that the Trust faces, and have developed policies and procedures to manage those risks.

The risk management process has been codified in a Risk Register(s) overseen by the Board. There is also a Risk Register for each school.

School and Trust risk registers identifies the principal financial risk faced by the Trust is that of on-going pressure on funding resulting in the risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Board of actual financial performance, mitigates the risk. The Trust has introduced additional LGB and cross Trust engagement and reporting to increase scrutiny and support.

As the nature of the financial instruments dealt with by the Trust is relatively simple (bank balances, debtors and trade creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the Trust's share of the Local Government Pension Scheme deficit is managed by following the advice of the Scheme's actuaries; specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

**FUNDRAISING**

The Trust has keenly encouraged fundraising efforts within each school across the Trust. Tubbenden Primary School engaged a Fundraising Lead and each school has driven fundraising efforts within the remit of the School Business Manager role and deliverables.

Fundraising across the Trust has been focused on the following initiatives:

- The majority of Trust schools now hosts a school holiday camp
- Most Trust schools have an extensive lettings portfolio including holding pre-school, lunchtime and after school activities for both children of the school and parents and children in the wider local community
- A number of bids have been made for grants with which to fund outdoor play equipment via the Tesco Bags for Help scheme.
- Each school seeks an annual voluntary parental contribution from which extra curriculum activities are funded.

Fundraising and voluntary contributions are monitored via the Central Finance Team and now contribute to unrestricted monies. The Trust does not work with professional / commercial fundraisers and has received no complaints in the year under review.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**PLANS FOR FUTURE PERIODS**

The Board's main plans for future periods are:

- to support each school in delivering its School Improvement Plan objectives by setting strategic direction, ensuring accountability, and monitoring and evaluating school performance;
- to improve the effectiveness of each school by keeping the curriculum and organisational structure under continual review;
- to ensure the Trust continues to achieve best value for money for all funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Trustees' business in accordance with the highest standards of integrity, probity and openness.

**FUNDS HELD AS CUSTODIAN TRUSTEES ON BEHALF OF OTHERS**

The Trust does not hold funds on behalf of others as custodian trustee.

**AUDITOR**

In so far as the Board is aware:

- there is no relevant audit information of which the Trust's auditor is unaware; and
- the Board has taken all steps that it ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Report of the Trustees, incorporating a Strategic Report, was approved by order of the Board as the company directors, on 13 December 2018 and signed on its behalf by:



Mr R Summers  
Chair of the Board of Trustees

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Scope of Responsibility**

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

The Board has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control. They work to achieve these goals with the support of the Chief Operating Officer.

**Governance**

The information on Governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met seven times during the period from 1 September 2017 to 31 August 2018. Attendance during the period at meetings of the Board of Trustees was as follows:

| Name   | Meetings Attended | Out of a Possible |
|--|-------------------|-------------------|
| Mr. J. Turvey, Trustee, CEO  | 7                 | 7                 |
| Mrs. S. Gardiner, Vice Chair of Trustees                                   | 5                 | 7                 |
| Mrs. E. Vassie, Trustee (resigned 28.11.17)                                | 1                 | 1                 |
| Mr. R. Summers, Chair of Trustees  | 6                 | 7                 |
| Mrs. J. Riley, Trustee   | 7                 | 7                 |
| Mr. R. Sampson, Trustee  | 6                 | 7                 |
| Mr. C. Howse, Co-opted Trustee   | 6                 | 7                 |
| Mr. D. Parkinson, Co-opted Trustee (appointed 01.11.17, resigned 31.07.18) | 4                 | 6                 |
| Mr. P. Thatai, Co-opted Trustee (appointed 01.12.17)                       | 5                 | 6                 |
| Mr. A. Fisher, Co-opted Trustee (appointed 01.12.17)                       | 3                 | 6                 |

The Board has focused its work throughout the year on a number of key deliverables including:

- Refining and delivering a new Leadership Model to drive school improvement and deliver additional value-for-money.
- Focusing Trust school improvement support on reviewing practice, leadership and expenditure with the goal of moving the remaining Trust school to 'Good'.
- Delivering a 3 year budget forecast for each school, and for the Trust.

The Board is pleased to confirm that the academic year 2018-19 has seen the introduction of two further Head of Schools in support of the new Trust Leadership model.

Notably, an Ofsted visit of November 2018 confirmed that the Trust had achieved the goal of all Trust schools being Ofsted rated as 'Good'.

The Board is pleased to continue to embed an effective, value-for-money Growth Strategy focused on improving the outcomes for children across the Trust. The Growth Strategy is supported by clear KPIs and a Central Finance Team executing effective processes.



**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Governance – continued**

The Finance and Audit Committee is a sub-committee of the Board. Its purpose is to review, agree and set the strategic direction for the Trust's expenditure and income. The Trustee members of the Finance and Audit Committee are outlined below:

| Name  | Meetings Attended | Out of a Possible |
|---|-------------------|-------------------|
| Mr. R. Sampson  | 3                 | 3                 |
| Mrs. J. Riley   | 3                 | 3                 |
| Mr. D. Parkinson, (appointed 01.11.17, resigned 31.07.18) | 3                 | 3                 |
| Mr. P. Thatai, (appointed 01.12.17)                       | 0                 | 2                 |
| Mr. J. Turvey, CEO and Accounting Officer                 | 3                 | 3                 |

The Finance and Audit Committee have focused their work on effective budget monitoring and audit oversight. In addition and of note, the committee have undertaken the following:

- Agreed a three year budget forecast for each of the schools and for the Trust.
- Agreed a central trust funding model for the forthcoming academic year.
- Reviewed benchmarking data across the school and across comparative local Trusts and identified and addressed as appropriate, outliers.
- Met all new and existing ESFA budget submission requirements.

**Governance Review**

The Board undertakes an annual skills audit of Trustees every summer term. The skills audit demonstrated a sound range of skills cross the Trust Board with the potential to deepen the financial knowledge base. Recruitment activity has commenced with a view to identifying Trustees with financial and change management skills. The Board of Trustees will thus seek to extend its membership in the forthcoming academic year.

**Review of Value for Money**

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

The Accounting Officer considers how the use of Trust resources has provided good value for money during each academic year, and reports to the Board where value for money can be improved, including the use of benchmarking data. The Accounting Officer has delivered improved value for money during the year by:

- Continuing to target improved outcomes for children in all key areas across all schools through continuing use of Teaching and Learning reviews and cross site monitoring and engagement.
- Consolidation of the Central Finance Team function and extension to all schools, to maximise the efficient and effective processing of financial transactions across the Trust.
- Continuing the rollout of Trust-wide contracts ensuring that high value, high impact contracts have been targeted to best exploit economies of scale.
- Ensuring that common training requirements for both staff and governors have been identified across the schools and delivered at best value for money.
- Maximising Condition Improvement Fund outcomes by driving out best practice across the Trust under the remit of the Estates Manager.
- Ensuring that the Board receives and reviews financial reports and evaluates actual expenditure against budget and make robust challenges of spending and other strategic decisions.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Review of Value for Money – continued**

- Regular review of the individual school budgets by respective finance committees and LGB's in which income and expenditure against national good practice and benchmarking are monitored.
- Ensuring that appropriate quotes are sought and tender procedures followed as set out in the Trust Financial Regulations Manual written in accordance with the Academies Financial Handbook.
- Continuing to expand the letting of Trust facilities by offering use of school premises to the local community.
- Continuing to review ways of making efficiency savings in all areas including curriculum delivery, staffing and all administrative areas.

**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 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 for the Trust for the period 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Trust own and manage a comprehensive and accurate Risk Register reflective of both risks unique to the Trust, and of high impact risks presented as likely at any of the component schools. The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing significant risks that has been in place for the period 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements. This process of risk management and the resulting outcomes are regularly reviewed by the Board.

