

REGISTERED COMPANY NUMBER: 07943613 (England and Wales)

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

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



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

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**FOR THE YEAR ENDED 31 AUGUST 2020**

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**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

		<b>Appointed</b>	<b>Resigned</b>
<b>Members</b>	Mr G Boyd	01.04.16	
	Mrs J Lank	01.04.16	
	Mrs A Custis	01.04.16	06.01.20
	Mr J Wickett	01.04.16	
	Mr P Hudson OBE	01.04.16	31.08.20
	Reverend J Tranter	21.04.17	
<b>Trustees</b>	Mr R Sampson, Vice Chair*/**	09.02.12	
	Mrs S Gardiner, Vice Chair	01.04.16	31.08.20
	Mrs J Riley*	01.04.16	
	Mr R Summers, Chair**	01.04.16	
	Mr C Howse, Vice Chair */**	25.05.16	
	Mrs K Soole	01.06.20	
	Mrs L Court	01.06.20	
	Miss C Howells***	01.09.20	
	Mrs K Bowden-Brown	01.09.20	
	Mr P Thatai	01.12.17	13.09.19

\* Members of the Audit and Finance Committee in the year ended 31 August 2020

\*\* On 07.10.2020, Mr R Summers was re-elected as Chair of the Board. On 07.10.2020, Mr R Sampson and Mr C Howse were re-elected as Vice Chairs of Trustees.

\*\*\*Member of the Audit and Finance Committee, appointed 07.10.2020

**Chief Executive Officer** Mr J Turvey

**Company registered number** 07943613

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

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

**Senior Management Team**

Mr J Turvey	Chief Executive Officer
Mrs N Diamond	Chief Operating / Financial Officer
Mr J Eshelby	Trust Improvement Partner
Mrs M Foley	Headteacher – Chelsfield Primary School
Mr A Kilgour	Headteacher – Darrick Wood Junior School
Mrs S Morgan	Head of School – Green Street Green Primary School
Mrs S Kenneth	Headteacher – The Highway Primary School
Mrs E Hodson	Head of School – Pratts Bottom Primary School
Mrs B Bruce	Head of School – Tubbenden Primary School

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**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>Local Governing Bodies</b>		<b>Appointed</b>	<b>Resigned</b>
<b>Chelsfield Primary School</b>	Mrs R Tatton-Kelly, Chair	01.09.18	
	Mrs E Vassie	07.10.14	
	Mrs G Chamarette	09.11.15	01.10.19
	Mr J Grainger	16.11.13	
	Ms A Lowe, Parent Governor	08.11.16	08.11.20
	Mrs J Quinnell	08.11.16	
	Revd. J Tranter, Member	09.11.15	
	Mrs L Diggins	08.11.16	29.02.20
	Mrs N Burstow-Goff, Parent Governor	08.03.17	30.09.20
	Miss L Sullivan, Parent Governor	08.03.17	
	Mrs C Blayney	01.10.19	
	Mrs R Haywood, Staff	24.02.20	
<b>Darrick Wood Junior School</b>	Mr E Niyazoglu, Chair	19.11.13	20.06.20
	Mrs S Benstead, Staff Governor	29.11.16	28.11.20
	Mr D Hackin, Staff Governor	13.07.15	
	Mr N Robinson, Parent Governor	01.11.16	01.11.20
	Mr N Robinson	01.11.20	
	Ms C Pester, Parent Governor	27.09.16	23.07.19
	Ms B Shurety, Parent Governor	27.09.16	31.08.20
	Mrs S Harrison	27.09.16	
	Mr M Mohan	27.09.16	
	Mr A Salau	18.07.18	08.07.20
	Mrs S Vaccarino, Chair w.e.f. 21.06.20	29.03.19	
	Mr S Murdoch	02.11.20	
	Mr R Barlow, Parent Governor	30.11.20	
	Mrs J Maguire, Parent Governor	30.11.20	
<b>Green Street Green Primary School</b>	Mr A Reeves, Chair, w.e.f. 01.09.19	04.12.18	
	Mr D Wanostrocht, Staff Governor	28.09.15	28.09.19
	Mrs E Meadows, Staff Governor	04.05.17	10.12.19
	Mrs X Wang	06.07.17	
	Mrs J Velvick, Staff Governor	01.10.18	
	Mrs V Parry, Parent Governor	05.11.18	
	Mrs J Tobbell	04.12.18	
	Mr D Symmons	04.12.18	12.05.20
	Mr S Yiakoumi, Parent Governor	07.01.19	06.07.20
	Mrs S Odusola, Parent Governor	16.10.19	
	Mrs E Sundblad	11.11.19	
	Miss F Tate	02.03.20	
	Dr S Jabbar	23.09.20	
	Professor E Ademola	23.09.20	

