

Registration number: 07353824

The Spencer Academies Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

The Spencer Academies Trust

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Reference and Administrative Details

Members	M Thompson K Vere M Plampin J Abrams (appointed 1 November 2022) P McConnell (appointed 1 November 2022)
Trustees	M Thompson P West M Batchelor D Kinderman J Smith G Weightman J Dale G Mukuka M Currie (appointed 1 November 2022) S Mullins (appointed 1 September 2022) M Budwal (appointed 19 June 2023)
Chief Executive Officer	P West
Company Secretary	L Coy
Executive Leadership Team	P West, Chief Executive Officer and Accounting Officer A O'Brien, Trust Director of Primary Education F Mitchell, Trust Director of Secondary Education L Cox, Trust Director of Quality & Standards S McAneny-Vincent, Trust Director of Inclusion and Engagement T Elward, Director of Derby Research School, and Spencer Alliance for Leadership and Teaching R Hudd, Director of Finance and Chief Finance Officer A Smith, Director of Human Resources M Lucas, Director of Estates

Reference and Administrative Details (continued)

Principal and Registered Office	George Spencer Academy Arthur Mee Road Stapleford Nottingham Nottinghamshire NG9 7EW
Company Registration Number	07353824
Auditors	Mazars LLP Chartered Accountants and Statutory Auditors Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	NatWest PLC 13-17 Derby Road Nottingham NG1 9HR
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023

The Trustees present their Annual Report together with the Financial Statements and Auditors' Report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees Report, and a Directors Report under company law.

The Trust currently comprises of twenty-six schools; eight secondary, seventeen primary and one special primary. Within these we educated 17,813 children and young people during 2022-23.

Our Spencer Academies Trust academies:

Primary

Chetwynd Spencer Academy
Wyndham Spencer Academy
Fairfield Spencer Academy
Portland Spencer Academy
Glenbrook Spencer Academy
Sunnyside Spencer Academy
Inkersall Spencer Academy
Hilton Spencer School
Ashwood Spencer Academy
Chellaston Fields Spencer Academy
The Mease Spencer Academy
Highfields Academy
Rosecliffe Spencer Academy
Brackensdale Spencer Academy
Clover Leys Spencer Academy
Castleward Spencer Academy
Millside Spencer Academy
Clover Leys Spencer Academy

Secondary

George Spencer Academy
Heanor Gate Spencer Academy
Long Field Spencer Academy
Derby Moor Spencer Academy
John Port Spencer Academy
Rushcliffe Spencer Academy
Arnold Hill Spencer Academy
Farnborough Spencer Academy

Special School

St Giles Spencer Academy

The Spencer Academies Trust

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07353824.

The governors act as the trustees for the charitable activities of The Spencer Academies Trust and are also the directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Spencer Academies Trust Trustees' Report for the Year Ended 31 August 2023

Members' liability

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

Trustees' indemnities

The Trust through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Trust also purchased and maintained liability insurance for its Governors.

Method of recruitment and appointment or election of Trustees

The number of Trustees shall be not less than three and (unless determined by ordinary resolution) shall not be more than fourteen. The articles of association set out the categories of Trustees and includes the following:

- up to six Trustees appointed by the members
- the Chief Executive Officer
- Parent Trustees
- any Additional Trustees appointed by the Secretary of State
- up to two Trustees, if appointed by the Secretary of State in accordance with the terms of any Relevant Funding Agreement.

The number of Trustees (including the Chief Executive Officer) appointed by the Members who are employees of the company may not exceed one third of the total number of Trustees.

The Trustees appoint separate committees known as Local Governing Bodies (LGB) for each Academy, which each operate according to the Scheme of Delegation. The establishment, terms of reference, constitution and membership of any committee of the Trustees or LGB's may be reviewed annually.

The Trustees listed on page 1 appoint Governors to each Academy LGB according to the Scheme of Delegation.

The term of office for any Trustees or Governor will be four years, except that this time limit does not apply to the CEO, Principal or Head of Academy. Any Trustees or Governor can be re-appointed or re-elected, subject to remaining eligible for the role.

Policies and procedures adopted for the induction and training of Trustees

All Trustees are expected to undertake a full induction with the Trust upon their appointment, and will be given relevant supporting documentation. This induction programme intends to provide information on the Trust, its schools, its activities, staff, achievements, and the responsibilities expected of the Trustees.

All Trustees and Governors are provided with policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role effectively, as well as training sessions provided by the Trust procured through the National Governors Association and other providers as appropriate.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Organisational structure

Trustees are responsible for strategic core governance functions, including:

- ensuring clarity of vision, ethos and strategic direction
- holding the Chief Executive Officer (CEO) and the Executive team, our Principals/Head of Schools to account for the educational performance of our schools, pupils and staff; and
- overseeing the financial performance of the Trust and our schools and ensuring that funds entrusted to SAT are spent in compliance with statutory requirements

Each Academy operates under the Scheme of Delegation, which can be viewed at www.satrust.com
Local Governing Bodies are responsible for ensuring their Academy operates within the Trust wide Scheme of Delegation.

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

The CEO of the Trust holds the position of Accounting Officer and his statement is included within this report. The Executive Leadership team are responsible for ensuring the educational outcomes, and strategic vision of the Trust throughout the Academies.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for the remuneration of key personnel are set out in the Trust's Pay Policy which is reviewed annually and ratified by the Trustees. The Pay Policy sets out the framework for decisions on all pay including senior management staff. The policies development is in line with current employment registration and considers the recommendations of the School Teachers' Pay and conditions Document (STPCD). The pay policy sits alongside the Trust Appraisal and capability policy which, when combined determine the process for assessing the performance and development needs of employees, as well as their eligibility for performance related pay and pay awards, against agreed objectives. The remuneration of the CEO is set and performance monitored by the Board of Trustees. There are no remuneration payments to Trustees

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Spencer Academies Trust Facility Time reporting 2023

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations require relevant public sector employers, including multi academy trusts, to publish information about facilities time provided trade union officials within the organisation before 31 July in the calendar year in which the relevant period to which the information relates ends (1 April to 31 March)

The reporting period cover by this report is 1 April 2022 to 31 March 2023.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1FTE

Percentage of time spent on facility time

Percentage of time	Number of employees
1%-50%	1

Percentage of pay bill spent on facility time

	2023
Total cost of facility time	8,990
Total pay bill	93,150,000
% of pay bill	0%

Paid trade union activities

	2023
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100

Connected organisations, including related party relationships

During the year the Trust established a wholly owned Charitable subsidiary, Spencer Superstars (Company Registration number: 13625834) to allow it to better support it's children, young people and their carers access extracurricular activities that they may excel in, or have an interest in exploring. Transactions of the subsidiary are detailed in note 31.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Engagement with Employees (Section 172 statement)

The Trust has throughout the year engaged with employees through a variety of methods to ensure that the needs of both the employees and Trust are best met. Policies and guidance are readily available and circulated at points of change, starts of employment or during periods when it is considered prudent to do so.

Academies within the Trust have systems in place to capture employee feedback, through the means of staff surveys and regular review meetings with individuals and groups of employees. The Trust has implemented a Trust wide formalised method for capturing employee morale and feedback, through automated anonymised employee surveys and is currently reviewing how best to act upon the feedback received to improve employee wellbeing and satisfaction.

The Trust is a disability confident employer and ensures that all employees and prospective employees are supported as effectively as possible within their role, to support with this the Trust continues to embed its Employee Assist Programme, covering health and wellbeing support for all employees and their families. To complement this the Trust has implemented networks across the Trust for equality, diversity and inclusion and employee wellbeing to explore and share best practice across all sites as well as to develop further initiatives. The Trust welcomes applications from all prospective employees, and has a continuing policy of giving disabled people full consideration for all vacancies for which they offer themselves as suitable applicants.

The Trust has a robust professional performance review policy and process that ensures all employees are engaged with their own performance and how this impacts their Academy and the wider Trust. The Trust is an equal opportunities employer of choice within the local area, and has robust recruitment and employee policies to ensure all employees are able to access employment, training, development and promotion regardless of any protected characteristics.

Engagement with suppliers, customers and others in a business relationship with the Trust (Section 172 statement)

The Trust continues to act in line with its values of aspiration, partnership and responsibility when interacting with all stakeholders. By the nature of the organisation the majority stakeholders are the pupils and their parents and carers. The Trust, and all its academies have clear policies to ensure that all pupils and their carers are recognised, and their comments and concerns are engaged with.

The Trust has continued to embed an appropriate procurement strategy to ensure that all suppliers are dealt with in an appropriate manner throughout the working relationship. Details of the Trust's terms and conditions for procurement are available on the Trust website. In addition to this the Trust has engaged with appropriate frameworks to ensure that best value is achieved whilst maintaining compliant arrangements.