**The Risk and Control Framework**

The 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. All procedures are executed subject to the Trust's Financial Regulation Manual and the Academies Financial Handbook. In particular, internal financial controls include:

- comprehensive budgeting and monitoring systems with budget data reviewed and agreed at each Board meeting;
- regular financial monitoring reviews by the Finance and Audit Committee and subsequently the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ensuring that Trust KPIs reflect financial goals, are monitored and that KPI targets are met;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board engaged McCabe Ford Williams ("MFW") to undertake the role as internal auditor for the period 1st September 2017 to 31st August 2018. As a safeguard against the threat to independence and objectivity, the MFW staff members undertaking the role of internal auditor are completely separate from the MFW statutory audit team. The internal auditor's role includes giving advice on financial matters and performing a range of checks on each school's financial systems.

A programme of Internal Control audits have been executed across the Trust including all schools, and subsequent to its introduction in April 2017, the Central Finance Team.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**The Risk and Control Framework – continued**

Tests carried out included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control accounts/bank reconciliations
- Testing of income receivables systems

The Board is satisfied that the Internal Audit function has been fully delivered in line with the Education and Skills Funding Agency's requirements. No material control issues have been notified to the Board as a result of the Internal Auditor's work.

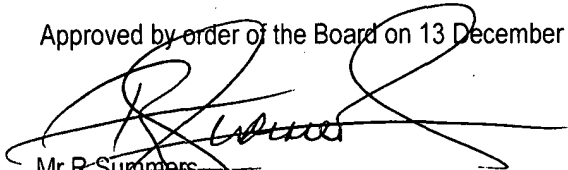
**Review of Effectiveness**

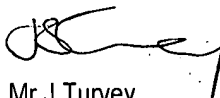
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of these reviews of the system of internal control by the Chief Operating Officer and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board on 13 December 2018 and signed on its behalf by:

  
Mr R. Summers  
Chair of the Board of Trustees

  
Mr J Turvey  
Accounting Officer

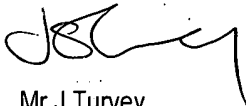
**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of South Orpington Learning Alliance Multi-Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr J Turvey  
Accounting Officer  
Dated: 13 December 2018

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

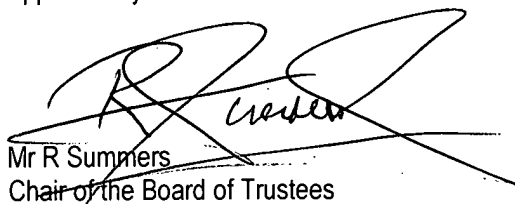
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education 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 Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:



Mr R Summers  
Chair of the Board of Trustees

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF**  
**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**Opinion**

We have audited the financial statements of South Orpington Learning Alliance Multi-Academy Trust for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 19, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Clair Rayner FCA DChA (Senior Statutory Auditor)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

Date: 13 December 2018

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO**  
**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Orpington Learning Alliance Multi-Academy Trust during the year ended 31 August 2018 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective Responsibilities of South Orpington Learning Alliance Multi-Academy Trust's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of South Orpington Learning Alliance Multi-Academy Trust's funding agreement with the Secretary of State for Education, dated December 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purpose 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure. The work undertaken to draw our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the external auditor performing additional system checks during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the Board of Trustees and the occurrence of transactions with connected parties;
- Review of fixed asset transactions against the requirements of the funding agreement between South Orpington Learning Alliance Multi-Academy Trust and the Secretary of State for Education and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the Trust's activities to check they are in line with the Academies Framework and the Trust's charitable objectives;
- Review of bank statements, minutes of meetings and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the Trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO**  
**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**AND THE EDUCATION AND SKILLS FUNDING AGENCY**

**Approach – continued**

- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**Conclusion**

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



Clair Rayner FCA DChA (Reporting Accountant)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

Date: 13 December 2018

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT**  
**AND A STATEMENT OF OTHER COMPREHENSIVE INCOME)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

|   |             | Unrestricted Funds | Restricted<br>General<br>Funds | Restricted<br>Fixed Asset<br>Funds | 31.08.18<br>Total<br>Funds | 31.08.17<br>Total<br>Funds |
|---|-------------|--------------------|--------------------------------|------------------------------------|----------------------------|----------------------------|
|   |             | £                  | £                              | £                                  | £                          | £                          |
| <b>Income from:</b>   | <b>Note</b> |                    |                                |                                    |                            |                            |
| Donations and capital grants  | 2           | 61,255             | 32,183                         | 542,684                            | 636,122                    | 3,226,085                  |
| Transfer from local authority on conversion   | 2           | -                  | -                              | -                                  | -                          | 12,775                     |
| Funding for the multi-academy trust's educational operations                          | 3           | 438,762            | 9,365,482                      | -                                  | 9,804,244                  | 9,612,031                  |
| Other trading activities  | 4           | 115,930            | 26,707                         | -                                  | 142,637                    | 99,999                     |
| Investments   | 5           | 1,701              | 20                             | -                                  | 1,721                      | 5,368                      |
| <b>Total income</b>   |             | <b>617,648</b>     | <b>9,424,392</b>               | <b>542,684</b>                     | <b>10,584,724</b>          | <b>12,956,258</b>          |
| <b>Expenditure on:</b>  |             |                    |                                |                                    |                            |                            |
| Raising funds   | 7           | 4,918              | 17,894                         | -                                  | 22,812                     | 15,079                     |
| <i>Charitable activities:</i>   |             |                    |                                |                                    |                            |                            |
| Multi-academy trust's educational operations  | 8           | 469,069            | 9,880,217                      | 769,278                            | 11,118,564                 | 10,588,322                 |
| <b>Total expenditure</b>  | <b>6</b>    | <b>473,987</b>     | <b>9,898,111</b>               | <b>769,278</b>                     | <b>11,141,376</b>          | <b>10,603,401</b>          |
| <b>Net income / (expenditure)</b>   |             | <b>143,661</b>     | <b>(473,719)</b>               | <b>(226,594)</b>                   | <b>(556,652)</b>           | <b>2,352,857</b>           |
| <b>Transfers between funds</b>  | <b>20</b>   | <b>(380,215)</b>   | <b>215,616</b>                 | <b>164,599</b>                     | <b>-</b>                   | <b>-</b>                   |
| <b>Net income/(expenditure) for the year before other recognised gains and losses</b> |             | <b>(236,554)</b>   | <b>(258,103)</b>               | <b>(61,995)</b>                    | <b>(556,652)</b>           | <b>2,352,857</b>           |
| <b>Other recognised gains/(losses):</b>   |             |                    |                                |                                    |                            |                            |
| Actuarial gains/(losses) on defined benefit pension schemes                           | 23          | -                  | 1,007,000                      | -                                  | 1,007,000                  | 677,000                    |
| <b>Net movement in funds</b>  |             | <b>(236,554)</b>   | <b>748,897</b>                 | <b>(61,995)</b>                    | <b>450,348</b>             | <b>3,029,857</b>           |
| <b>Reconciliation of funds</b>  |             |                    |                                |                                    |                            |                            |
| <b>Total funds brought forward</b>  |             | <b>773,720</b>     | <b>(2,486,812)</b>             | <b>31,167,523</b>                  | <b>29,454,431</b>          | <b>26,424,574</b>          |
| <b>Total funds carried forward</b>  |             | <b>537,166</b>     | <b>(1,737,915)</b>             | <b>31,105,528</b>                  | <b>29,904,779</b>          | <b>29,454,431</b>          |

All of the Trust's activities derive from continuing operations during the above financial periods.