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>Local Governing Bodies (continued)</b>		<b>Appointed</b>	<b>Resigned</b>
<b>The Highway Primary School</b>	Mr A Birks-Agnew, Chair	08.07.15	
	Mr J Wickett, Member	07.01.15	
	Ms D Brockwell	16.10.16	
	Mr M Palmer	22.03.17	
	Mrs K Clemmey	04.07.18	
	Mrs P Hill	10.10.18	
	Mrs A Williamson, Parent Governor	17.01.19	
	Mr L Sutton, Parent Governor	17.01.19	
	Miss C Hallett, Staff Governor	14.10.19	
<b>Pratts Bottom Primary School</b>	Mr P Hudson OBE, Chair to 01.10.19, Member	09.07.15	31.08.20
	Mr P Ioannou, Parent Governor, Chair w.e.f. 02.10.19	15.11.17	
	Mrs C Bone	09.10.17	
	Mrs S Perez, Staff Governor	01.10.18	
	Mrs E Ibrahim	14.03.19	
	Mrs A Page	11.07.19	
	Mrs A Kempton	02.10.19	14.01.20
	Mrs S Hynes, Parent Governor	28.10.19	
	Mr B Ford, Parent Governor	16.10.19	
<b>Tubbenden Primary School</b>	Mrs K Bentley, Parent Governor	20.11.19	
	Mrs C Mohamed, Chair w.e.f. 11.02.19	04.10.17	
	Mr R Batchelor	21.03.12	
	Mr A Bloodworth	25.02.19	
	Mr M Ming, Parent Governor	24.06.16	23.06.20
	Mr K Liu, Parent Governor	19.02.18	
	Mrs K Soole, Parent Governor	03.12.18	31.08.20
	Mrs R Chakraborty, Co-opted Governor	03.12.18	02.10.19
	Miss L Venn, Staff Governor	29.09.19	
	Miss J Davis	02.10.19	
	Miss H Crisp, Staff Governor	18.11.19	
	Mrs A Carter, Parent Governor	04.12.19	
<b>Auditor</b>	Mrs R Deeks, Parent Governor	01.12.20	
	Mrs R Casey, Parent Governor	01.12.20	
Clair Rayner FCA DChA (Senior Statutory Auditor) McCabe Ford Williams Statutory Auditors and Chartered Accountants Bank Chambers 1 Central Avenue Sittingbourne Kent			
<b>Bank</b>	Lloyds Bank PLC		
<b>Solicitors</b>	Winckworth Sherwood Minerva House 5 Montague Close London SE1-9BB		

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

The Trust operates 5 primary schools and one junior school in the London Borough of Bromley. Its schools have a combined pupil capacity of 1,854 (2019: 1,830) and had a roll of 1,893 (2019: 1,826) in the census data of January 2020.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

**Members' Liability**

Each member of the Trust (henceforth referred to as a 'Member') is appointed either by the Local Governing Body of each of the schools or by the Members themselves. The current Members comprise those individuals listed on page 1. Six Members were appointed on 1<sup>st</sup> April 2016, with a seventh joining on 21<sup>st</sup> April 2018. The trust now has four members as of 1<sup>st</sup> September 2020 who meet termly. The trust is actively recruiting additional members. Each Member undertakes to contribute to such amount as may be required, not exceeding £10, to the assets of the Trust in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, for the debts and liabilities contracted before they ceased to be a Member.

**Trustees' Indemnities**

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

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

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

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

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

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

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

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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

**Organisational Structure**

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

The Board comprises those people appointed as Trustees under the Articles. The Board meets half-termly and has a Finance and Audit Committee, which meets and reports termly. This frequency will increase in 2020-21. The Board has appointed a School Improvement Partner (SIP).

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

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

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

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

- Chelsfield Primary School: Headteacher and Inclusion Manager, Deputy Headteacher and Assessment leader, Early Years and KS1 leader.
- Darrick Wood Junior School: Headteacher, Deputy Headteacher, Assistant Headteacher, Special Educational Needs Co-ordinator and School Business Manager.
- Green Street Green Primary School: Executive Headteacher, Head of School, Deputy Headteacher, Assistant Headteacher in charge of Inclusion and Safeguarding, Assistant Headteacher in charge of Speech and Language Provision, EYFS Leader and School Business Manager.
- The Highway: Headteacher, Deputy Headteacher, Raising Standards Leader, Maths Leader, KS1 & Science Leader, EYFS Leader and Inclusion Manager.
- Pratts Bottom: Executive Headteacher, Head of School, Inclusion Leader and School Business Manager.
- Tubbenden Primary School: Executive Headteacher, Head of School, Deputy Headteacher, Inclusion Manager, Provision Leader and School Business Manager.

During the period under review the Executive Headteacher of Tubbenden Primary School, Green Street Green Primary School and Pratts Bottom Primary School was also the Chief Executive Officer and Accounting Officer, and the School Business Manager of Tubbenden Primary School was also the Chief Operating / Financial Officer of the Trust. On 1 September 2019, The COO stepped down as School Business Manager of Tubbenden Primary School.

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

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

The SMT are the key management personnel of the Trust. The pay of the Chief Executive Officer (CEO) and Chief Operating Officer (COO) is set annually by the Board, having regards to performance against objectives set in the previous year. Pay of other SMT members and all staff on Leadership Grade is set by the Trust Board having regard to performance against previously agreed objectives and any recommendations made by the CEO. Until 31<sup>st</sup> August 2019, the CEO agreed to be a Trustee of the Trust but received no remuneration for this role.

**Trade Union Facility Time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

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

Provide the total cost of facility time	£2,000
Provide the total pay bill	£8,835,799
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

**Paid trade union activities**

Time spent of trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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**Related Parties and other Connected Charities and Organisations**

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

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

**Engagement with employees (including disabled persons)**

Close and inclusive engagement with employees is a key goal of the Trustees and of the trust. The goal of all engagements is to consider the opinions of staff that will influence key decisions and to inform staff of all matters of their concern.