By the nature of the Trust's operation there are limited customers to the Trust, the Trust engages with these on a localised basis as needed to ensure an ongoing relationship.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Objectives and activities

Objects and aims

The Trust's Objects, as disclosed in their Articles of Association are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the "Academies") offering a broad and balanced curriculum; and
- to promote for the benefit of individuals living in the East Midlands and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

The Trust is focused on providing a high quality, effective education to all its students leading to improved life chances through raising aspirations and fulfilling potential of all pupils within the Trust. The Trust has continued to support and challenge its Academies to ensure that all pupils are able to fulfil their potential, and to ensure that the Trust continues to develop world-class system leaders in pupils, staff and the wider community.

Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Achievements and performance

During 2022/23 the Trust continued to pursue its mission of delivering high quality education and delivering the best possible outcomes for children and young people across the East Midlands region.

The Trust continue to play a leading regional role in the academy sector and provide direct educational support and school-to-school improvement for other academy trusts. The Trust launched their three-year strategic plan in September 2022.

The Trusts 10 Strategic Goals are as follows:

1. Governance
2. Leadership
3. Curriculum
4. Learning and Teaching
5. Technology including Educational Tech
6. People including Wellbeing
7. Estates including Environment
8. Finance and Operations
9. Partnerships and Community
10. Growth

In September 2022 the Trust opened Millside Spencer Academy. This primary academy is the seventh free school that the Trust has opened via the DfE local authority presumption route. The Spencer Academy for leadership and training has continued to provide services through the regional Teaching School Hub, The Maths Hub, The Derby Research School and the Trust Apprenticeship Provider – Spencer Apprenticeships.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Ofsted Inspections:

Academy	Grading	Date
Arnold Hill Spencer Academy	Requires Improvement	Jan 2023
Ashwood Spencer Academy	Good	Mar 2023
Brackensdale Spencer Academy	Not yet inspected	
Castleward Spencer Academy	Not yet inspected	
Chellaston Fields Spencer Academy	Good	Oct 2023
Chetwynd Spencer Academy	Outstanding	Sep 2020
Clover Leys Spencer Academy	Not yet inspected	
Derby Moor Spencer Academy	Good	Jun 2022
Fairfield Spencer Academy	Good	Jul 2016
Farnborough Spencer Academy	Good	Sep 2022
George Spencer Academy	Good	Apr 2023
Glenbrook Spencer Academy	Good	Nov 2022
Heanor Gate Spencer Academy	Outstanding	Jun 2023
Highfields Spencer Academy	Requires Improvement	March 2023
Hilton Spencer Academy	Good	January 2023
John Port Spencer Academy	Good	May 2022
Long Field Spencer Academy	Good	Jun 2023
Millside Spencer Academy	Not yet inspected	
Portland Spencer Academy	Good	Jan 2022
Rosecliffe Spencer Academy	Good	Jun 2023
Rushcliffe Spencer Academy	Outstanding	Feb 2014
St Giles Spencer Academy	Outstanding	
Sunnyside Spencer Academy	Good	Jul 2023
The Mease Spencer Academy	Not yet inspected	
Wyndham Spencer Academy	Outstanding	May 2014

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report Primary Progress and Attainment

KS2 Writing	2022	2023	National *	FFT20	FFT5
Ashwood	57%	67%	71%	76%	80%
Brackensdale	51%	67%	71%	72%	78%
Chellaston Fields	N/A	67%	71%	86%	90%
Chetwynd	83%	79%	71%	94%	97%
Fairfield	78%	74%	71%	90%	93%
Glenbrook	63%	57%	71%	86%	90%
Hilton	75%	75%	71%	89%	92%
Inkersall	62%	75%	71%	90%	93%
Millside	N/A	80%	71%	98%	99%
Portland	72%	73%	71%	89%	92%
Rosecliffe	67%	65%	71%	89%	92%
Sunnyside	77%	80%	71%	85%	89%
Wyndham	72%	72%	71%	89%	92%

KS2 Reading	2022	2023	National	FFT20	FFT5
Ashwood	47%	59%	73%	72%	78%
Brackensdale	43%	55%	73%	69%	75%
Chellaston Fields	N/A	75%	73%	85%	89%
Chetwynd	85%	93%	73%	92%	95%
Fairfield	69%	61%	73%	87%	91%
Glenbrook	61%	57%	73%	82%	87%
Hilton	83%	81%	73%	86%	90%
Inkersall	58%	81%	73%	86%	90%
Millside	N/A	80%	73%	96%	98%
Portland	67%	75%	73%	85%	90%
Rosecliffe	80%	68%	73%	86%	90%
Sunnyside	93%	80%	73%	81%	86%
Wyndham	77%	68%	73%	85%	90%

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

KS2 Maths	2022	2023	National	FFT20	FFT5
Ashwood	46%	66%	73%	79%	84%
Brackensdale	53%	56%	73%	75%	81%
Chellaston Fields	N/A	75%	73%	91%	94%
Chetwynd	82%	95%	73%	95%	97%
Fairfield	68%	77%	73%	91%	94%
Glenbrook	63%	70%	73%	89%	92%
Hilton	92%	87%	73%	90%	93%
Inkersall	45%	70%	73%	90%	94%
Millside	N/A	80%	73%	98%	99%
Portland	73%	80%	73%	91%	95%
Rosecliffe	87%	90%	73%	90%	93%
Sunnyside	87%	83%	73%	86%	91%
Wyndham	73%	73%	73%	89%	93%

KS2 RWM	2022	2023	National	FFT20	FFT5
Ashwood	34%	55%	59%	67%	73%
Brackensdale	33%	42%	59%	61%	68%
Chellaston Fields	N/A	67%	59%	80%	85%
Chetwynd	78%	77%	59%	88%	93%
Fairfield	55%	51%	59%	83%	88%
Glenbrook	46%	48%	59%	77%	83%
Hilton	70%	67%	59%	80%	86%
Inkersall	33%	65%	59%	80%	87%
Millside	N/A	80%	59%	93%	97%
Portland	63%	58%	59%	81%	87%
Rosecliffe	60%	55%	59%	82%	87%
Sunnyside	73%	77%	59%	75%	82%
Wyndham	63%	63%	59%	80%	86%

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Students assessed

	Ashwood	Brackensdale	Chellaston Fields	Chetwynd	Fairfield	Glenbrook
Whole Cohort	87	64	24	57	128	61
FSM6 No	51	31	5	7	32	34
FSM6 %	58.6%	48.4%	20.8%	12.3%	25.0%	55.7%

	Hilton	Inkersall	Millside	Portland	Rosecliffe	Sunnyside	Wyndham
Whole Cohort	110	63	5	60	31	30	60
FSM6 No	15	23	1	28	7	16	26
FSM6 %	13.6%	36.5%	20.0%	46.7%	22.6%	53.3%	43.3%

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report Secondary Progress and Attainment

	Arnold Hill	Derby Moor	Farnborough	George Spencer	Heanor Gate	John Port	Long Field	Rushcliffe	Trust Overall	National
NOR 2022	262	261	122	289	224	329	126	278	1891	
NOR 2023	250	261	146	270	203	301	156	323	1910	
GCSE Grade 4+ Eng and Ma 2022	72%	70%	45%	76%	67%	79%	75%	92%	74%	69%
GCSE Grade 4+ Eng and Ma 2023	66%	60%	49%	76%	75%	79%	65%	89%	72%	67%
GCSE Grade 5+ Eng and Ma 2022	54%	46%	30%	56%	46%	61%	49%	81%	55%	50%
GCSE Grade 5+ Eng and Ma 2023	44%	42%	21%	54%	47%	60%	42%	73%	51%	47%
Progress Score 2022	0.09	0.25	-0.44	-0.05	0.18	0.01	0.08	0.50	0.11	0.00
Progress Score 2023 (FFT Predicted)	-0.17	-0.23	-0.64	0.01	0.32	0.22	-0.04	0.93	0.13	0.00

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Key performance indicators

The Trust Board adopts a holistic view to measuring performance of the Trust and its Academies ensuring that they are measured across all performance indicators, as well as by discussion following visits by ELT members and peers within the Trust. All Academies within the Trust are tracked across the following metrics: OFSTED grading, academic attainment and progress of the cohorts, number on roll versus capacity, attendance, pupil and staff turnover, and financial stability and sustainability. In addition to these the Board of Directors reviews across all elements of operational efficacy ranging through safeguarding indicators, reviews of book scrutiny, health and safety and compliance health checks and internal audit recommendations.

Going concern

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

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Promoting the Success of the Trust (Section 172 statement)

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take “promoting the success of the company” to mean “promoting the success of the charity to achieve its charitable purposes.”