A separate Statement of Changes in Equity is not required as all gains and losses are included in the Statement of Financial Activities.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

Company Registered Number: 07943613

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

|   | Notes | 31.08.18<br>£      | 31.08.18<br>£      | 31.08.17<br>£      | 31.08.17<br>£      |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                           |       |                    |                    |                    |                    |
| Tangible assets                               | 15    |                    | 30,897,752         |                    | 29,725,743         |
| <b>CURRENT ASSETS</b>                         |       |                    |                    |                    |                    |
| Debtors: amounts falling due within one year  | 16    | 426,564            |                    | 1,303,620          |                    |
| Cash at bank and in hand                      |       | <u>1,679,268</u>   |                    | <u>2,794,790</u>   |                    |
|   |       | 2,105,832          |                    | 4,098,410          |                    |
| <b>LIABILITIES</b>                            |       |                    |                    |                    |                    |
| Amounts falling due within one year           | 17    | <u>(1,141,219)</u> |                    | <u>(1,747,245)</u> |                    |
| <b>NET CURRENT ASSETS</b>                     |       |                    | <u>964,613</u>     |                    | <u>2,351,165</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>  |       |                    | 31,862,365         |                    | 32,076,908         |
| <b>LIABILITIES</b>                            |       |                    |                    |                    |                    |
| Amounts falling due after one year            | 17    |                    | <u>(102,586)</u>   |                    | <u>(63,477)</u>    |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>    |       |                    | 31,759,779         |                    | 32,013,431         |
| Pension scheme liability                      | 23    |                    | <u>(1,855,000)</u> |                    | <u>(2,559,000)</u> |
| <b>NET ASSETS INCLUDING PENSION LIABILITY</b> |       |                    | <u>29,904,779</u>  |                    | <u>29,454,431</u>  |
| <b>FUNDS OF THE TRUST:</b>                    |       |                    |                    |                    |                    |
| <b>RESTRICTED FUNDS</b>                       |       |                    |                    |                    |                    |
| Fixed asset funds                             | 20    | 31,105,528         |                    | 31,167,523         |                    |
| General funds                                 | 20    | 117,085            |                    | 72,188             |                    |
| Pension fund                                  | 20    | <u>(1,855,000)</u> |                    | <u>(2,559,000)</u> |                    |
| <b>TOTAL RESTRICTED FUNDS</b>                 |       |                    | 29,367,613         |                    | 28,680,711         |
| <b>UNRESTRICTED FUNDS</b>                     |       |                    |                    |                    |                    |
| General funds                                 | 20    | <u>537,166</u>     |                    | <u>773,720</u>     |                    |
| <b>TOTAL UNRESTRICTED FUNDS</b>               |       |                    | <u>537,166</u>     |                    | <u>773,720</u>     |
| <b>TOTAL FUNDS</b>                            |       |                    | <u>29,904,779</u>  |                    | <u>29,454,431</u>  |

The financial statements on pages twenty four to forty nine were approved by the Trustees, and authorised for issue on 13 December 2018 and signed on their behalf by:

  
Mr R. Summers  
Chair of the Board of Trustees

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

|  |       | 31.08.18                | 31.08.17                |
|--|-------|-------------------------|-------------------------|
|  | Notes | £                       | £                       |
| <b>Cash flows from operating activities</b>                        |       |                         |                         |
| Net cash provided by operating activities                          | 1     | 200,787                 | 212,181                 |
| <b>Cash flows from financing activities</b>                        | 2     | 44,181                  | 63,584                  |
| <b>Cash flows from investing activities</b>                        | 3     | (1,360,490)             | 44,331                  |
|  |       |                         |                         |
| <b>Change in cash and cash equivalents in the reporting period</b> |       | <b>(1,115,522)</b>      | <b>320,096</b>          |
|  |       |                         |                         |
| <b>Cash and cash equivalents at 1 September 2017</b>               |       | <b><u>2,794,790</u></b> | <b><u>2,474,694</u></b> |
| <b>Cash and cash equivalents at 31 August 2018</b>                 | 4     | <b><u>1,679,268</u></b> | <b><u>2,794,790</u></b> |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

|  |                       |                       |
|--|-----------------------|-----------------------|
|  | 31.08.18              | 31.08.17              |
|  | £                     | £                     |
| Net incoming/(outgoing) resources  | (556,652)             | 2,352,857             |
| Adjusted for:  |                       |                       |
| Depreciation charges (note 15)   | 769,278               | 537,166               |
| Capital Grant from DfE and other capital income                          | (579,069)             | (3,151,207)           |
| Interest receivable (note 5)   | (1,721)               | (5,368)               |
| Defined Benefit Pension Scheme cost less contributions payable (note 23) | 229,000               | 196,000               |
| Defined Benefit Pension Scheme net interest cost (note 23)               | 59,000                | 55,000                |
| Defined Benefit Pension Scheme administrative costs (note 23)            | 15,000                | 14,000                |
| Increase in debtors  | 877,052               | (831,104)             |
| Increase in creditors  | (611,101)             | 1,044,837             |
| <b>Net cash provided by operating activities</b>                         | <b><u>200,787</u></b> | <b><u>212,181</u></b> |

**2. Cash flows from financing activities**

|  |                      |                      |
|--|----------------------|----------------------|
| Repayments of borrowing                          | -                    | (4,849)              |
| Cash inflows from new borrowing                  | 44,181               | 68,433               |
| <b>Net cash provided by financing activities</b> | <b><u>44,181</u></b> | <b><u>63,584</u></b> |

**3. Cash flows from investing activities**

|   |                           |                      |
|---|---------------------------|----------------------|
| Dividends, interest and rents from investments (note 5) | 1,721                     | 5,368                |
| Purchase of tangible fixed assets                       | (1,941,280)               | (3,112,244)          |
| Capital grants from DfE/ESFA                            | 542,684                   | 3,100,909            |
| Capital grants from local authorities and donations     | 36,385                    | 50,298               |
| <b>Net cash provided by investing activities</b>        | <b><u>(1,360,490)</u></b> | <b><u>44,331</u></b> |

**4. Cash and cash equivalents**

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Cash in hand and at bank | <u>1,679,268</u> | <u>2,794,790</u> |
|                          | <u>1,679,268</u> | <u>2,794,790</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. STATEMENT OF ACCOUNTING POLICIES**

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

**Basis of preparation**

The financial statements of the 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 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

**Going concern**

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

**Income**

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

**Grants receivable**

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

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

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

**Donations**

Donations are recognised on a receivable basis where 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 Trust has provided the goods or services.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. STATEMENT OF ACCOUNTING POLICIES – continued**

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Trust are recognised at fair value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

**Transfer on conversion**

Where assets are received by the trust on conversion to an academy, the transferred 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 trust. An equal amount of income is recognised as 'Transfer on Conversion' within Donations and capital grant income.

**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.

- **Expenditure on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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 estimated useful life, as follows:

|                                  |                        |
|----------------------------------|------------------------|
| Freehold & Leasehold buildings   | - 2% Straight Line     |
| Fixtures, Fittings and equipment | - 15% Straight Line    |
| Computer, equipment and software | - 33.33% Straight Line |

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. STATEMENT OF ACCOUNTING POLICIES – continued**

**Tangible fixed assets – continued**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Leasehold property**

The Land and Buildings from which certain academies within the Trust operate are leased from the London Borough of Bromley for a period of 125 years. Rents payable in respect of these leases are one peppercorn per annum. Under the terms of these leases the risks and rewards of ownership have been substantially transferred to the Trust and accordingly to reflect the Trusts use, the value of the properties are included in fixed assets with an appropriate credit within the restricted fixed asset fund. The properties are currently valued at insurance replacement cost as the valuation from the DFE has not yet been provided.

**Financial Instruments**

The Trust only holds basic financial instruments as defined by FRS 102. The Financial assets and financial liabilities of the 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 costs as detailed in note 16. 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 as detailed in note 17. Taxation and social security are not included in the financial instruments 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 service rather than cash or another financial instrument.

**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 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.

**Leased assets**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Taxation**

The 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 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.

**Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES – continued**

**Pension benefits - continued**

treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. The LGPS is a funded scheme and the assets are held separately from those of the academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and Skills Funding Agency and the London Borough of Bromley.