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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT – continued**

**Engagement with employees (including disabled persons) - continued**

Staff engagement is prioritised and actioned through a number of activities and undertakings:

- Regular communication from the Chair of the Board of Trustees to all staff
- Regular newsletters from the CEO to all Trust staff
- Regular communication on staffing matters to all Trust from the CEO and COO
- Trustee attendance at Governor days hosted within each school
- Daily and weekly briefings at every school lead by the Head
- Annual hosting of a SOLA Leadership Event attended by Trustees, Governors and SOLA Leadership
- The Trust hosts annual training events to which all staff, Governors and Trustees are invited
- Each school hosts a Staff Wellbeing Committee
- The Trust hosts an active Diversity Working Party with representation and participation from Trustees, Governors, Senior Leaders and staff.

**Engagement with suppliers, customers and others in a business relationship with the trust**

The Trust has established and maintains active, regular and healthy dialogues with all key suppliers. A structure of account meetings supports these relationships and typically the Trust and supplier would meet not less than termly to review the service uptake, quality and strength of communication channels.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

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

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

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

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

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

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

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**OBJECTIVES AND ACTIVITIES – continued**

**Objectives, strategies and activities**

The key aims and objectives for the 2019-20 year were aligned with the Trust's vision and were shared within the Growth Strategy as follows:

By September 2020		
LEADERSHIP	Identity and Unity	<ul style="list-style-type: none"> <li>Introduce local governance systems that will be executed consistently</li> </ul>
	School Improvement	<ul style="list-style-type: none"> <li>Review ARPs, curriculums, Pupil Premium provision.</li> <li>Ensure self-evaluation of all individual academies is robust and consistent.</li> <li>Ensure all school and MAT SEFs are robust/uniform</li> <li>Roll out the use of KPI documents which report information consistent across the Trust</li> </ul>
	Leadership	<ul style="list-style-type: none"> <li>New local governance systems in place for a year</li> <li>New data collection/reporting formats</li> <li>Review SoD</li> </ul>
TEACHING and LEARNING	Curriculum (intent)	<ul style="list-style-type: none"> <li>The 'intent' of all Curriculums to have been reviewed and revised.</li> <li>Curriculum mapping in place</li> <li>Common approach to SRE introduced</li> <li>Approaches to Reading reviewed and revised where necessary</li> </ul>
	Pedagogy (Implementation)	<ul style="list-style-type: none"> <li>The 'intent' of all Curriculums to have been reviewed and revised.</li> <li>Curriculum mapping in place</li> <li>Common approach to SRE introduced</li> <li>Approaches to Reading reviewed and revised where necessary</li> </ul>
	Outcomes for Children (Impact)	<ul style="list-style-type: none"> <li>Take steps to improve outcomes in writing (progress)</li> </ul>

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**REPORT OF THE TRUSTEES**  
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**OBJECTIVES AND ACTIVITIES – continued**  
**Objectives, strategies and activities**

<b>PEOPLE MANAGEMENT</b>	<b>Wellbeing</b>	<ul style="list-style-type: none"> <li>• Agree a cross-Trust Staff Well Being Committee/Policy?</li> <li>• ELSA project launched in some schools</li> <li>• CAMHs trailblazer project launched</li> </ul>
	<b>Staff Development</b>	<ul style="list-style-type: none"> <li>• Deliver robust, uniform staff induction, appraisal and performance management processes</li> <li>• Training for those aspiring to be Senior Leaders</li> <li>• Introduce training for staff in foundation subjects identified as weak.</li> </ul>
	<b>Workforce Planning</b>	<ul style="list-style-type: none"> <li>• Plans in place from September 2020 for staffing expenditure which falls within 80% of total grant income</li> </ul>
<b>BUSINESS MANAGEMENT</b>	<b>Finance</b>	<ul style="list-style-type: none"> <li>• Investigate/review:</li> <li>• The funding model</li> <li>• The Reserves Policy</li> <li>• The Financial Reporting Suite</li> <li>• Workforce planning</li> <li>• Economies of scale</li> <li>• Income generation (including NoR, after-school clubs, catering, etc)</li> </ul>
	<b>Asset Management</b>	<ul style="list-style-type: none"> <li>• Deliver a costed 3 year ICT hardware replacement plan</li> <li>• Deliver uniform and robust back office processes e.g. absence monitoring, budget monitoring, recruitment and payroll</li> </ul>
	<b>Risk</b>	<ul style="list-style-type: none"> <li>• Review the Risk management Process, linking internal audit with Risk Register Reviews</li> <li>• Deliver termly Risk Register reporting</li> </ul>

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**REPORT OF THE TRUSTEES**  
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**OBJECTIVES AND ACTIVITIES – continued**  
**Objectives, strategies and activities**

<b>PARTNERSHIP</b>	<b>Community and Wider Engagement</b>	<ul style="list-style-type: none"> <li>• <i>Rationalise/increase wrap around care across the Trust.</i></li> <li>• <i>Explore the establishment of a wrap-around care hub for smaller schools</i></li> <li>• <i>Exit TPS arrangement with School Link</i></li> <li>• <i>Increase and rationalise lettings</i></li> </ul>
	<b>Children</b>	<ul style="list-style-type: none"> <li>• <i>Music and sports events?</i></li> <li>• <i>LitFilmFest Celebration at iMax</i></li> <li>• <i>Music tuition</i></li> <li>• <i>Swimming lessons</i></li> </ul>
	<b>School to School Support</b>	<ul style="list-style-type: none"> <li>• <i>Engagement with COO Forum</i></li> </ul>
	<b>Expansion</b>	<ul style="list-style-type: none"> <li>• <i>Define the benefits of growth (additional schools, etc)</i></li> </ul>

The Board are pleased to report that subject to the resource and onsite restrictions imposed by COVID-19 related school closures, all significant aims and objectives were met.