The Spencer Academies Trust is governed by its charitable objects. These charitable objects set out the purpose of the Charity. The consequences of all decisions and activities of the charity are assessed by how they drive the Trust towards achieving that long-term purpose, including by reference to the Charity’s strategy, vision and values. As an educational charity, the Trust is accountable to the wider community as well as our pupils and funders.

The Trust continues to act in line with its values of aspiration, partnership and responsibility when interacting with all stakeholders, and these stakeholders, by engaging with the Trust, continue to challenge us to improve as well as supporting the Trust. It is the focus on these stakeholders that ensures the Trust focus the decisions made as a charity, from the local academy level through to the Board, are for their wider benefit. Well-established involvement in local academy and Trust practice and the mechanism of linking Trustees with individual academies and governing boards, ensure that decisions made by the Trustees are informed by the needs of the organisation’s stakeholders.

Long-term consequences of any decision

Trustees consider the long-term consequences of any strategic decision as part of their ongoing assessment prior to, and throughout the enacting of. The Trust operates financial metrics to safeguard the overall sustainability, however this is balanced against the needs of the pupils, employees and other stakeholders to ensure that we are appropriately spending government funding in line with our objects.

The interests of the Trust’s employees

Details of how the Trustees gives consideration to the interests of the organisation’s employees can be found in the section Engagement with employees within this Report.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

The need to foster the Trust's business relationships with suppliers, customers and others.

Details of how the Trustees gives consideration to the interests of the organisation's other stakeholders can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust.

The impact of the Trust's operations on the community and the environment.

Details of how the Trustees gives consideration to the impact on the community can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust. Further information is also given in the section on Public Benefit.

The desirability of the Trust maintaining a reputation for high standards of business conduct.

The Trust aims to conduct all its relationships with integrity and courtesy, and to honour every business agreement. The Trustees and employees adhere to the seven principals of public life and conduct themselves in line with these. In order to facilitate this behaviour the Trust has approved a number of policies that help maintain these high standards of business conduct; these include the Anti-Fraud policy, Whistleblowing Policy, and Gifts and Hospitality Policy.

The need to act fairly as between members of the Trust:

All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees or the executive leadership, and being invited to participate in training or relevant strategic events.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

Financial review

This set of accounts lays out the financial performance for the Trust for the year ended to 31 August 2023. Funding is primarily received through the Funding Agreements that the Trust has with the Secretary of State for each academy within the Trust. This funding is based upon the number of students on each academy's roll, and is restricted for expenditure solely for the purposes of meeting the terms of the Funding Agreement. Funding is lagged for 12 months, unless within a Free School in which case it is based on estimated in year pupil number on roll and adjusted at the end of the year.

Revenue expenditure during the period has been overseen by the Executive Leadership of the Trust, along with the Principals of the Academies. Capital expenditure, funded by the Multi Academy Trust School Condition Allocation has been overseen and directed by the Trust Executive Leadership Team in line with the strategic forward plan for the Trust as a whole, as well as reactive needs of the estate of the Trust as required. The Board of Directors has oversight of financial reports, and holds the view that expenditure has been effectively managed in line with the Trust's financial policies and procedures, and has been of a prudent, fair and reasonable nature.

The majority of revenue expenditure has been in relation to staffing costs, both teaching and support, as is reasonably expected within academies

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

The Trust has recognised £37,928k (2021/22: £8,670k) in Capital grants through the Multi-Academy Trust School Condition Allocation, Section 106 funding from the Local Authority and other Local Authority Capital Grants of which is restricted to be spent on fixed assets.

Cash balances for the Trust were £14,221k at year end (2021/22: £20,249k).

At 31 August 2023 the Trust had a surplus of £48,498k (2021/22: surplus of £63,703k), this includes an actuarial gain on the LGPS scheme of £10,193k (2021/22: Gain of £61,384k gain) as well as donated assets of the land and building at Millside Spencer Academy.

Pension Liabilities have decreased in the year, following changes to the actuary processed and pension assessments by the respective Local Authorities, to £5,506k (2022: £13,951k) overall.

The Balance Sheet as at 31 August 2023 has a positive position with net assets, excluding pension liability, amounting to £309,949k (2021/22: £275,402k).

Reserves policy

It is the responsibility of the Directors to ensure that the Trust is able to continue to operate on a going concern basis, and its constituent Academies.

The Directors have established a policy to monitor reserves, by individual academy, and as a whole, to ensure they are maintained at an appropriate level. The Trust aims to hold 10% of all in year core grant income (GAG, PP, other DFE grants) in reserves at both academy and consolidated level, for 2023 this equated to £10,623K. Where the Directors feel that additional support is required to improve an individual reserve this is provided by the Executive Leadership Team in collaboration with the Directors and Academy Executive Leadership.

Where there is a known capital requirement in the future the Trust may opt to increase the reserves held at either Local Academy or Trust level to ensure that the project can be undertaken without unnecessary risk to the day to day operations and educational outcomes. Where Academies or the Central Trust function hold more than 10% reserves, that are not earmarked, or ring fenced for ongoing or future projects, the needs of the academy as assessed alongside the projected financial position, and a plan for the appropriate use of the funds at the relevant point in time to maximise impact is developed.

At all times the Directors consider the benefit of utilising reserves for long term investment in the Trust Activities whilst minimising the risk to cash flow. The accumulation of healthy reserves allows the Trust to be reactive to the changing landscape and invest where necessary, in changes to curriculum delivery and facilities development without impact on the current year budget.

As at 31 August 2023 the Trust held total funds of £309,409k, which includes; £11,910k restricted funds (excluding pension reserves) available for general purposes of the Trust; £4,142k of free unrestricted reserves available for general use; and £299,403k of fixed asset restricted reserves; of which £272,974k can only be realised on the disposal of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £16,052k.

Investment policy

Due to the nature of the funding cycle, the Trust, may at times, hold large cash balances which may not be required for immediate use. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Principal risks and uncertainties

The Trustees have considered the major risks to which the Trust is exposed over the coming period and have reviewed the risks accordingly.

The Trustees have established an Audit and Risk Committee to review the risks to the Trust and propose actions to mitigate these risks.

The principal risks to the Trust identified are:

- Impact in real terms of proposed changes to the Funding Formulae

The Trust continues to reforecast the current, and long term, budgets in line with published changes to the funding across, General Annual Grant, Pupil Premium, LA funding and additional funding grants (Teachers' Pension and Teachers' Pay grants) and continues to review the projections. This allows for reallocation of funds as required to maintain financial sustainability and educational progress.

- Reduction in student numbers across the Trust.

The Trust wide approach to educational outcomes, as well as the whole child approach, ensures that our Academies remain a desirable option for parents, minimising the risk of the falling roles across the Academies. The Trust has increased its focus on providing wrap around care and extended educational provision to increase the support to parents of the pupils and minimise the risk of reduced pupil numbers.

- Estates Management

The Trust employees the use of a Strategic Estates plan in order to assess and mitigate risks around estate management in the coming years. The board have oversight of known and potential risks and threats around estates through a dedicated committee and ongoing communication between senior estates management colleagues and designated board members. The Trust deploys the School condition allocation centrally to ensure that this is targeted at any identified future risks as a priority.

- Staffing

The Trust relies on high quality recruitment and retention of teachers, leaders and education support professionals. The Trustees ensure that appropriate succession planning is in place and that HR/recruitment structures and policies ensure that continued attention and action is focussed on attracting and supporting trust personnel.

- Safeguarding

The Trustees ensure that all aspects of safeguarding receive the highest levels of attention to maintain standards across safeguarding and child protection and challenge and support all personnel, policies and practices to ensure that a culture of strong safeguarding provision and care is continually provided.

- Failure to deliver positive outcomes

The Trust monitors current progress and attainment throughout the year, benchmarking against known comparators, and working in collaboration both within and without, to ensure that educational outcomes are positive and all pupils achieve their potential.

- Impact of current economic landscape, including cost of living and energy crisis's

The Trust continues to reforecast the current, and long term, budgets to include the impact of the increased costs, including potential future cost increases, associated with operating within the current economic climate.

The Trustees have identified specific actions with regard to each of these areas, and they are reviewed alongside

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

the general risks at Audit and Risk Committee meetings and form part of the Risk Register.

Fundraising

The Trust does not use any external fundraisers. All fundraising during the year was monitored by the Leadership of the relevant academy and the Trustees.