**Critical accounting estimates and areas of judgement**

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

The 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

The net book value of land and buildings, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of property which relates to land is deemed not to have a finite life and is not depreciated. The element of property which does not relate to land is depreciated on a straight line basis of 50 years, and it is assumed that the asset has no residual value. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

**Critical areas of judgement**

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**2. DONATIONS AND CAPITAL GRANTS**

|                       | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total<br>Funds | 31.08.17<br>Total<br>Funds |
|-----------------------|-----------------------|---------------------|----------------------------|----------------------------|
|                       | £                     | £                   | £                          | £                          |
| Capital grants        | 36,385                | 542,684             | 579,069                    | 3,151,207                  |
| Donated on conversion | -                     | -                   | -                          | 12,775                     |
| Other donations       | <u>24,870</u>         | <u>32,183</u>       | <u>57,053</u>              | <u>74,878</u>              |
|                       | <u>61,255</u>         | <u>574,867</u>      | <u>636,122</u>             | <u>3,238,860</u>           |

**3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS**

|   | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total<br>Funds | 31.08.17<br>Total<br>Funds |
|---|-----------------------|---------------------|----------------------------|----------------------------|
|   | £                     | £                   | £                          | £                          |
| <b>DfE/ESFA GRANTS</b>                          |                       |                     |                            |                            |
| General Annual Grant (GAG)                      | -                     | 7,887,592           | 7,887,592                  | 7,963,120                  |
| Other DfE/ESFA grants                           | <u>-</u>              | <u>649,062</u>      | <u>649,062</u>             | <u>589,195</u>             |
|   | <u>-</u>              | <u>8,536,654</u>    | <u>8,536,654</u>           | <u>8,552,315</u>           |
| <b>OTHER GOVERNMENT GRANTS</b>                  |                       |                     |                            |                            |
| Local authority nursery funding                 | -                     | 93,131              | 93,131                     | 86,148                     |
| Other government grants                         | <u>-</u>              | <u>509,911</u>      | <u>509,911</u>             | <u>374,687</u>             |
|   | <u>-</u>              | <u>603,042</u>      | <u>603,042</u>             | <u>460,835</u>             |
|   | <u>-</u>              | <u>9,139,696</u>    | <u>9,139,696</u>           | <u>9,013,150</u>           |
| <b>OTHER INCOME FROM EDUCATIONAL OPERATIONS</b> |                       |                     |                            |                            |
| Wrap around care                                | 163,465               | -                   | 163,465                    | 145,683                    |
| School journeys                                 | -                     | 209,749             | 209,749                    | 188,348                    |
| Catering income                                 | 244,074               | 4,331               | 248,405                    | 218,498                    |
| Nursery fees                                    | 31,223                | -                   | 31,223                     | 26,875                     |
| Other Income                                    | <u>-</u>              | <u>11,706</u>       | <u>11,706</u>              | <u>19,477</u>              |
|   | <u>438,762</u>        | <u>225,786</u>      | <u>664,548</u>             | <u>598,881</u>             |
|   | <u>438,762</u>        | <u>9,365,482</u>    | <u>9,804,244</u>           | <u>9,612,031</u>           |

**4. OTHER TRADING ACTIVITIES**

|                    | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total<br>Funds | 31.08.17<br>Total<br>Funds |
|--------------------|-----------------------|---------------------|----------------------------|----------------------------|
|                    | £                     | £                   | £                          | £                          |
| Hire of facilities | 107,422               | -                   | 107,422                    | 62,262                     |
| Other income       | <u>8,508</u>          | <u>26,707</u>       | <u>35,215</u>              | <u>37,737</u>              |
|                    | <u>115,930</u>        | <u>26,707</u>       | <u>142,637</u>             | <u>99,999</u>              |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. INVESTMENT INCOME**

|                     | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total<br>Funds | 31.08.17<br>Total<br>Funds |
|---------------------|-----------------------|---------------------|----------------------------|----------------------------|
|                     | £                     | £                   | £                          | £                          |
| Interest receivable | 1,701                 | 20                  | 1,721                      | 5,368                      |
|                     | <u>1,701</u>          | <u>20</u>           | <u>1,721</u>               | <u>5,368</u>               |

**6. EXPENDITURE**

|                               | Staff<br>Costs   | Premises<br>Costs | Other<br>Costs   | 31.08.18<br>Total | 31.08.17<br>Total |
|-------------------------------|------------------|-------------------|------------------|-------------------|-------------------|
|                               | £                | £                 | £                | £                 | £                 |
| Expenditure on raising funds  | -                | -                 | 22,812           | 22,812            | 15,079            |
| <i>educational operations</i> |                  |                   |                  |                   |                   |
| Direct costs                  | 6,391,496        | -                 | 638,534          | 7,030,030         | 6,892,663         |
| Allocated support costs       | 1,799,068        | 1,237,945         | 1,051,521        | 4,088,534         | 3,695,659         |
|                               | <u>8,190,564</u> | <u>1,237,945</u>  | <u>1,712,867</u> | <u>11,141,376</u> | <u>10,603,401</u> |

Incoming/outgoing resources for the year include:

|   | 31.08.18       | 31.08.17       |
|---|----------------|----------------|
|   | £              | £              |
| Auditors' remuneration                    | 15,770         | 12,000         |
| Auditors' remuneration for non-audit work | 3,090          | 4,800          |
| Depreciation – owned assets               | <u>768,278</u> | <u>537,166</u> |

Included within expenditure are the following transactions:

|                    | Total £ | Amount £ | Individual items<br>Reason      |
|--------------------|---------|----------|---------------------------------|
| Ex-gratia payments | 22,883  | 11,258   | Compensation for loss of office |
|                    |         | 11,625   | Compensation for loss of office |

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2017, being delegated authority from the Education and Skills Funding Agency.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. RAISING FUNDS**

|                      | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total | 31.08.17<br>Total |
|----------------------|-----------------------|---------------------|-------------------|-------------------|
|                      | £                     | £                   | £                 | £                 |
| Fundraising expenses | 4,918                 | 17,894              | 22,812            | 15,079            |
|                      | <u>4,918</u>          | <u>17,894</u>       | <u>22,812</u>     | <u>15,079</u>     |

**8. CHARITABLE ACTIVITIES**

|   | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total | 31.08.17<br>Total |
|---|-----------------------|---------------------|-------------------|-------------------|
|   | £                     | £                   | £                 | £                 |
| <b>Direct costs – educational operations</b>            |                       |                     |                   |                   |
| Teaching and educational support staff costs            | 1,440                 | 6,390,056           | 6,391,496         | 6,295,151         |
| Educational supplies                                    | 4,637                 | 122,503             | 127,140           | 137,233           |
| Educational visits                                      | 780                   | 226,112             | 226,892           | 204,004           |
| Staff development                                       | 343                   | 54,928              | 55,271            | 82,525            |
| Educational consultancy                                 | -                     | 206,943             | 206,943           | 160,997           |
| Nursery and wrap around care                            | 8,930                 | 1,298               | 10,228            | 9,686             |
| Other direct costs                                      | 206                   | 11,854              | 12,060            | 3,067             |
|   | <u>16,336</u>         | <u>7,013,694</u>    | <u>7,030,030</u>  | <u>6,892,663</u>  |
| <b>Allocated support costs – educational operations</b> |                       |                     |                   |                   |
| Support staff costs                                     | 215,811               | 1,583,257           | 1,799,068         | 1,651,553         |
| Catering  | 228,972               | 222,107             | 451,079           | 440,330           |
| Depreciation  | -                     | 684,143             | 684,143           | 537,166           |
| Technology costs  | 234                   | 253,222             | 253,456           | 181,909           |
| Premises costs  | 2,677                 | 551,925             | 553,802           | 530,607           |
| Administrative costs                                    | 4,415                 | 75,417              | 79,832            | 68,630            |
| Professional fees                                       | -                     | 121,902             | 121,902           | 106,767           |
| Governance costs  | -                     | 22,075              | 22,075            | 48,716            |
| Defined Benefit Pension scheme administrative costs     | -                     | 15,000              | 15,000            | 14,000            |
| Defined Benefit Pension Scheme net interest cost        | -                     | 59,000              | 59,000            | 55,000            |
| Other support costs                                     | 624                   | 48,553              | 49,177            | 60,981            |
|   | <u>452,733</u>        | <u>3,635,801</u>    | <u>4,088,534</u>  | <u>3,695,659</u>  |
| <b>Total direct and support costs</b>                   | <u>469,069</u>        | <u>10,649,495</u>   | <u>11,118,564</u> | <u>10,588,322</u> |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**9. GOVERNANCE COSTS**