**Public Benefit**

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

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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**A Summary of Achievements**

- The Trust provided quick, decisive and effective leadership in response to the COVID-19 challenge. Each school demonstrated above national average participation rates during school lockdown and provided excellent childcare and support facilities for critical worker and vulnerable children.
- A new leadership structure has proven robust and has continued to drive significant improvements.
- Close working relationships of small groups across the Trust have deepened, particularly SMT, DSLs, SENCOs and subject leaders.
- The Trust has introduced and imbedded new arrangements for local governance.
- Partnership with TES has ensured we are able to train and develop new staff, and address recruitment challenges.
- Attainment across the board is above national averages, and usually above London averages.
- Our Additionally Resourced Provisions have gone from strength to strength and continue to provide leadership across the Borough.
- Pupil progress is generally positive in Reading and Mathematics, and we are working on improving outcomes in Writing.
- Financial probity and sustainability:
  - Well established and highly efficient Central Finance Team, with a well-established reporting suite;
  - Audit that credits the quality of financial management;
  - We have continued to drive improvements in the exploitation of economies of scale;
  - Clear route and attain in addressing challenges of reduced income;
- Partnering with other Trusts and Schools:
  - a. We are a leading school in Bromley SEND reforms, this includes leading the SEND Leadership training collaborative;
  - b. Our COO has driven the establishment of a local COO forum and continues to actively participate;
  - c. We are a strategic partner with WTSA.

**Key Performance Indicators**

Our Key Performance Indicators reflect the vision of the Trust and centre on pupil progress and attainment; pupil happiness and safety; parental preference; Ofsted outcomes; staff absence and retention; and value for money/business efficiencies.

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

**Pupil Progress and Attainment Performance KPI**

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

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

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**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**ACHIEVEMENTS AND PERFORMANCE - continued**

**Early Years, Phonics and KS1 performance highlights are:**

- For the fourth year running the percentage of pupils across SOLA schools achieving a 'Good Level of Development' increased.
- The percentage of pupils achieving a 'Good Level of Development' was above the national average.
- For the first time the percentage of pupils achieving a 'Good Level of Development' was above the Bromley average.
- Attainment at Chelsfield, Green Street Green, Pratts Bottom and Tubbenden has increased significantly since 2016.

**KS1 performance highlights are as follows:**

- For a third year running average attainment at the end of Key Stage One for SOLA pupils was above both the national and local averages in all subjects.
- In Writing average attainment of SOLA pupils has improved year-on-year since 2016.
- Attainment was particularly high at Pratts Bottom and Tubbenden in Reading and Mathematics.
- Attainment was particularly high at Tubbenden in Writing.
- There has been year-on year improvement at Tubbenden in Reading and Writing, and at Pratts Bottom in Mathematics, since 2016

**KS2 performance highlights are as follows:**

- The percentage of children achieving the expected standard in all three subjects combined is above the national average and below the Bromley average.
- The percentage of children achieving the expected standard in all three subjects combined at three SOLA schools was below the national average.
- The percentage of children achieving the expected standard in all three subjects combined at The Highway and Tubbenden were above both the national and Bromley averages.
- The percentage of children achieving greater depth in all three subjects combined at Darrick Wood Junior and Green Street Green were above both the national and Bromley averages.
- The average percentage of children in SOLA schools achieving greater depth in all three subjects combined was above the national average and in line with the Bromley average.
- SOLA pupils achieved higher scaled scores than both the national and Bromley averages

**Value for Money and Business Efficiency KPI**

The following targets have been set in the area of value for money and business efficiencies:

1. For funds carried forward at the end of each year to be in surplus;
2. For staff costs as a percentage of total grant income to not exceed 80%;
3. For the ratio between teaching and non-teaching FTE to not exceed 1.4 FTE support staff to teaching staff;
4. For staff expenditure as a percentage of total expenditure to not exceed 80%.

The Trust has met its target of spending less than 80% of all expenditure on staffing. The Trust has met its target of not exceeding a teaching/support staff ratio of 1.4.

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**ACHIEVEMENTS AND PERFORMANCE - continued**

**Going Concern**

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

**Promoting the success of the company**

The Trustees as directors of the company must act in a way that is likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

Trustees understand their responsibility and recognise the following as examples by which they inform themselves to best promote the success of the company and to demonstrate sensitivity to the decisions and relationships they have established in the best interests of the trust:

- Developed a sophisticated and detailed Growth Strategy which is revised, reviewed and agreed annually
- Agreed a series of appropriate KIPs by which to track pupil and trust performance and which serve as early indicators for corrective action
- Developed an extensive and sophisticated financial reporting suite which is circulated monthly to all key stakeholders
- Trustees undertake an annual review of the Values and Vision of the Trust
- Responded swiftly and in line with government guidance to manage school closures and then reopening, with the health and safety of all staff and children at the forefront of all decision making
- Provided all staff with access to full HR support and an Employee Assistance Program
- Established a Diversity Working Committee to drive change and promote the inclusive nature of the trust.

**FINANCIAL REVIEW**

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

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

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**FINANCIAL REVIEW – continued**

During the year ended 31<sup>st</sup> August 2020 total expenditure of £11,442,137 (2019: £11,231,420) was funded by recurrent grant funding from the ESFA together with other incoming resources. The surplus (2019: deficit) for the year, including other recognised gains and losses, (excluding restricted fixed asset funds) was £305,577 (2019: £(2,042,960)). At 31<sup>st</sup> August 2020 the net book value of fixed assets was £31,183,076 (2019: £30,845,683) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The combined surplus for the year on unrestricted funds and restricted general funds, excluding the pension fund, was £3,577 (2019: deficit £146,040).