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 01 September 2022 to 31 August 2023

	2023	2022
Energy consumption used to calculate emissions (kWh)	23,824,328	19,602,460
Scope 1 emissions in metric tonnes CO2e		
Owned transport - mini-buses	13.82	11.85
Gas consumption	2,434.4	2,231.17
Bio fuel	590.92	434.78
Total scope 1	3,039.13	2,677.8
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	1,972.66	1,385.46
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	55.09	39.79
Total gross emissions in metric tonnes CO2e	5,066.88	4,103.05
Intensity ratio		
Tonnes CO2e per pupil	0.29	0.25

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust has rolled out video conferencing systems to limit the need for business miles, all utility meters have been fitted with half hourly reading to ensure accurate bills and the Trust has engaged with the Department of Education Salix Energy Efficiency fund and Salix programmes to allow for improvements to energy efficient lighting systems, heating systems and insulations. The Trust is currently exploring Solar PV for all sites in order to limit the need for brown electricity

The Spencer Academies Trust

Trustees' Report for the Year Ended 31 August 2023 (continued)

Strategic Report

Plans for future periods

The Trust will be driven by strong governance and ambitious leadership towards its vision, which is to be an exceptional Trust, which provides an outstanding education for local children.

The Trust remains committed to evolving as a high-performing, sustainable organisation and is optimistic about future developments, including preparations to open a flagship secondary Free School, and meeting Trust Goals outlined in the One-Spencer Plan.

Trust investment in estates, the environment and facilities to the value of over £30m is planned for the coming years.

Funds held as Custodian Trustee

The Trust administrates funds as a Trustee for Spencer Superstars Ltd (13625834), in this capacity they hold the cash balances for the charity and administer payments from those on their behalf.

Spencer Superstars objects are the prevention or relief of poverty in the areas in which Spencer Academies Trust operates academies by providing; Grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty. With a specific aim to increase access to extracurricular activities across Spencer Academies Trust cohorts with a focus on arts, science, sports, social benefit and entrepreneurial activities.

These funds are held in bank accounts for the entity and accounted for on separate financial database, funds are disbursed as instructed by the Charity, following agreement at their board.

Details of the transactions undertaken in the year, and balances at year end can be found in notes 28 and 31.

Auditor

In so far as the Trustees are aware:

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

This Trustees' Report, incorporating the Strategic Report, was approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:


[Donna Kinderman \(Dec 21, 2023 12:37 GMT\)](#)

.....
D Kinderman
Trustee

The Spencer Academies Trust

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Spencer Academies 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.

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

The Board of Trustees has delegated the day-to-day responsibility to P West, 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 Spencer Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met three times during the year.

Attendance during the year at meetings of the Board of Trustees and constituent sub committees, was as follows:

Trustee	Meetings attended	Out of a possible
D Kinderman	3	3
M Batchelor	3	3
G Weightman	3	3
J Smith	3	3
J Dale	1	3
M Thompson	1	3
G Mukuka	2	3
P West	3	3
S Mullins	2	3
M Currie	2	2
M Budwal	1	1

During the year, following review of Trustee skills analysis, the board have welcomed three new trustees, M Currie, S Mullins and M Budwal.

The Board has undertaken a DfE supported governance review through the National Leaders of Governance programme and reviewed the resultant findings to enhance its effectiveness.

The Board declare all business and pecuniary interests at the start of the year, when any interests change, and declare anything in each board and committee meeting. Board members who have an interest in any items on the agenda are excused for that item, and do not form part of any decision making around such items. This is

The Spencer Academies Trust

Governance Statement

managed by the clerk to the board.

There have been five sub-committees of the Board of Trustees for the year ended 31 August 2023, Resources (Finance and Personnel), Audit and Risk, Quality and Standards, Estates and Health and Safety, and Remuneration.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure appropriate action is taken to secure ongoing financial viability at Trust Level, through providing strategic guidance, support and challenge around all areas of Trust resources, including, but not limited to, financial procedures and process, effective management and deployment of government grants, capital maintenance programs, staffing structures, budget setting, ratification and review. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
G Mukuka	3	3
D Kinderman	3	3
G Weightman	2	3
J Smith	2	3
M Thompson	2	3
P West	3	3
M Batchelor	3	3
M Currie	3	3

The Quality and Standards Committee is also a sub-committee of the main Board of Trustees. Its purpose is to Monitor and evaluate the Trust's school improvement model, and ensure that standards or progress and attainment are maintained and improved across the Trust academies.

Attendance at the Quality and Standards committee in the year was as follows:

Trustees	Meetings attended	Out of a possible
M Bachelor	3	3
D Kinderman	3	3
G Weightman	1	3
J Dale	3	3
P West	3	3
M Currie	2	3
S Mullins	1	3

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the financial and other statutory returns of the Trust, and to hold the Executive to account for compliance with the regulations of the Academies Handbook, and other requirements. Attendance at the Audit Committee in the year was as follows:

The Spencer Academies Trust

Governance Statement

Trustee	Meetings attended	Out of a possible
M Batchelor	3	4
J Smith	3	4
P West	4	4
G Mukuka	3	4
M Budwal	1	4
D Kinderman	4	4
M Thompson	1	4

The Estates Committee is a subcommittee of the Board of Directors. Its purpose is to review and monitor the maintenance and development of the Trust's estate and to hold the Executive to account on matters relating to the Estates and Health and Safety It met three times during the year, with attendance as follows:

Trustees	Meetings attended	Out of a possible
M Bachelor	3	3
D Kinderman	3	3
G Weightman	3	3
P West	3	3
J Smith	3	3
S Mullins	1	3

The Remuneration Committee has the delegated powers to review remuneration for the CEO and other senior staff with remuneration above the levels set out in the Scheme of Delegation. It met once during the year, with attendance as follows:

Trustees	Meetings attended	Out of a possible
M Bachelor	1	1
M Thompson	1	1
D Kinderman	1	1
P West	1	1

Review of value for money

As Accounting Officer, P West, 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

The Trust is committed to raising attainment and progress and for continuously improving the education received by all its pupils.

The Spencer Academies Trust

Governance Statement

The Trust has implemented a dedicated central team to deliver in house centralised business function support to allow for consistent low-cost finance, HR, payroll and recruitment functions allowing the Academies to focus on Teaching and Learning objectives.

The Trust has implemented a centralised estates strategy that manages estates compliance, maintenance and improvements across the estate. This strategy includes regular condition surveys, as well as regularised maintenance checks that are fed into by all sites to ensure that any issues are dealt with in a timely manner. The long-term estates strategy is used to prioritise the use of the School Condition Allocation and any other capital funding that is received, to ensure that it maintains the state of the estate safely and effectively. Information on the detail of the Capital works is shared with the board through the estates committee and resources committee meetings.

Centralised procurement is enabled through the Trust Central Team, allowing for economies of scale, ensuring best value and cost savings are realised within the Academies.

The Trust takes a deliberate and focused approach to collaboration across the Trust; sharing best practice across all phases. Trust-wide Continuous Professional Development and implementations of multi academy processes for reviewing, monitoring and implementing impacts of intervention to maximise benefit to students helps to ensure the maximum realisation of potential across all pupils.

The financial performance of the Trust has been sound over the year, against a backdrop of tightening funding and increased operational costs, and the Trust's reserves remain healthy. The Board is committed to ensuring that the students across the Trust are advantaged by being part of the Trust and therefore ensure that the reserves are deployed into appropriate projects to benefit our students, whilst being mindful of the need to maintain a healthy reserves position to ensure financial stability.

The purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Spencer Academies Trust for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

The Spencer Academies Trust

Governance Statement

- regular reviews by the Finance and General Purposes Committee of each academy of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and decided:

- to appoint Haines Watts Chartered Accountants as internal auditor from 2018/19.

In the year 2022/23 Haines Watts, now Validera, have undertaken a review of the financial regulations in place, and have fulfilled an internal audit schedule to cover the principal risks to the Trust. In this year they have reviewed; Safeguarding; Transport; Equality Diversity and Inclusion; Information Governance and followed up on previous reviews of Financial Controls and Health and Safety. There are currently two reviews underway awaiting completion; Payroll and Expenses and HR processes.


Review of Effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor;
- correspondence from ESFA.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:


Donna Kinderman (Dec 21, 2023 12:37 GMT)

.....
D Kinderman
Trustee


Paul West (Dec 20, 2023 16:12 GMT)

.....
P West
Chief Executive Officer

The Spencer Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Spencer Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, including for estates safety and management under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Handbook 2022, including responsibilities for estates safety and management

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Handbook 2022.

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 Governing Body and ESFA.