|                               | Unrestricted<br>Funds | Restricted<br>Funds | 31.08.18<br>Total | 31.08.17<br>Total |
|-------------------------------|-----------------------|---------------------|-------------------|-------------------|
|                               | £                     | £                   | £                 | £                 |
| Auditor's remuneration        |                       |                     |                   |                   |
| Audit of financial statements | -                     | 15,770              | 15,770            | 12,000            |
| Non audit services            | -                     | 3,090               | 3,090             | 4,800             |
| Legal and professional fees   | -                     | 3,215               | 3,215             | 31,916            |
|                               | -                     | 22,075              | 22,075            | 48,716            |

**10. STAFF COSTS**

**a. Staff costs**

Staff costs during the period were:

|                             | 31.08.18<br>£ | 31.08.17<br>£ |
|-----------------------------|---------------|---------------|
| Wages and salaries          | 6,203,237     | 5,945,214     |
| Social security costs       | 536,473       | 534,105       |
| Pension costs               | 1,327,772     | 1,279,504     |
|                             | 8,067,482     | 7,758,823     |
| Agency supply teacher costs | 100,199       | 187,164       |
| Staff restructuring costs   | 22,883        | 717           |
|                             | 8,190,564     | 7,946,704     |

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

There are two non-statutory / non-contractual severance payments included in staff costs of £22,883 (2017: £nil). Individually the payments were £11,258 paid on the 29.06.18 and £11,625 accrued as at 31.08.2018.

**c. Staff numbers**

The average number of persons (including senior management team) employed by the Trust during the year was as follows:

|                              | 31.08.18 | 31.08.17 |
|------------------------------|----------|----------|
| <b>Charitable activities</b> |          |          |
| Teachers                     | 117      | 125      |
| Administration and support   | 269      | 259      |
| Management                   | 7        | 7        |
|                              | 393      | 391      |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS – continued**

**d. Higher paid staff**

The number of employees whose emoluments (pro-rated) exceeded £60,000 was:

|                    | 31.08.18 | 31.08.17 |
|--------------------|----------|----------|
| £60,001 - £70,000  | 3        | 4        |
| £70,001 - £80,000  | 1        | -        |
| £90,001 - £100,000 | 1        | 1        |

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £35,067 (2017: £52,817).

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior management team of the Trust as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the Trust during this period was £643,088 (2017: £514,254).

**11. CENTRAL SERVICES**

The Trust charged each individual academy a flat percentage of 4.5% of GAG income to fund central services, which includes:

- School improvement support
- Payroll and HR service
- Financial support
- Teaching and learning support
- Legal services
- Training
- Insurance, banking and audit services
- Estates management support
- Health and safety services

|                                   | 31.08.18       | 31.08.17       |
|-----------------------------------|----------------|----------------|
|                                   | £              | £              |
| Chelsfield Primary School         | 23,916         | 13,327         |
| Darrick Wood Junior School        | 67,512         | 38,783         |
| Green Street Green Primary School | 81,948         | 41,174         |
| The Highway Primary School        | 38,130         | 24,163         |
| Pratts Bottom Primary School      | 19,920         | 11,186         |
| Tubbenden Primary School          | 106,848        | 66,106         |
| MAT Interest                      | 63             | 78             |
| Other MAT Income                  | -              | 2,860          |
|                                   | <u>338,337</u> | <u>197,677</u> |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**11. CENTRAL SERVICES – continued**

|                               | 31.08.18      | 31.08.17      |
|-------------------------------|---------------|---------------|
|                               | £             | £             |
| Audit and banking             | 22,435        | 13,125        |
| Professional fees             | 65,754        | 25,095        |
| Training and Staffing         | 207,047       | 86,576        |
| Insurance                     | 45,200        | 42,203        |
| Other costs                   | 8,683         | 15,506        |
| Transfer to Pratts Bottom     | -             | 12,000        |
|                               | <hr/> 349,119 | <hr/> 194,505 |
| <br>MAT funds brought forward | <br>53,998    | <br>50,826    |
|                               | <hr/>         | <hr/>         |
| <br>MAT funds carried forward | <br>43,216    | <br>53,998    |
|                               | <hr/>         | <hr/>         |

**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Chief Executive Officer and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration in the year ended 31 August 2018 was as follows:

J Turvey (CEO, Accounting Officer, Head Teacher and Trustee):

Remuneration £95,000-£100,000 (2017: £90,000-£95,000)

Employer's pension contributions £15,000-£20,000 (2017: £15,000-£20,000)

Mr A Kilgour, a member of the Trust's key management personnel has a close family relationship with Mrs C Kilgour, an employee of Trust. The remuneration of the member of staff concerned for the year ended 31 August 2018 was in the range £20,000 - £25,000 (2017: £20,000 - £25,000). Members of local governing bodies during the year are employees of South Orpington Learning Alliance Multi-Academy Trust, they are not however trustees of the Trust and accordingly their salaries are not disclosed but those who are considered to be key management personnel are disclosed in note 10e above. During the year ended 31 August 2018, no travel and subsistence expenses were reimbursed to Trustees (year ended 2017: £nil). Other related party transactions involving the Trustees are set out in note 24.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**13. TRUSTEES' AND OFFICERS' INSURANCE**

The 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 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.

**14. COMPARATIVE PERIOD STATEMENT OF FINANCIAL ACTIVITIES**

|   |      | Unrestricted<br>Funds | Restricted<br>General<br>Funds | Restricted<br>Fixed Asset<br>Funds | 31.08.17<br>Total<br>Funds |
|---|------|-----------------------|--------------------------------|------------------------------------|----------------------------|
|   | Note | £                     | £                              | £                                  | £                          |
| <b>Income from:</b>   |      |                       |                                |                                    |                            |
| Donations and capital grants  | 2    | 35,278                | 39,600                         | 3,151,207                          | 3,226,085                  |
| Transfer from local authority on conversion   | 2    | 12,775                | -                              | -                                  | 12,775                     |
| <i>Charitable activities:</i>   |      |                       |                                |                                    |                            |
| Funding for the multi-academy trust's educational operations                          | 3    | 408,108               | 9,203,923                      | -                                  | 9,612,031                  |
| Other trading activities  | 4    | 85,486                | 14,513                         | -                                  | 99,999                     |
| Investments   | 5    | 5,368                 | -                              | -                                  | 5,368                      |
| <b>Total income</b>   |      | <b>547,015</b>        | <b>9,258,036</b>               | <b>3,151,207</b>                   | <b>12,956,258</b>          |
| <b>Expenditure on:</b>  |      |                       |                                |                                    |                            |
| Raising funds   | 7    | 3,586                 | 11,493                         | -                                  | 15,079                     |
| <i>Charitable activities:</i>   |      |                       |                                |                                    |                            |
| Multi-academy trust's educational operations  | 8    | 511,046               | 9,535,077                      | 542,199                            | 10,588,322                 |
| <b>Total expenditure</b>  | 6    | <b>514,632</b>        | <b>9,546,570</b>               | <b>542,199</b>                     | <b>10,603,401</b>          |
| <b>Net income / (expenditure)</b>   |      | <b>32,383</b>         | <b>(288,534)</b>               | <b>2,609,008</b>                   | <b>2,352,857</b>           |
| <b>Transfers between funds</b>  | 20   | <b>(69,313)</b>       | <b>(201,224)</b>               | <b>270,537</b>                     | <b>-</b>                   |
| <b>Net income/(expenditure) for the year before other recognised gains and losses</b> |      | <b>(36,930)</b>       | <b>(489,758)</b>               | <b>2,879,545</b>                   | <b>2,352,857</b>           |
| <b>Other recognised gains/(losses):</b>   |      |                       |                                |                                    |                            |
| Actuarial gains/(losses) on defined benefit pension schemes                           |      | -                     | 677,000                        | -                                  | 677,000                    |
| <b>Net movement in funds</b>  | 20   | <b>(36,930)</b>       | <b>187,242</b>                 | <b>2,879,545</b>                   | <b>3,029,857</b>           |
| <b>Reconciliation of funds</b>  |      |                       |                                |                                    |                            |
| <b>Total funds brought forward</b>  |      | <b>810,650</b>        | <b>(2,674,054)</b>             | <b>28,287,978</b>                  | <b>26,424,574</b>          |
| <b>Total funds carried forward</b>  |      | <b>773,720</b>        | <b>(2,486,812)</b>             | <b>31,167,523</b>                  | <b>29,454,431</b>          |