Total funds, including fixed assets and pension liabilities, stand at £28,769,887 as at 31 August 2020 (2019: £28,269,847).

**Reserves Policy**

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

- All academies are targeted with retaining 5% of GAG income as a reserves target. Schools with reserves above 5% need only set a break-even budget and can utilise reserves (with permission of the Board). They can go below this minimum level (with the Board's permission) if there was a specific large necessary project but a plan would have to be drawn up which showed how they would return to the minimum reserve level. Academies which are currently below minimum reserve levels should set a surplus budget with a plan to return to minimum reserves within an agreed time frame.
- The Trust is targeted to demonstrate a total reserves retention of 5% of total GAG income, approximately £382,000.

In the year ended 31 August 2020 the free reserves of the Trust were £632,008 (2019 £563,625) and the general restricted funds, excluding fixed assets and pension liabilities were £171,860 (2019 £236,666). This makes a total of £803,868 (2019 £800,291) of current funds.

**Funds in Deficit**

The Local Government Pension Scheme is stated in the accounts to be in deficit in the sum of £3,742,000 (2019: £4,044,000) as at the balance sheet date. It should be noted however that this deficit will not crystallise within the foreseeable future and that the school/Trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the schools' budgets for the year ending 31 August 2020.

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

**Investment Policy**

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



**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**FINANCIAL REVIEW – continued**

**Principal risks and uncertainties**

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

The risk management process has been codified in a Risk Register(s) overseen by the Board. There is also a Risk Register for each school. All risk registers are reviewed termly. Processes to seamlessly connect Internal Audit Control scrutiny with actions identified by Risk Management are being developed.

School and Trust risk registers identify the principal financial risk faced by the Trust is that of on-going pressure on funding resulting in the risk that deficits may be experienced. The budgeting and reporting process is detailed and managed expertly. Risk is mitigated by the adoption of a prudent approach to budgetary discipline and financial management, and close scrutiny by the Board of both financial performance and forecasts. The trust has engaged and continues to drive a programme of cost containment, expenditure reduction and revenue generation. The Trust has introduced additional LGB and cross-Trust engagement and reporting to increase scrutiny and support. The Senior Management Team have reviewed and agreed cross-Trust expenditure reduction and revenue generation opportunities.

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

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

**FUNDRAISING**

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

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

- The majority of Trust schools now host a school holiday camp.
- Most Trust schools have an extensive lettings portfolio including holding before-school, lunchtime and after-school activities for both children of the school and parents and children in the wider local community. Whilst COVID-19 has had a negative impact on income generation in this area, the capacity of the trust's wrap-around arrangements has increased in 2019-20 and increased profitability is forecast.
- A number of bids have been made for grants with which to fund outdoor play equipment via the Tesco Bags for Help scheme.
- Each school seeks an annual voluntary parental contribution from which extra curriculum activities are funded.

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

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STREAMLINED ENERGY AND CARBON REPORTING**

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	2,070,067
Energy consumption break down (kWh) (optional) • gas, • electricity,	1,575,694 494.373
Scope 1 emissions in metric tonnes CO <sub>2</sub> e Gas consumption Owned transport – mini-buses Total scope 1	290 0 290
Scope 2 emissions in metric tonnes CO <sub>2</sub> e Purchased electricity	115
Scope 3 emissions in metric tonnes CO <sub>2</sub> e Business travel in employee owned vehicles	0
Total gross emissions in metric tonnes CO <sub>2</sub> e	405
Intensity ratio Tonnes CO <sub>2</sub> e per pupil	0.21

**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 2020 UK Government's Conversion Factors for Company Reporting.

**Measures taken to improve energy efficiency**

We have sought opportunities through government capital funding schemes to install LED fittings, as they are a more energy efficient source of lighting. Two schools within the trust already have LED fittings installed and a third has had a partial install of LED fittings in the year ended 31/08/2020.

We have also started negotiations with a lighting replacement company for the other schools in the trust to move to using only LED lighting fittings.

**PLANS FOR FUTURE PERIODS**

The Board's main plans for future periods are:

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

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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

**AUDITOR**

In so far as the Board is aware:

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

Report of the Trustees, incorporating a Strategic Report, was approved by order of the Board as the company directors, on 9 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R Summers', written over a horizontal line.

Mr R Summers  
Chair of the Board of Trustees

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Scope of Responsibility**

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

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

**Governance**

The information on Governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met nine times during the period from 1<sup>st</sup> September 2019 to 31<sup>st</sup> August 2020. Attendance during the period at meetings of the Board of Trustees was as follows:

Name	Meetings Attended	Out of a Possible
Mrs. S. Gardiner, Vice Chair of Trustees (to 09.10.19)	6	9
Mr. R. Summers, Chair of Trustees	8	9
Mrs. J. Riley, Trustee	9	9
Mr. R. Sampson, Trustee (Vice Chair of Trustees from 09.10.19)	9	9
Mr. C. Howse, Co-opted Trustee (Vice Chair from 09.10.19)	8	9
Mr. P. Thatai, Co-opted Trustee (resigned 13.09.19)	0	0
Mrs K Soole	2	2
Mrs L Court	2	2

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

- Providing quick, decisive and effective leadership in response to the COVID-19 challenge.
- Driving cross-Trust process improvement and resulting uplift in Number on Roll.
- Using Trust Senior Leader resource flexibly to move quickly and effectively to address staffing gaps and opportunities as they arose.
- Delivering a detailed and sophisticated 3 year budget forecast for each school within a refined Trust framework, and for the Trust; supporting close scrutiny and reduction in staffing structure forecast costs.
- Identifying the incentive and criteria by which the Trust would like to grow in size.