Paul West (Dec 20, 2023 16:12 GMT)

.....
P West
Accounting Officer

Date: 12 December 2023

The Spencer Academies Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 12 December 2023 and signed on its behalf by:


Donna Kinderman (Dec 21, 2023 12:37 GMT)

.....
D Kinderman
Trustee

The Spencer Academies Trust

Independent auditor's report to the members of the Spencer Academies Trust

Opinion

We have audited the financial statements of the Spencer Academies Trust ("the 'Academy Trust'") for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure account), 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

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 company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

The Spencer Academies Trust

Independent auditor's report to the members of the Spencer Academies Trust

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 course of 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 this gives rise to a material misstatement in the financial statement. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 30, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Spencer Academies Trust

Independent auditor's report to the members of the Spencer Academies Trust

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Academy Trust and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off assertion subject to your revenue recognition significant fraud risk) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The Spencer Academies Trust Independent auditor's report to the members of the Spencer Academies Trust

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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



David Hoose (Dec 21, 2023 12:52 GMT)

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Date: Dec 21, 2023

The Spencer Academies Trust Independent Reporting Accountant's Assurance Report on Regularity to the Spencer Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Spencer Academies Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Spencer Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Spencer Academies Trust and the ESFA those matters we are required to state to it 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 Spencer Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Spencer Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Spencer Academies Trust's funding agreement with the Secretary of State for Education (Dated 26 August 2010) and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

The Spencer Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to the Spencer Academies Trust and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The logo for Mazars LLP, featuring the company name in a stylized, handwritten-style font.

Mazars LLP (Dec 21, 2023 12:54 GMT)

Mazars LLP
Chartered Accountants and Statutory Auditors
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 21, 2023

The Spencer Academies Trust

(Registration number: 07353824)


Statement of Financial Activities for the Year Ended 31 August 2022
(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2022/23 Total £000	2021/22 As Restated Total £000
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	59	-	37,928	37,987	8,774
Transfers on conversion	2/30	-	-	8,513	8,513	6,869
<i>Charitable activities:</i>						
Funding for the Academy						
trust's educational operations	3	2,209	115,093	-	117,302	105,040
Teaching schools	3	-	1,081	-	1,081	956
Other trading activities	4	487	766	-	1,253	1,580
Investments	5	242			242	10
Total		<u>2,997</u>	<u>116,940</u>	<u>46,441</u>	<u>166,378</u>	<u>123,229</u>
Expenditure on:						
Raising funds	6	244	220	-	464	1,201
<i>Charitable activities:</i>						
Grants						
Academy trust educational		-	-	849	849	-
operations	7	2,293	116,471	6,460	125,224	119,530
Teaching schools	3		1,536		1,536	169
Total		<u>2,537</u>	<u>118,227</u>	<u>7,309</u>	<u>128,073</u>	<u>120,900</u>
Net (expenditure)/income		460	(1,287)	39,132	38,305	2,319
Transfers between funds	17	-	(1,310)	1,310	0	-
Other recognised gains and losses						
Actuarial gains/(loss) on defined benefit pension schemes	27	-	10,193	-	10,193	61,384
Net movement in funds		460	7,596	40,442	48,498	63,703
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2022 as restated		3,682	(1,191)	258,960	261,451	197,748
Total funds carried forward at 31 August 2023		<u>4,142</u>	<u>6,405</u>	<u>299,402</u>	<u>309,949</u>	<u>261,451</u>

The Spencer Academies Trust
(Registration number: 07353824)
Balance Sheet as at 31 August 2023

	Note	2023 £000	2022 as restated £000
Fixed assets			
Intangible assets	12	3	9
Tangible assets	13	272,974	257,419
		<u>272,977</u>	<u>257,428</u>
Current assets			
Debtors	14	40,611	8,941
Cash at bank and in hand		14,221	20,249
		<u>54,832</u>	<u>29,190</u>
Liabilities			
Creditors: Amounts falling due within one year	15	(12,134)	(10,902)
Net current assets		<u>42,698</u>	<u>18,288</u>
Total assets less current liabilities		315,675	275,716
Creditors: Amounts falling due after more than one year	16	(220)	(314)
Net assets excluding pension liability		315,455	275,402
Defined benefit pension scheme liability	27	(5,506)	(13,951)
Total net assets including pension liability		<u>309,949</u>	<u>261,451</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	17	11,910	12,760
Restricted fixed asset fund	17	299,403	258,960
Restricted pension fund	17	(5,506)	(13,951)
		<u>305,807</u>	<u>257,769</u>
Unrestricted funds			
Unrestricted general fund	17	4,142	3,682
Total funds		<u>309,949</u>	<u>261,451</u>

The financial statements on pages 37 to 71 were approved by the Trustees, and authorised for issue on 12 December 2023 and signed on their behalf by:


[D Kinderman \(Dec 21, 2023 12:37 GMT\)](#)

D Kinderman
Trustee


[Paul West \(Dec 20, 2023 16:12 GMT\)](#)

P West
Chief Executive Officer

The Spencer Academies Trust

Statement of Cash Flows for the Year Ended 31 August 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	(249)	4,748
Cash flows from investing activities	23	(5,688)	(1,225)
Cash flows from financing activities	22	(91)	(89)
Change in cash and cash equivalents in the year		(6,028)	3,434
Cash and cash equivalents at 1 September		20,249	16,815
Cash and cash equivalents at 31 August	24	14,221	20,249

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they will continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Sponsorship income

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

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the academy 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 academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Computer software	3 years straight line

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 Academy 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 over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Leasehold Land	125 years in line with terms of lease
Freehold property	50 years straight line
Long-term Leasehold property	10-75 years straight line
Motor vehicles	4 years straight line
Furniture and Fixtures	8 years straight line
Computer equipment	3 years straight line

Liabilities

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

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Leased assets

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

Financial Instruments

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

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

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

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

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 Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Management Judgement

The actuarial valuation involves making assumptions such as standard rates of inflation, mortality, discount rates and anticipation of future salary increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. The asset on 31 August 2023 was £61,628K. For certain schools in the Trust, the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date. Therefore, for these schools the plan has a notional surplus. As management do note consider that the Trust will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.2 of FRS102. Note 27 includes details of the effects of changes in the key assumptions on this liability.

PFI Judgement

The Trust occupies certain land and buildings under a Private Finance initiative (PFI) agreement until a certain future date at which point the lease transfers to the Trust. As the Trust benefits from the risks and rewards of the asset already that land and buildings have been included on the balance sheet as a fixed asset.

Basis of Consolidation

During the year Spencer Superstars, a subsidiary of the Academy Trust, was incorporated on 16th September 2021 as a company limited by guarantee without share capital. The company number for the subsidiary is 13625834.

The financial statements present information about the academy trust as an individual entity and not about the group. The academy trust has taken advantage of the exemption not to prepare group accounts, as the subsidiary company is immaterial to the group.

Agency accounting

The demy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	2022/23 Total £000	2021/22 as restated Total £000
Other voluntary income					
Capital grants	-	-	37,931	37,931	8,670
Donated Fixed Asset	-	-	(3)	(3)	-
Transfers on conversion	-	-	8,513	8,513	-
Other donations	59	-	-	59	104
	<u>59</u>	<u>-</u>	<u>46,441</u>	<u>46,500</u>	<u>8,774</u>

The income from donations and capital grants was £46,499,579 (2021/2: £8,773,923) of which £58,626 was unrestricted (2021/22: £104,261), £nil restricted (2021/22: £nil) and £46,440,953 restricted fixed assets (2021/22: £8,669,658).

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2022/23 Total £000	2021/22 Total £000
General Annual Grant (GA)	-	93,309	93,309	87,914
Other DfE/ESFA grants				
Schools supplementary Grant		2,844	2,844	1,031
Pupil Premium		4,918	4,918	4,509
Other DfE/ESFA grants	-	5,030	5,030	1,805
	-	106,101	106,101	95,259
Other government grants				
Teaching School grants	-	806	806	1,834
Local authority grants	-	7,338	7,338	6,376
Special educational projects	-	55	55	83
	-	8,199	8,199	8,293
COVID-19 additional funding				
Mass testing	-	-	-	119
Other income from the Academy Trust's educational operations	2,209	1,874	4,083	2,325
Total grants	2,209	116,174	118,383	105,996

The funding for educational operations was £118,383,130 (2021/22: £105,039,904) of which £2,209,238 was unrestricted (2021/22: £2,322,088), £116,173,892 restricted (2021/22: £102,717,816) and £Nil restricted fixed assets (2021/22: £Nil).

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	2022/23 Total £000	2021/22 Total £000
Hire of facilities	277	-	277	271
Other sales	-	109	108	646
Income from other charitable activities	210	657	867	663
	487	766	1,253	1,580

The income from other trading activities was £1,253K (2021/22: £1,581K) of which £487K was unrestricted (2021/22: £699K), £766K restricted (2021/22: £882K) and £Nil restricted fixed assets (2021/22: £Nil).

5 Investment income

	Unrestricted funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Interest Received	242	242	10

The income from investments was £242,275 (2021/22: £10,264) of which £242,275 was unrestricted (2021/22: £10,264), £Nil restricted (2021/22: £Nil) and £Nil restricted fixed assets (2021/22: £Nil).