**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15. TANGIBLE FIXED ASSETS**

|                       | Freehold/<br>Leasehold<br>Land and<br>Buildings<br>£ | Fixtures and<br>Fittings<br>£ | Computer<br>Equipment &<br>Software<br>£ | Totals<br>£       |
|-----------------------|--|-------------------------------|--|-------------------|
| <b>COST</b>           |  |                               |  |                   |
| At 1 September 2017   | 30,063,584   | 627,622                       | 412,493                                  | 31,103,699        |
| Additions             | <u>1,796,302</u>                                     | <u>56,060</u>                 | <u>88,918</u>                            | <u>1,941,280</u>  |
| At 31 August 2018     | <u>31,859,888</u>                                    | <u>683,681</u>                | <u>501,414</u>                           | <u>33,044,983</u> |
| <b>DEPRECIATION</b>   |  |                               |  |                   |
| At 1 September 2017   | 925,351  | 204,342                       | 248,262                                  | 1,377,956         |
| Charge for period     | <u>577,950</u>                                       | <u>106,193</u>                | <u>85,135</u>                            | <u>769,278</u>    |
| At 31 August 2018     | <u>1,503,300</u>                                     | <u>310,535</u>                | <u>333,396</u>                           | <u>2,147,231</u>  |
| <b>NET BOOK VALUE</b> |  |                               |  |                   |
| At 31 August 2018     | <u>30,356,588</u>                                    | <u>373,146</u>                | <u>168,018</u>                           | <u>30,897,752</u> |
| At 31 August 2017     | <u>29,138,233</u>                                    | <u>423,279</u>                | <u>164,231</u>                           | <u>29,725,743</u> |

Included in freehold/leasehold land and buildings is freehold/leasehold land of £2,609,599 (2017: £2,609,599) which has not been depreciated.

**16. DEBTORS**

|                                | 31.08.18<br>£  | 31.08.17<br>£    |
|--------------------------------|----------------|------------------|
| Trade debtors                  | 35,151         | 1,988            |
| VAT recoverable                | 133,857        | 294,815          |
| Prepayments and accrued income | <u>257,556</u> | <u>1,006,817</u> |
|                                | <u>426,564</u> | <u>1,303,620</u> |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|  | 31.08.18         | 31.08.17         |
|--|------------------|------------------|
|  | £                | £                |
| Trade creditors  | 260,996          | 555,209          |
| Taxation and social security                           | 266,882          | 256,588          |
| Accruals and deferred income (deferred income note 18) | 596,933          | 924,112          |
| Other loans  | 16,408           | 11,336           |
|  | <u>1,141,219</u> | <u>1,747,245</u> |

**CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

|             | 31.08.18       | 31.08.17      |
|-------------|----------------|---------------|
|             | £              | £             |
| Other loans | 102,586        | 63,477        |
|             | <u>102,586</u> | <u>63,477</u> |

The loans are from Salix and the ESFA under the condition improvement fund and are provided on the following terms:

|       | Original loan | Duration | Term remaining | Due <<br>1 year | Due ><br>1 year |
|-------|---------------|----------|----------------|-----------------|-----------------|
|       | £             |          |                | £               | £               |
| Salix | 9,519         | 4 years  | 1 year         | 2,380           | -               |
| ESFA  | 7,188         | 5 years  | 4 years        | 1,435           | 3,598           |
| ESFA  | 16,504        | 8 years  | 8 years        | 2,062           | 13,409          |
| ESFA  | 31,983        | 8 years  | 8 years        | 3,998           | 27,985          |
| ESFA  | 19,946        | 8 years  | 8 years        | 2,493           | 17,453          |
| ESFA  | 44,181        | 10 years | 10 years       | 4,040           | 40,141          |
| Total |               |          |                | <u>16,408</u>   | <u>102,586</u>  |

**18. DEFERRED INCOME**

|                                      | 31.08.18       | 31.08.17       |
|--------------------------------------|----------------|----------------|
|                                      | £              | £              |
| At 1 September                       | 127,981        | 168,762        |
| Resources deferred during the year   | 191,514        | 127,981        |
| Amounts released from previous years | (127,981)      | (168,762)      |
| At 31 August                         | <u>191,514</u> | <u>127,981</u> |
|                                      | 31.08.18       | 31.08.17       |
|                                      | £              | £              |
| ESFA infant free school meal funding | 117,515        | 104,708        |
| Other ESFA grants                    | 24,126         | 16,590         |
| School journeys paid for in advance  | 40,693         | 5,743          |
| Clubs, lettings and nursery fees     | 9,180          | 940            |
|                                      | <u>191,514</u> | <u>127,981</u> |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**19. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

|  | 31.08.18     | 31.08.17     |
|--|--------------|--------------|
|  | £            | £            |
| Amounts due within one year            | 3,081        | 787          |
| Amounts due between one and five years | <u>2,857</u> | <u>1,527</u> |
|  | <u>5,938</u> | <u>2,314</u> |

**20. FUNDS**

|                                     | Balance at<br>1 September<br>2017 | Incoming<br>Resources | Resources<br>Expended | Gains,<br>losses and<br>transfers | Balance at<br>31 August<br>2018 |
|-------------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------------------|---------------------------------|
|                                     | £                                 | £                     | £                     | £                                 | £                               |
| <b>Restricted general funds</b>     |                                   |                       |                       |                                   |                                 |
| General Annual Grant (GAG)          | -                                 | 7,887,592             | (7,774,678)           | (92,464)                          | 20,450                          |
| Other DfE/ESFA grants               | 210                               | 649,062               | (622,495)             | (8,517)                           | 18,260                          |
| Other Government Grants             | -                                 | 618,542               | (610,429)             | (8,113)                           | -                               |
| Other educational                   | 71,978                            | 269,196               | (587,509)             | 324,710                           | 78,375                          |
| Pension reserve                     | (2,559,000)                       | -                     | (303,000)             | 1,007,000                         | (1,855,000)                     |
|                                     | <u>(2,486,812)</u>                | <u>9,424,392</u>      | <u>(9,898,111)</u>    | <u>1,222,616</u>                  | <u>(1,737,915)</u>              |
| <b>Restricted fixed asset funds</b> |                                   |                       |                       |                                   |                                 |
| Fixed Assets                        | 31,167,523                        | 542,684               | (769,278)             | 164,599                           | 31,105,528                      |
|                                     | <u>31,167,523</u>                 | <u>542,684</u>        | <u>(769,278)</u>      | <u>164,599</u>                    | <u>31,105,528</u>               |
| <b>Total restricted funds</b>       | <u>28,680,711</u>                 | <u>9,967,076</u>      | <u>(10,667,389)</u>   | <u>1,387,215</u>                  | <u>29,367,613</u>               |
| <b>Unrestricted funds</b>           |                                   |                       |                       |                                   |                                 |
| Unrestricted funds                  | 773,720                           | 617,648               | (473,987)             | (380,215)                         | 537,166                         |
| <b>Total unrestricted funds</b>     | <u>773,720</u>                    | <u>617,648</u>        | <u>(473,987)</u>      | <u>(380,215)</u>                  | <u>537,166</u>                  |
| <b>Total funds</b>                  | <u>29,454,431</u>                 | <u>10,584,724</u>     | <u>(11,141,376)</u>   | <u>1,007,000</u>                  | <u>29,904,779</u>               |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. FUNDS – continued**