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

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Governance – continued**

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

Name	Meetings Attended	Out of a Possible
Mr. R. Sampson	3	3
Mrs. J. Riley (Chair)	3	3
Mr. C Howse	3	3
Mr. J. Turvey, CEO and Accounting Officer	3	3

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

- Undertaken regular budget monitoring (including Deficit Recovery plan)
- Agreed annual top slice and the introduction of a back-office levy
- Reviewed and agreed Reserves Policy
- Agreed Condition Improvement Fund (CIF) contributions
- Considered the appointment of the external auditor
- Reviewed Internal Audits and agreed Internal Audit Charter
- Received and considered recommendations from School Resource Management Adviser (SRMA) visit
- Reviewed and approved Leadership Pay recommendations
- Considered and discussed income generation activities
- Reviewed Benchmarking Report
- Reviewed Annual Gender Pay Gap report
- Reviewed and ratified all financial statutory returns.
- Reviewed the impact of COVID-19 on budgets.

**Governance Review**

The Board undertakes an annual skills audit of Trustees every summer term. The skills audit demonstrated a sound range of skills cross the Trust Board and the recruitment of 4 new Trustees commencing Autumn Term 2020-21 deepened the HR, leadership and financial skillset of the Board still further.

The Trust undertook an extensive review of Governance in 2019-20 and engaged with the NGA in the Board Development Programme. The Governance Review has delivered simplified, streamlined governance arrangements with clarity of role and responsibility for LGBs and Trustees and these arrangements have embedded throughout the year.

**Review of Value for Money**

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

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Review of Value for Money - continued**

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

- Introducing a new Estates Management structure and team; pooling caretaking resource across the Trust to maximise efficiency and drive best value of both trust resource and supplier engagements.
- Continuing to target improved outcomes for children in all key areas across all schools through continuing use of Teaching and Learning reviews and cross-site monitoring and engagement.
- Continuing the rollout of Trust-wide contracts ensuring that high value, high impact contracts have been targeted to best exploit economies of scale.
- Ensuring that common training requirements for both staff and governors have been identified across the schools and delivered at best value for money.
- Maximising Condition Improvement Fund outcomes by driving out best practice across the Trust under the remit of the Estates Manager.
- Expanding the Trust lettings portfolio to increase revenue generation and community engagement.
- Revising wraparound care arrangements to offer an improved service and increase revenue generation.
- Ensuring that the Board receives and reviews financial reports and evaluates actual expenditure against budget and makes robust challenges of spending and other strategic decisions.
- Regular review of the individual school budgets by the CFT and SBMs in which income and expenditure against national good practice and benchmarking are monitored.
- Ensuring that appropriate quotes are sought and tender procedures followed as set out in the Trust Financial Regulations Manual written in accordance with the Academies Financial Handbook.
- Continuing to review ways of making efficiency savings in all areas including curriculum delivery, staffing and all administrative areas.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the Trust for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Trust own and manage a comprehensive and accurate Risk Register reflective of both risks unique to the Trust, and of high impact risks presented as likely at any of the component schools. The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing significant risks that has been in place for the period 1st September 2019 to 31st August 2020. The Board is provided with full financial management reporting on a monthly basis and with reporting against risk management actions on a termly basis. This process of risk management and the resulting outcomes are regularly reviewed by the Board.

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**The Risk and Control Framework**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. All procedures are executed subject to the Trust's Financial Regulation Manual and the Academies Financial Handbook. In particular, internal financial controls include:

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

The Board engaged McCabe Ford Williams ("MFW") to undertake the role as internal auditor for the period 1st September 2019 to 31st August 2020. As a safeguard against the threat to independence and objectivity, the MFW staff members undertaking the role of internal auditor are completely separate from the MFW statutory audit team. The internal auditor's role includes giving advice on financial matters and performing a range of checks on each school's financial systems.

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

Tests carried out included:

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

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

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**


**Review of Effectiveness**

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

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

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

Approved by order of the Board on 9 December 2020 and signed on its behalf by:



Mr R Summers  
Chair of the Board of Trustees



Mr J Turvey  
Accounting Officer



**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

As Accounting Officer of South Orpington Learning Alliance Multi-Academy 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 ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr J Turvey  
Accounting Officer  
Dated: 9 December 2020

**SOUTH ORPINGTON LEARNING ALLIANCE MULTI-ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees of South Orpington Learning Alliance Multi-Academy Trust (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 of Trustees on 9 December 2020 and signed on its behalf by:



Mr R Summers  
Chair of the Board of Trustees

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

We have audited the financial statements of South Orpington Learning Alliance Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the report of the trustees (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out on page 24, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**Use of our report**

This report is made solely to the 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.