6 Expenditure

	Non Pay Expenditure			2022/23	2021/22
	Staff costs £000	Premises £000	Other costs £000	Total £000	Total £000
Expenditure on raising funds					
Direct costs	-	-	-	-	45
Allocated support costs	103	191	170	464	1,156
Grants	-	849	-	849	-
Academy's educational operations					
Direct costs	79,476	4,452	8,923	92,851	81,339
Allocated support costs	12,843	9,267	10,265	32,375	38,191
Teaching School	728	21	788	1,536	169
	93,149	14,780	20,146	128,073	120,900

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2022/23	2021/22
	£000	£000
Operating lease rentals	1,079	1,327
Depreciation	6,453	5,571
Amortisation of intangible fixed assets	6	6
Fees payable to auditor - audit	50	44
- other audit services	24	8
	24	8

7 Charitable activities

	2022/23	2021/22
	£000	£000
Direct costs - educational operations	92,851	81,339
Support costs - educational operations	32,375	38,191
	125,226	119,530

	Teaching School £000	Educational operations £000	2022/23 Total £000	2021/22 Total £000
Analysis of support costs				
Support staff costs	-	12,843	12,843	19,101
Depreciation	-	2,008	2,008	1,589
Technology costs	-	3,640	3,640	2,621
Premises costs	21	9,267	9,288	9,039
Other support costs	66	4,440	4,506	5,697
Governance costs	-	101	101	144
Legal Costs	-	73	73	-
Total support costs	87	32,375	32,459	38,191

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Staff

Staff costs

	2023/22 £ 000	2021/22 £ 000
Staff costs during the year were:		
Wages and salaries	66,915	60,936
Social security costs	6,765	6,190
Operating costs of defined benefit pension schemes	16,536	21,042
	90,216	88,168
Supply staff costs	2,887	1,645
Staff restructuring costs	47	43
	93,150	89,856
	2023/22 £ 000	2021/22 £ 000
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	47	43
Other restructuring costs	-	-
	47	43

The academy trust paid 3 severance payments in the year, disclosed in the following bands:

£0 - £25,000 3

The Trust made no non-contractual severance payments in the year (2021/22:£nil)

Staff numbers

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

	2022/23 No	2021/22 No
Teachers	1,087	1,073
Administration and support	1,534	1,772
Management	16	16
	2,637	2,861

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Staff (continued)

Higher paid staff

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

	2022/23	2021/22
	No	No
£60,001 - £70,000	40	28
£70,001 - £80,000	19	11
£80,001 - £90,000	6	1
£90,001 - £100,000	3	3
£100,001 - £110,000	4	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£130,001 - £140,000	-	2
£140,001 - £150,000	2	1
£220,001 - £230,000	-	1
£230,001 - £240,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the Executive Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,313,961 (2021/22: £1,223,304).

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

9 Central services

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

- Human resources
- Financial Services
- Legal services
- Educational support services
- Estates / H & S
- Others as arising

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

The schools are charged a fixed percentage of GAG of 6%

The actual amounts charged during the year were as follows:

	2022/23	2021/22
St Giles Spencer Academy	84	84
Ashwood Spencer Academy	164	165
Brackensdale Spencer Academy	142	136
Castleward Spencer Academy	22	14
Chellaston Fields Spencer Academy	38	31
Chetwynd Spencer Academy	109	106
Clover Leys Spencer Academy	17	14
Fairfield Spencer Academy	166	156
Glenbrook Spencer Academy	115	117
Highfields Spencer Academy	37	22
Hilton Spencer Academy	168	177
Inkersall Spencer Academy	88	87
The Mease Spencer Academy	32	24
Millside Spencer Academy	35	-
Portland Spencer Academy	119	108
Rosecliffe Spencer Academy	52	42
Sunnyside Spencer Academy	59	60
Wyndham Spencer Academy	122	116
Arnold Hill Spencer Academy	510	489
Derby Moor Spencer Academy	595	548
Farnborough Spencer Academy	350	303
George Spencer Academy	540	528
Heanor Gate Spencer Academy	456	444
John Port Spencer Academy	647	625
Long Field Spencer Academy	277	225
Rushcliffe Spencer Academy	635	577
	<hr/> <hr/>	<hr/> <hr/>
	5,579	5,198

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees.

P West (Chief Executive Officer)

Remuneration: £235,000 - £240,000 (2022: £225,000 - £230,000)

Employer's pension contributions: £55,000 - £60,000 (2022: £50,000 - £55,000)

Trustees expenses of £286 were paid in the year for two trustees for travel expenses (2021/22 nil).

Other related party transactions involving the Trustees are set out in note 28.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was not separately identifiable from the other insurance premiums (2022 - the cost for the year ended 31 August 2022 was not separately identifiable from the other insurance premiums).

The cost of this insurance is included in the total insurance cost.

12 Intangible fixed assets

	Computer software £ 000	Total £ 000
Cost		
At 1 September 2022	83	83
At 31 August 2023	83	83
Amortisation		
At 1 September 2022	74	74
Charge for the year	6	6
At 31 August 2023	80	80
Net book value		
At 31 August 2022	9	9
At 31 August 2023	3	3

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

13 Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Furniture and equipment £000	Plant and equipment £000	Assets under construction £000	Total £000
Cost						
At 1						
September 2022	173,546	93,096	12,473	4,047	3,938	287,103
Additions	1078	540	3,394	505	7,981	13,498
Acquisitions		8,513				8,513
Transfer of assets	442	18	331		(793)	(2)
Disposals	-	-	-	(36)		(36)
At 31 August 2023	<u>175,066</u>	<u>102,167</u>	<u>16,198</u>	<u>4,516</u>	<u>11,126</u>	<u>309,076</u>
Depreciation						
At 1						
September 2022	14,079	7,705	4,338	3,560	-	29,682
Charge for the year	2,680	1,771	1,622	380	-	6,453
Disposals				(36)	-	(36)
At 31 August 2023	<u>16,759</u>	<u>9,476</u>	<u>5,960</u>	<u>3,904</u>	<u>-</u>	<u>36,099</u>
Net book value						
At 31 August 2023	<u>158,307</u>	<u>92,691</u>	<u>10,238</u>	<u>612</u>	<u>11,126</u>	<u>272,974</u>
At 31 August 2022	<u>159,468</u>	<u>85,391</u>	<u>8,135</u>	<u>487</u>	<u>3,938</u>	<u>257,419</u>

14 Debtors

	2023 £ 000	2022 £ 000
Trade debtors	420	624
VAT recoverable	3,836	1,516
Other debtors	1	1
Prepayments	1,988	1,071
Accrued grant and other income	<u>34,366</u>	<u>5,729</u>
	<u>40,611</u>	<u>8,941</u>

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Creditors: amounts falling due within one year

	2022/23	2021/22
	£ 000	£ 000
Trade creditors	4,032	1,938
Other taxation and social security	1,844	1,502
Loans	96	92
Other creditors	76	215
Accruals	1,664	2,913
Deferred income	2,561	2,688
Pension scheme creditor	1,861	1,554
	12,134	10,902

For details of loans see Note 16.

	2022/23	2021/22
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2022	2,688	1,089
Resources deferred in the period	2,562	2,688
Amounts released from previous periods	(2,688)	(1,089)
Deferred income at 31 August 2023	2,562	2,688

The sources of income deferred are National Non-domestic rates (£201K), Universal Infant Free School Meals (£406K), High Needs funding (£271K), school trip and events income (£779K), National Tutoring Funding clawback income (£354K), other DfE/ESFA grants (£218K) other local government grants (£219k), Maths Hub Clawback (£36k) and other income (£77k).

16 Creditors: amounts falling due after one year

	2022/23	2021/22
	£ 000	£ 000
Loan amounts falling due after one year	220	314

Loans comprise low interest, unsecured Government funding specifically dedicated to support energy efficiency projects for the public sector and were considered the most economically advantageous way to fund the energy projects for the academy trust:

Salix Loans

The loans relate to Salix loans received from Nottinghamshire County Council. The loans are being repaid by annual instalments. The balance of Salix loans is £96k (2021/22: £185k).

(MAT) Pilot Loan Programme

The (MAT) Pilot Loan Programme is received from the Secretary of State for Education. The amount outstanding at the year end is £219k (2021/22: £221k).