**FUNDS COMPARATIVE**

|                                     | Balance at<br>1 September<br>2016 | Incoming<br>Resources | Resources<br>Expended | Gains,<br>losses and<br>transfers | Balance at<br>31 August<br>2017 |
|-------------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------------------|---------------------------------|
|                                     | £                                 | £                     | £                     | £                                 | £                               |
| <b>Restricted general funds</b>     |                                   |                       |                       |                                   |                                 |
| General Annual Grant (GAG)          | 100,697                           | 7,963,120             | (7,760,144)           | (303,673)                         | -                               |
| Other DfE/ESFA grants               | 108,294                           | 589,195               | (629,919)             | (67,360)                          | 210                             |
| Other Government Grants             | 30,363                            | 460,835               | (486,127)             | (5,071)                           | -                               |
| Other educational                   | 57,592                            | 244,886               | (405,380)             | 174,880                           | 71,978                          |
| Pension reserve                     | (2,971,000)                       | -                     | (265,000)             | 677,000                           | (2,559,000)                     |
|                                     | <u>(2,674,054)</u>                | <u>9,258,036</u>      | <u>(9,546,570)</u>    | <u>475,776</u>                    | <u>(2,486,812)</u>              |
| <b>Restricted fixed asset funds</b> |                                   |                       |                       |                                   |                                 |
| DfE/ESFA capital grants             | 1,906,361                         | 3,085,313             | (49,825)              | -                                 | 4,941,849                       |
| Donated asset fund                  | 26,163,100                        | -                     | (443,671)             | -                                 | 25,719,429                      |
| Local authority capital grants      | 9,407                             | 4,357                 | (849)                 | -                                 | 12,915                          |
| Capital expenditure from GAG        | 124,838                           | -                     | (18,726)              | -                                 | 106,112                         |
| Capital expenditure from revenue    | 84,272                            | 6,380                 | (28,984)              | 270,537                           | 332,205                         |
| Other donated assets                | -                                 | 55,157                | (144)                 | -                                 | 55,013                          |
|                                     | <u>28,287,978</u>                 | <u>3,151,207</u>      | <u>(542,199)</u>      | <u>270,537</u>                    | <u>31,167,523</u>               |
| <b>Total restricted funds</b>       | <u>25,613,924</u>                 | <u>12,409,243</u>     | <u>(10,088,769)</u>   | <u>746,313</u>                    | <u>28,680,711</u>               |
| <b>Unrestricted funds</b>           |                                   |                       |                       |                                   |                                 |
| Unrestricted funds                  | 810,650                           | 547,015               | (514,632)             | (69,313)                          | 773,720                         |
| <b>Total unrestricted funds</b>     | <u>810,650</u>                    | <u>547,015</u>        | <u>(514,632)</u>      | <u>(69,313)</u>                   | <u>773,720</u>                  |
| <b>Total funds</b>                  | <u>26,424,574</u>                 | <u>12,956,258</u>     | <u>(10,603,401)</u>   | <u>677,000</u>                    | <u>29,454,431</u>               |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. FUNDS – continued**

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

**General Annual Grant (GAG)**

Funds must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Other DfE/ESFA grants**

The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE, and includes Pupil Premium and Universal Free School Meals Funding, together with related expenditure.

**Other Government Grants**

The other government grants fund is used to track grants provided by other government departments.

**Pension reserve**

The pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

**Restricted fixed asset funds**

The restricted fixed asset funds are carried forward to meet the specific cost of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfers from the unrestricted and restricted fund to the restricted fixed asset fund represent the total capital expenditure from those funds during the year.

**Unrestricted funds**

Unrestricted funds can be used for any purpose at the discretion of the Trust.

**Transfers between funds**

The Trust has applied some of its unrestricted funds to purchase fixed assets during the period under review. Accordingly there has been a transfer between unrestricted funds and restricted fixed asset funds to reflect this.

**Analysis of academies by fund balance**

Fund balances at 31 August were allocated as follows:

|   | 31.08.18<br>£ | 31.08.17<br>£ |
|---|---------------|---------------|
| Chelsfield Primary School                     | 59,833        | 105,979       |
| Darrick Wood Junior School                    | 99,938        | 89,868        |
| Green Street Green Primary School             | 43,407        | 152,173       |
| The Highway Primary School                    | 74,995        | 79,134        |
| Pratts Bottom Primary School                  | 27,667        | 28,602        |
| Tubbenden Primary School                      | 305,195       | 336,154       |
| MAT   | 43,216        | 53,998        |
|   | <hr/>         | <hr/>         |
| Total before fixed assets and pension reserve | 654,251       | 845,908       |
|   | <hr/>         | <hr/>         |
| Restricted fixed asset fund                   | 31,105,528    | 31,167,523    |
| Pension reserve                               | (1,855,000)   | (2,559,000)   |
|   | <hr/>         | <hr/>         |
| Total   | 29,904,779    | 29,454,431    |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. FUNDS - continued**

**Analysis of academies by cost**

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

|                                      | Teaching and<br>Educational<br>Support Staff<br>Costs<br>£ | Other Support<br>Staff Costs<br>£ | Educational<br>Supplies<br>£ | Other Costs<br>(excluding<br>Depreciation)<br>£ | 31.08.18<br>Total<br>£ | 31.08.17<br>Total<br>£ |
|--------------------------------------|--|-----------------------------------|------------------------------|---|------------------------|------------------------|
| Chelsfield Primary<br>School         | 444,563  | 80,124                            | 22,148                       | 136,461   | 683,296                | 608,061                |
| Darrick Wood Junior<br>School        | 1,119,391  | 216,850                           | 89,334                       | 300,237   | 1,725,812              | 1,774,195              |
| Green Street Green<br>Primary School | 1,485,546  | 495,434                           | 63,729                       | 393,678   | 2,438,387              | 2,347,312              |
| The Highway Primary<br>School        | 776,575  | 197,981                           | 24,330                       | 204,371   | 1,203,257              | 1,227,461              |
| Pratts Bottom Primary<br>School      | 329,447  | 75,895                            | 11,678                       | 97,016  | 514,036                | 535,221                |
| Tubbenden Primary<br>School          | 2,235,974  | 544,742                           | 142,813                      | 534,665   | 3,458,194              | 3,391,479              |
| MAT                                  | -  | 188,042                           | -                            | 161,074   | 349,116                | 182,507                |
|                                      | <u>6,391,496</u>   | <u>1,799,068</u>                  | <u>354,032</u>               | <u>1,827,502</u>                                | <u>10,372,098</u>      | <u>10,066,236</u>      |