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

Date: 9 December 2020

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

In accordance with the terms of our engagement letter dated 29 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Orpington Learning Alliance Multi-Academy Trust during the year ended 31 August 2020 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of South Orpington Learning Alliance Multi-Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, effective from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purpose intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the peer reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook, including the distribution of management accounts and quantity of meetings;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between The Marsh Academy and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;

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

**Approach – continued**

- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 9 December 2020

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT**  
**AND A STATEMENT OF OTHER COMPREHENSIVE INCOME)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	31.08.20 Total Funds	31.08.19 Total Funds
		£	£	£	£	£
<b>Income from:</b>	<b>Note</b>					
Donations and capital grants	2	38,434	44,451	952,393	1,035,278	1,219,445
Funding for the multi-academy trust's educational operations	3	342,264	9,576,323	-	9,918,587	9,873,616
Other trading activities	4	161,455	14,700	-	176,155	197,327
Investments	5	1,156	1	-	1,157	2,100
<b>Total income</b>		<b>543,309</b>	<b>9,635,475</b>	<b>952,393</b>	<b>11,131,177</b>	<b>11,292,488</b>
<b>Expenditure on:</b>						
Raising funds	7	2,136	25,907	-	28,043	30,095
<i>Charitable activities:</i>						
Multi-academy trust's educational operations	8	301,383	10,320,979	791,732	11,414,094	11,201,325
<b>Total expenditure</b>	<b>6</b>	<b>303,519</b>	<b>10,346,886</b>	<b>791,732</b>	<b>11,442,137</b>	<b>11,231,420</b>
<b>Net income / (expenditure)</b>		<b>239,790</b>	<b>(711,411)</b>	<b>160,661</b>	<b>(310,960)</b>	<b>61,068</b>
<b>Transfers between funds</b>	<b>20</b>	<b>(171,407)</b>	<b>137,605</b>	<b>33,802</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) for the year before other recognised gains and losses</b>		<b>68,383</b>	<b>(573,806)</b>	<b>194,463</b>	<b>(310,960)</b>	<b>61,068</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	811,000	-	811,000	(1,696,000)
<b>Net movement in funds</b>		<b>68,383</b>	<b>237,194</b>	<b>194,463</b>	<b>500,040</b>	<b>(1,634,932)</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>563,625</b>	<b>(3,807,334)</b>	<b>31,513,556</b>	<b>28,269,847</b>	<b>29,904,779</b>
<b>Total funds carried forward</b>		<b>632,008</b>	<b>(3,570,140)</b>	<b>31,708,019</b>	<b>28,769,887</b>	<b>28,269,847</b>

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

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

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

Company Registered Number: 07943613

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

		31.08.20 £	31.08.20 £	31.08.19 £	31.08.19 £
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	15		31,183,076		30,845,683
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	16	795,776		755,281	
Cash at bank and in hand		<u>1,677,501</u>		<u>1,665,960</u>	
		2,473,277		2,421,241	
<b>LIABILITIES</b>					
Amounts falling due within one year	17	<u>(1,054,157)</u>		<u>(852,226)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,419,120</u>		<u>1,569,015</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			32,602,196		32,414,698
<b>LIABILITIES</b>					
Amounts falling due after one year	17		<u>(90,309)</u>		<u>(100,851)</u>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>			32,511,887		32,313,847
Pension scheme liability	24		<u>(3,742,000)</u>		<u>(4,044,000)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>28,769,887</u>		<u>28,269,847</u>
<b>FUNDS OF THE TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset funds	20	31,708,019		31,513,556	
General funds	20	171,860		236,666	
Pension fund	20	<u>(3,742,000)</u>		<u>(4,044,000)</u>	
<b>TOTAL RESTRICTED FUNDS</b>			28,137,879		27,706,222
<b>UNRESTRICTED FUNDS</b>					
General funds	20	<u>632,008</u>		<u>563,625</u>	
<b>TOTAL UNRESTRICTED FUNDS</b>			<u>632,008</u>		<u>563,625</u>
<b>TOTAL FUNDS</b>			<u>28,769,887</u>		<u>28,269,847</u>

The financial statements on pages twenty nine to fifty four were approved by the Trustees, and authorised for issue on 9 December 2020 and signed on their behalf by:



Mr R Summers  
Chair of the Board of Trustees



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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

		31.08.20	31.08.19
	Notes	£	£
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	1	170,143	(416,726)
<b>Cash flows from financing activities</b>	2	(9,991)	(3,562)
<b>Cash flows from investing activities</b>	3	(148,611)	406,980
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		11,541	(13,308)
		<hr/>	<hr/>
<b>Cash and cash equivalents at 1 September 2019</b>		<u>1,665,960</u>	<u>1,679,268</u>
<b>Cash and cash equivalents at 31 August 2020</b>	4	<u>1,677,501</u>	<u>1,665,960</u>

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

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

	31.08.20	31.08.19
	£	£
Net incoming/(outgoing) resources	(310,960)	61,068
Adjusted for:		
Depreciation charges (note 15)	791,732	783,829
Capital Grant from DfE and other capital income	(979,357)	(1,136,640)
Interest receivable (note 5)	(1,157)	(2,100)
Defined Benefit Pension Scheme cost less contributions payable (note 24)	425,000	435,000
Defined Benefit Pension Scheme net interest cost (note 24)	68,000	43,000
Defined Benefit Pension Scheme administrative costs (note 24)	16,000	15,000
Increase/(Decrease) in debtors	(40,495)	(328,717)
(Increase)/Decrease in creditors	201,380	(287,166)
<b>Net cash (used in)/provided by operating activities</b>	<b><u>170,143</u></b>	<b><u>(416,726)</u></b>

**2. Cash flows from financing activities**

Repayments of borrowing	(9,991)	(12,372)
Cash inflows from new borrowing	-	8,810
<b>Net cash (used in)/provided by financing activities</b>	<b><u>(9,991)</u></b>	<b><u>(3,562)</u></b>