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds

	Balance at 01/09/2022 As restated £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers In/Out £ 000	Gains/ (Losses) £ 000	Balance at 31/08/2023 £ 000
Restricted general funds						
General Annual Grant (GAG)	11,714	93,310	(92,394)	(1,310)	-	11,320
Pupil premium	-	4,918	(4,918)	-	-	-
School Supplementary Grant	-	2,844	(2,844)	-	-	-
Teaching School Hub	1,046	1,081	(1,536)	-	-	591
Other grants and income	-	14,787	(14,787)	-	-	-
Pension reserve	(13,951)	-	(1,748)	-	10,193	(5,506)
	(1,191)	116,940	(118,227)	(1,310)	10,193	6,405
Restricted fixed asset funds						
DfE/ESFA and other capital grants	219,559	37,931	(4,451)	-	-	253,039
Donated on conversion	39,401	8,510	(2,857)	-	-	45,054
Capital expenditure from GAG	-	-	-	1,310	-	1,310
	258,960	46,441	(7,309)	1,310	0	299,403
Unrestricted funds						
Unrestricted funds	3,682	2,997	(2,537)	-	-	4,142
Total unrestricted funds	3,682	2,996	(2,537)	0	0	4,142
Total funds	261,451	166,378	(128,072)	0	10,193	309,949

Transfers from Restricted fund represent £1,310K in capital purchases funded through GAG

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds (continued)

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

	Balance at 1 September 2021 As Restated	Incoming Resources as restated	Resources Expended as restated	Gains, Losses and transfers as restated	Balance at 31 August 2022 as restated
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	9,744	86,524	(79,965)	(4,589)	11,714
Pupil Premium	-	4,400	(4,400)	-	-
Other grants and restricted income	-	16,428	(16,428)	-	-
Transfers on conversion	-	(27)	27	-	-
Teaching schools	259	956	(169)	-	1,046
	<u>10,003</u>	<u>108,281</u>	<u>(100,935)</u>	<u>(4,589)</u>	<u>12,760</u>
Restricted fixed asset funds					
Restricted fixed asset fund	217,753	4,917	(4,950)	1,839	219,559
Transfers on conversion	33,435	6,886	(920)	-	39,401
	<u>251,188</u>	<u>11,803</u>	<u>(5,870)</u>	<u>1,839</u>	<u>258,960</u>
Restricted pension funds					
Pension reserve	(66,543)	-	(8,792)	61,384	(13,951)
Total restricted funds	<u>194,648</u>	<u>120,084</u>	<u>(115,597)</u>	<u>58,634</u>	<u>257,769</u>
Unrestricted funds					
Unrestricted general funds	3,099	3,135	(5,302)	2,750	3,682
Total funds	<u><u>197,747</u></u>	<u><u>123,219</u></u>	<u><u>(120,899)</u></u>	<u><u>61,384</u></u>	<u><u>261,451</u></u>

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2022/23	Total 2021/22
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
St Giles Spencer Academy	2,455	372	138	322	3,287	3,154
Ashwood Spencer Academy	2,408	530	213	422	3,574	3,363
Brackensdale Spencer Academy	2,467	365	180	371	3,383	3,054
Castleward Spencer Academy	351	59	27	117	554	371
Chellaston Fields Spencer Academy	589	72	82	88	831	676
Chetwynd Spencer Academy	1,557	324	163	177	2,221	2,135
Clover Leys Spencer Academy	289	21	35	8	353	236
Fairfield Spencer Academy	2,130	304	333	285	3,052	2,861
Glenbrook Spencer Academy	1,724	337	294	287	2,642	2,485
Highfields Spencer Academy	735	97	106	150	1,088	661
Hilton Spencer Academy	2,619	311	171	480	3,581	3,331
Inkersall Spencer Academy	1,457	247	135	357	2,196	1,998
The Mease Spencer Academy	465	89	58	127	739	598
Millside Spencer Academy	372	58	7	84	521	13
Portland Spencer Academy	1,820	377	272	279	2,748	2,491
Rosecliffe Spencer Academy	841	155	190	130	1,316	890
Sunnyside Spencer Academy	1,024	155	95	112	1,386	1,251
Wyndham Spencer Academy	1,825	305	271	366	2,767	2,352

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds (continued)

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2022/23	Total 2021/22
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Arnold Hill Spencer Academy	6,505	1,321	745	1,145	9,716	9,015
Derby Moor Spencer Academy	6,469	1,312	819	1,144	9,744	8,883
Farnborough Spencer Academy	4,028	508	514	1,689	6,739	5,666
George Spencer Academy	6,987	1,226	1,118	1,262	10,593	9,675
Heanor Gate Spencer Academy	5,901	1,008	530	1,097	8,536	7,605
John Port Spencer Academy	8,270	1,227	766	1,390	11,653	10,710
Long Field Spencer Academy	3,603	579	711	760	5,653	4,794
Rushcliffe Spencer Academy	8,216	1,327	832	1,320	11,695	10,312
Central services	3,112	2,244	3,185	2,506	11,047	5,390
	78,219	14,931	11,990	16,475	121,615	103,970

Analysis of academies by fund balance

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022 As Restated
	£ 000	£ 000
St Giles Spencer Academy	1,173	636
Ashwood Spencer Academy	1,785	1,670
Brackensdale Spencer Academy	31	67
Castleward Spencer Academy	32	60
Chellaston Fields Spencer Academy	(54)	(26)
Chetwynd Spencer Academy	(300)	(308)
Clover Leys Spencer Academy	55	20
Fairfield Spencer Academy	661	715
Glenbrook Spencer Academy	472	682
Highfields Spencer Academy	(21)	47
Hilton Spencer Academy	738	731
Inkersall Spencer Academy	(281)	(110)
The Mease Spencer Academy	(58)	(13)
Millside Spencer Academy	25	-

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

	2023	2022 As Restated
	£ 000	£ 000
Portland Spencer Academy	(25)	146
Rosecliffe Spencer Academy	120	256
Sunnyside Spencer Academy	123	252
Wyndham Spencer Academy	1,247	1,413
Arnold Hill Spencer Academy	366	582
Derby Moor Spencer Academy	5,574	4,486
Farnborough Spencer Academy	(236)	(319)
George Spencer Academy	686	868
Heanor Gate Spencer Academy	1,422	1,182
John Port Spencer Academy	1,625	1,306
Long Field Spencer Academy	185	358
Rushcliffe Spencer Academy	649	325
Central services	57	1,414
Total before fixed assets and pension reserve	16,052	16,442
Fixed asset fund	299,403	258,960
Pension reserve	(5,506)	(13,951)
Total	309,949	261,451

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds (continued)

Chellaston Fields is carrying a net deficit of £54,000 on these funds due to the pressures for establishing a free school over the previous years. This has meant that the Trust has allowed overspend to ensure effective educational operations during this period, the academy has set an appropriate budget for the future years and is being monitored to ensure that a return to surplus position is achieved as soon as practicably possible without a negative impact on educational standards. Funds have been met from the Trust as whole during this time.

Chetwynd Spencer Academy is carrying a net deficit of £300,000 on these funds due to a carried forward a deficit as a result of new classroom constructions. This has been financed partly by School Condition Allocation monies and also an intra-trust loan of £250,000 and it is the latter, alongside the impact of COVID that has created the cumulative deficit. The Academy has set an appropriate budget for the future years and will recoup the deficit over time. In the meantime, the Trust as a whole has the resources to support the Academy during this phase.

Highfields Spencer Academy is carrying a deficit of £21,000 on these funds due to the pressures for establishing a free school over the previous years. This has meant that the Trust has allowed overspend to ensure effective educational operations during this period, the academy has set an appropriate budget for the future years and is being monitored to ensure that a return to surplus position is achieved as soon as practicably possible without a negative impact on educational standards. Funds have been met from the Trust as whole during this time.

Inkersall Spencer Academy is carrying a net deficit of £281,000 on these funds due to the position of the Academy at the point of joining the Trust, and the ongoing investment required to support the improvements needed. The Academy has previous reduced its deficit, however due to the pressures caused by the NJC pay award, energy and other cost of living increases the Academy has returned a deficit in year. The Academy has set an appropriate budget for the future years and will recoup the deficit over time. In the meantime, the Trust as a whole has the resources to support the Academy during this phase.

The Mease Spencer Academy is carrying a net deficit of £58,000 on these funds due to the pressures for establishing a free school over the previous years. This has meant that the Trust has allowed overspend to ensure effective educational operations during this period, the academy has set an appropriate budget for the future years and is being monitored to ensure that a return to surplus position is achieved as soon as practicably possible without a negative impact on educational standards. Funds have been met from the Trust as whole during this time.

Portland Spencer Academy is carrying a net deficit of £25,000 on these funds due to the increasing cost pressures coupled with reduced additional funding around extended schools and SEND provision. The Academy has been supported through this period by Trust Funds and has set an appropriate budget for the coming years that is being monitored closely to ensure that it returns to a surplus position in the coming years without negative impact on the educational provision.