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2018 are represented by:

|                          | Unrestricted<br>funds<br>£ | Restricted<br>general<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | 31.08.18<br>Total<br>Funds<br>£ |
|--------------------------|----------------------------|-------------------------------------|---|---------------------------------|
| Tangible fixed assets    | -                          | -                                   | 30,897,752                              | 30,897,752                      |
| Current assets           | 552,359                    | 911,138                             | 642,335                                 | 2,105,832                       |
| Current liabilities      | (15,193)                   | (794,053)                           | (331,973)                               | (1,141,219)                     |
| Long term liabilities    | -                          | -                                   | (102,586)                               | (102,586)                       |
| Pension scheme liability | -                          | (1,855,000)                         | -                                       | (1,855,000)                     |
| Total net assets         | <u>537,166</u>             | <u>(1,737,915)</u>                  | <u>31,105,528</u>                       | <u>29,904,779</u>               |

Fund balances at 31 August 2017 are represented by:

|                          | Unrestricted<br>funds<br>£ | Restricted<br>general<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | 31.08.17<br>Total<br>Funds<br>£ |
|--------------------------|----------------------------|-------------------------------------|---|---------------------------------|
| Tangible fixed assets    | -                          | -                                   | 29,725,743                              | 29,725,743                      |
| Current assets           | 774,710                    | 810,876                             | 2,512,824                               | 4,098,410                       |
| Current liabilities      | (990)                      | (738,688)                           | (1,007,567)                             | (1,747,245)                     |
| Long term liabilities    | -                          | -                                   | (63,477)                                | (63,477)                        |
| Pension scheme liability | -                          | (2,559,000)                         | -                                       | (2,559,000)                     |
| Total net assets         | <u>773,720</u>             | <u>(2,486,812)</u>                  | <u>31,167,523</u>                       | <u>29,454,431</u>               |

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**22. MEMBERS' LIABILITY**

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

**23. PENSION AND SIMILAR OBLIGATIONS**

The 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 the London Borough of Bromley. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £78,911 (2017: £125,013) were payable to the schemes at 31 August 2018 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019 but is expected to be delayed until 1 September 2019.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION AND SIMILAR OBLIGATIONS – continued**

**Valuation of the Teachers' Pension Scheme - continued**

The employer's pension costs paid to TPS in the period amounted to £622,775 (2017: £615,073). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £583,000 (2017: £576,000) of which employer's contributions totalled £471,000 (2017: £467,000) and employees' contributions totalled £112,000 (2017: £109,000). The agreed contribution rates for future years are 23.3 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

**Principal actuarial assumptions**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

|                                     | 31.08.18 | 31.08.17    |
|-------------------------------------|----------|-------------|
| Discount rate                       | 2.80%    | 2.40%-2.50% |
| Price increases                     | 2.10%    | 2.20%       |
| Future salary increases             | 3.60%    | 3.70%       |
| Future pension increases            | 2.20%    | 2.20%       |
| Commutation of pension to lump sums | 50.00%   | 50.00%      |

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

|                             | 31.08.18 | 31.08.17 |
|-----------------------------|----------|----------|
| <b>Retiring today</b>       |          |          |
| Males                       | 23.4     | 23.3     |
| Females                     | 26.1     | 26.0     |
| <b>Retiring in 20 years</b> |          |          |
| Males                       | 26.1     | 25.9     |
| Females                     | 28.4     | 28.3     |



**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION AND SIMILAR OBLIGATIONS - continued**

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

|   | £         | £         | £         |
|---|-----------|-----------|-----------|
| Adjustment to discount rate               | +0.1%     | 0.0%      | -0.1%     |
| Present value of total obligation         | 1,696,000 | 1,855,000 | 2,014,000 |
| Projected service cost                    | 608,000   | 625,000   | 642,000   |
| Adjustment to long term salary increase   | +0.1%     | 0.0%      | -0.1%     |
| Present value of total obligation         | 1,874,000 | 1,855,000 | 1,836,000 |
| Projected service cost                    | 625,000   | 625,000   | 625,000   |
| Adjustment to inflation                   | +0.1%     | 0.0%      | -0.1%     |
| Present value of total obligation         | 2,017,000 | 1,855,000 | 1,693,000 |
| Projected service cost                    | 642,000   | 625,000   | 608,000   |
| Adjustment to life expectancy assumptions | +1 year   | None      | -1 year   |
| Present value of total obligation         | 1,991,000 | 1,855,000 | 1,719,000 |
| Projected service cost                    | 638,000   | 625,000   | 612,000   |

The Trust's share of the assets and liabilities in the scheme were:

|                                     | Fair value<br>at 31 August<br>2018<br>£ | Fair value<br>at 31 August<br>2017<br>£ |
|-------------------------------------|---|---|
| Equities                            | 3,733,000                               | 3,599,000                               |
| Other bonds                         | 724,000                                 | 659,000                                 |
| Cash                                | -                                       | 392,000                                 |
| Property                            | 190,000                                 | -                                       |
| Other                               | 1,096,000                               | 65,000                                  |
| <b>Total market value of assets</b> | <b>5,743,000</b>                        | <b>4,715,000</b>                        |
| Present value of scheme liabilities |   |   |
| -Funded                             | (7,598,000)                             | (7,274,000)                             |
| <b>Deficit in the scheme</b>        | <b>(1,855,000)</b>                      | <b>(2,559,000)</b>                      |

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in the Statement of Financial Activities are as follows:

|  | Defined benefit<br>pension plans | Defined benefit<br>pension plans |
|--|----------------------------------|----------------------------------|
|  | 31.08.18                         | 31.08.17                         |
|  | £                                | £                                |
| Current service cost (net of employee contributions) | 229,000                          | 196,000                          |
| Total operating charge                               | 229,000                          | 196,000                          |
| Analysis of pension finance income/(costs)           |                                  |                                  |
| Net interest on defined liability                    | 59,000                           | 55,000                           |
| Administration expenses                              | 15,000                           | 14,000                           |
| Pension finance costs                                | 74,000                           | 69,000                           |

The actuarial gains and losses for the current year of £1,007,000 gain, are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a £1,287,000 loss (2017: £2,294,000 loss).

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

|                                      | 31.08.18  | 31.08.17  |
|--------------------------------------|-----------|-----------|
|                                      | £         | £         |
| Opening defined benefit obligation   | 7,274,000 | 6,192,000 |
| Current service cost                 | 700,000   | 663,000   |
| Benefits paid net of transfers in    | 24,000    | (29,000)  |
| Contributions by scheme participants | 112,000   | 109,000   |
| Interest cost                        | 179,000   | 129,000   |
| Remeasurement losses                 | (691,000) | 210,000   |
| Closing defined benefit obligation   | 7,598,000 | 7,274,000 |

Movements in the fair value of the Trust's share of scheme assets were as follows:

|                                      | 31.08.18  | 31.08.17  |
|--------------------------------------|-----------|-----------|
|                                      | £         | £         |
| Opening fair value of scheme assets  | 4,715,000 | 3,221,000 |
| Interest on plan assets              | 120,000   | 74,000    |
| Contributions by employer            | 471,000   | 467,000   |
| Benefits paid net of transfers in    | 24,000    | (29,000)  |
| Contributions by scheme participants | 112,000   | 109,000   |
| Remeasurement gains                  | 316,000   | 887,000   |
| Administration expenses              | (15,000)  | (14,000)  |
| Closing fair value of scheme assets  | 5,743,000 | 4,715,000 |

The estimated value of employer contributions for the year ending 31 August 2019 is £470,000.

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 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.

The following transactions occurred during the year under review between The Academy Trust and Bromley Indoor Bowls Centre Ltd, a company in which Mr G Boyd (a Governor) is a director:

- The Academy Trust hired a meeting room at Bromley Indoor Bowls Centre Ltd totalling £33 (2017: £nil) during the period. There were no amounts outstanding at 31 August 2018 (2017: £nil).
- The total value of the hire was below the £2,500 threshold therefore the 'at cost' principle does not apply.

No further related party transactions took place in the period under review, other than certain trustees' and employees remuneration and expenses already disclosed in **note 12**. In entering into these transactions the Trust has complied with the requirements of the ESFA's Academies Financial Handbook 2017.