Farnborough Spencer Academy is carrying a net deficit of £236,000 on these funds due to the deficit position when it joined the Trust, coupled with the impact of COVID, and more recently the cost of living implications. The Academy has consistently returned an in-year surplus despite these challenges and will continue to do so over the coming years, until the deficit has been cleared the Academy is supported by whole Trust funds

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Analysis of Funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Intangible fixed assets			3	3
Tangible fixed assets			272,974	272,974
Current assets	4,142	24,264	26,426	54,832
Current liabilities		(12,134)		(12,134)
Creditors over 1 years		(220)		(220)
Pension scheme liability		(5,506)		(5,506)
Total net assets	<u>4,142</u>	<u>6,404</u>	<u>299,403</u>	<u>309,949</u>

18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds as restated £000	Restricted general funds as restated £000	Restricted fixed asset funds As Restated £000	Total funds as restated £000
Intangible fixed assets			9	9
Tangible fixed assets			257,419	257,419
Current assets	3,682	23,570	1,938	29,190
Current liabilities		(10,810)	(92)	(10,902)
Creditors over 1 years			(314)	(314)
Pension scheme liability		(13,951)		(13,951)
Total net assets	<u>3,682</u>	<u>(1,191)</u>	<u>258,960</u>	<u>261,451</u>

19 Capital Commitments

	2023/22 £000	2021/22 £000
Contracted for, but not provided in the financial statements	<u>25,428</u>	<u>2,380</u>

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

20 Commitments under operating leases

Operating leases

At 31 August 2023 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2022/23	As Restated 2021/22
	£000	£000
Amounts due within one year	1,751	1,910
Amounts due between one and five years	4,662	5,117
Amounts due after five years	10,887	11,981
	17,300	19,008

On conversion for Farnborough Spencer Academy, the Private Finance Initiative ("PFI") property used by the Trust was transferred from Nottingham City Council to the trust via a donation. No liability has arisen as a result of this transaction as Nottingham City Council retained ultimate responsibility for the outstanding capital finance. However, a financial commitment exists for the Trust in the form of PFI charges to cover the service charge element of the unitary charge payable. The commitment currently amounts to approximately £1,020K (2021/22 - £833K) per annum plus PFI benchmarking charges. These charges are subject to an increase which is linked to the retail price index. The PFI contributions are recognised in the Statement of Financial Activities. The Academy Trust has received annual income of £563K (2021/22 - £525K) from the ESFA to assist with the PFI costs.

PFI costs are included in the operating leases note using the amounts recognised in 2022/23 due to the unknown value for inflationary increase in future years.

2021/22 has been restated to include the PFI commitment

21 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2022/23	2021/22
	£ 000	£ 000
Net income	38,305	2,319
Amortisation Note 12	6	6
Depreciation Note 13	6,453	5,864
Capital grants from DfE and other capital income Note 2	(37,931)	(4,917)
Interest receivable Note 5	(242)	(10)
Defined benefit pension scheme obligation inherited Note 27	-	27
Defined benefit pension scheme cost less contributions payable Note 27	1,178	7,637
Defined benefit pension scheme finance cost Note 27	570	1,128
(Increase)/decrease in debtors Note 14	(1,307)	(3,284)
Increase in creditors Note 15	1,232	2,864
Transfers in on conversion Note 2	(8,513)	(6,886))
	(249)	4,748

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

22 Cash flows from financing activities

	2022/23	2021/22
	£ 000	£ 000
Repayments of borrowing	(91)	(89)
Cash inflows from new borrowing	-	-
Net cash (used in)/provided by financing activities	(91)	(89)

23 Cash flows from investing activities

	2022/23	2021/22
	£ 000	£ 000
Interest received	243	10
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(21,012)	(6,152)
Proceeds from sale of tangible fixed assets	3	-
Capital grant funding	15,078	4,917
Net cash used in investing activities	(5,688)	(1,225)

24 Analysis of cash and cash equivalents

	2023	2022
	£ 000	£ 000
Cash at bank and in hand	14,221	20,249
Total cash and cash equivalents	14,221	20,249

25 Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash	20,249	(6,028)	14,221
Loans falling due within one year	(92)	4	(96)
Loans falling due after more than one year	(314)	114	(220)
Total	19,843		13,905

26 Members' liability

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

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 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 Derbyshire pension fund, Leicestershire County Council pension fund and Nottinghamshire pension fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £1,861k (2021/22: £1,554k) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024. The employer's pension costs paid to TPS in the period amounted to £10,024,338 (2021/22: £9,213,946). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Pension and similar obligations (continued)

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 2023 was £6,136,000, (2021/22 - £5,140,000), of which employer's contributions totalled £4,796,000 (2021/22 - £4,014,000) and employees' contributions totalled £1,340,000 (2021/2 - £1,126,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of a Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee with a parliamentary minute published on GOV.UK

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.5 – 4%	3.80
Rate of increase for pensions in payment/inflation	2.85 – 3%	3.00
Discount rate for scheme liabilities	5.2 – 5.3%	4.20
Inflation assumptions (CPI)	2.85 – 3%	3.00

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

	2023	2022
Retiring today		
Males retiring today	19.7 – 20.8	21.36
Females retiring today	23.2 – 24.3	24.04
Retiring in 20 years		
Males retiring in 20 years	20.5 – 21.7	22.53
Females retiring in 20 years	24.6 – 25.7	25.68

Sensitivity analysis

	2023 £000	2022 £000
Discount rate -0.1%	1,362	3,503
Mortality assumption – 1-year increase	1,800	3,968
CPI rate +0.1%	1,079	3,438
Salary Rate +0.1%	107	111

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Pension and similar obligations (continued)

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

	2023	2022
	£000	£000
Equities	39,396	34,807
Gilts	627	689
Other bonds	8,936	7,810
Property	6,151	6,636
Cash and other liquid assets	2,756	2,443
Other	3,762	3,489
Total market value of assets	<u>61,628</u>	<u>55,874</u>

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2022/23	2021/22
	£000	£000
Current service cost	(5,974)	(11,651)
Interest income	2,474	912
Interest cost	(3,029)	(2,026)
Admin Cost	15	
Total amount recognised in the SOFA	(6,514)	(12,765)

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

	2022/23	2021/22
	£000	£000
At start of period	69,825	119,579
Conversion of academy trusts	-	-
Current service cost	5,974	11,651
Interest cost	3,029	2,026
Employee contributions	1,340	1,126
Actuarial (gain)/loss	(12,831)	(63,854)
Benefits paid	(1,153)	(703)
At 31 August	66,184	69,825

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

	2022/23	2021/22
	£000	£000
At start of period	55,874	53,036
Conversion of academy trusts	-	(27)
Interest income	2,474	912
Actuarial gain/(loss)	(1,688)	(2,470)
Employer contributions	4,796	4,014
Employee contributions	1,340	1,126
Benefits paid	(1,153)	(703)
Admin Expense	(15)	(14)
At 31 August	61,628	55,874

Notional Surplus

	2022/23
	£'000
Net asset/(liability)	(4,556)
Less notional surplus not recognised	(949)
Net pensions asset/(liability) as recognised in these financial statements	(5,506)

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

28 Related party transactions

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Remuneration paid to the CEO through his employment with the Trust is disclosed in note 10.

The Trust has a subsidiary, Spencer Superstars: During the year the subsidiary had total income of £9,251, expenses of £4,140 and a surplus for the year of £5,111 (2021/22 £42,211). At 31 August 2023 it had current assets of £47,336 and current liabilities of £13.

29 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the Trust brought forward unspent funds of £187,785 (2021/22 £188,285), and received £76,060 (2021/22 £79,716) in year. It disbursed £178,338 (2021/22 £85,642) from the fund. An amount of £89,355 (2021/22 £187,785) is included in other creditors relating to undistributed funds that is repayable to ESFA.

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

30 Conversion to an academy trust

On 1 September 2022 Millside Spencer Academy opened as a new free school under the Spencer Academies Trust and all the opening asset of Land and Buildings were transferred to Spencer Academies Trust from Nottinghamshire Local Authority for £nil consideration.

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	8,513	8,513
Other tangible fixed assets	-	-	-	-
Current assets	-	-	-	-
Current liabilities	-	-	-	-
Non-current liabilities	-	-	-	-
LGPS pension surplus / (deficit)	-	-	-	-
Net [assets / liabilities]	-	-	8,513	8,513

The Land and Buildings have been transferred on a 125-year lease.

31 Subsidiary

During the year the Trust established a wholly owned subsidiary, Spencer Superstars (13625834) to allow it to better support its children, young people and their carers to access extracurricular activities that they may excel in, or have an interest in exploring.

Due to it not being material to the group no consolidated accounts have been prepared this year.

During the year the subsidiary had total income of £9,251, expenses of £4,140 and a surplus for the year of £5,111 (2021/22 £42,211). At 31 August 2023 it had current assets of £47,336 and current liabilities of £13.

The Spencer Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

32 Prior Period Adjustment

During the year, the trustees identified that in the prior period, unspent capital grant funds of £1,532K at 31 August 2022 had been included in restricted general funds in error.

A prior period adjustment has been reflected to reclassify these items into the restricted general funds. This prior period adjustment has no impact on net movement in funds in either year or net assets at either Balance Sheet date.