**3. Cash flows from investing activities**

Dividends, interest and rents from investments (note 5)	1,157	2,100
Purchase of tangible fixed assets	(1,129,125)	(731,760)
Capital grants from DfE/ESFA	952,393	1,105,648
Capital grants from local authorities and donations	26,964	30,992
<b>Net cash (used in)/provided by investing activities</b>	<b><u>(148,611)</u></b>	<b><u>406,980</u></b>

**4. Cash and cash equivalents**

Cash in hand and at bank	<u>1,677,501</u>	<u>1,665,960</u>
	<u>1,677,501</u>	<u>1,665,960</u>

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

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

**1. STATEMENT OF ACCOUNTING POLICIES**

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

**Basis of preparation**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102), the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

**Going concern**

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

**Income**

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

**Grants receivable**

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

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

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

**Donations**

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

**Other income**

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

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Donated services and gifts in kind**

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

**Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Tangible fixed assets – continued**

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

**Leasehold property**

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

**Financial Instruments**

The Trust only holds basic financial instruments as defined by FRS 102. The Financial assets and financial liabilities of the Trust and their measurement basis are as follows:

**Financial assets** – trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

**Financial liabilities** – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is an obligation to deliver service rather than cash or another financial instrument.

**Liabilities**

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

**Leased assets**

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

**Taxation**

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

**Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES – continued**

**Pension benefits - continued**

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

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

**Fund Accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and the London Borough of Bromley.

**Critical accounting estimates and areas of judgement**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

***Critical areas of judgement***

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

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds	Restricted Funds	31.08.20 Total Funds	31.08.19 Total Funds
	£	£	£	£
Grants	26,964	-	26,964	30,992
Capital grants	-	952,393	952,393	1,105,648
Other donations	11,470	44,451	55,921	82,805
	<u>38,434</u>	<u>996,844</u>	<u>1,035,278</u>	<u>1,219,445</u>

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

	Unrestricted Funds	Restricted Funds	31.08.20 Total Funds	31.08.19 Total Funds
	£	£	£	£
<b>DfE/ESFA GRANTS</b>				
General Annual Grant (GAG)	-	7,636,707	7,636,707	7,785,652
Other DfE/ESFA grants	-	1,072,193	1,072,193	734,125
	<u>-</u>	<u>8,708,900</u>	<u>8,708,900</u>	<u>8,519,777</u>
<b>OTHER GOVERNMENT GRANTS</b>				
Local authority nursery funding	-	105,565	105,565	119,408
Other government grants	-	633,063	633,063	575,890
	<u>-</u>	<u>738,628</u>	<u>738,628</u>	<u>695,298</u>
	<u>-</u>	<u>9,447,528</u>	<u>9,447,528</u>	<u>9,215,075</u>
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme grant	-	48,171	48,171	-
Exceptional cost fund	-	19,536	19,536	-
<b>OTHER INCOME FROM EDUCATIONAL OPERATIONS</b>				
Wrap around care	166,682	-	166,682	158,640
School journeys	-	40,408	40,408	205,646
Catering income	159,014	-	159,014	226,151
Nursery fees	16,568	-	16,568	34,102
Other Income	-	20,680	20,680	34,002
<b>TOTAL OTHER INCOME FROM EDUCATIONAL OPERATIONS</b>	<u>342,264</u>	<u>128,795</u>	<u>471,059</u>	<u>658,541</u>
	<u>342,264</u>	<u>9,576,323</u>	<u>9,918,587</u>	<u>9,873,616</u>

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

- The academy furloughed some of its wraparound care staff under the government's CJRS. The funding received of £48,171 relates to staff costs in respect of 20 staff which are included within notes 6, 8 and 10 below as appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS – continued**

- The trust also claimed for the following exceptional costs: funding of Easter and Summer holiday provision for vulnerable and keyworker children (£11,014) , FSM (£5,962) and additional school cleaning services and supplies (£2,560).

**4. OTHER TRADING ACTIVITIES**

	Unrestricted Funds	Restricted Funds	31.08.20 Total Funds	31.08.19 Total Funds
	£	£	£	£
Hire of facilities	96,896	-	96,896	158,811
Other income	64,559	14,700	79,259	38,516
	<u>161,455</u>	<u>14,700</u>	<u>176,155</u>	<u>197,327</u>

**5. INVESTMENT INCOME**

	Unrestricted Funds	Restricted Funds	31.08.20 Total Funds	31.08.19 Total Funds
	£	£	£	£
Interest receivable	1,156	1	1,157	2,100
	<u>1,156</u>	<u>1</u>	<u>1,157</u>	<u>2,100</u>

**6. EXPENDITURE**

	Staff Costs	Premises Costs	Other Costs	31.08.20 Total	31.08.19 Total
	£	£	£	£	£
Expenditure on raising funds	-	-	28,043	28,043	30,095
<i>educational operations</i>					
Direct costs	6,891,678	-	406,736	7,298,414	6,837,847
Allocated support costs	1,944,121	1,091,556	1,080,003	4,115,680	4,363,478
	<u>8,835,799</u>	<u>1,091,556</u>	<u>1,514,782</u>	<u>11,442,137</u>	<u>11,231,420</u>



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**FOR THE YEAR ENDED 31 AUGUST 2020**

**6. EXPENDITURE - continued**

Incoming/outgoing resources for the year include:

	31.08.20	31.08.19
	£	£
Auditors' remuneration	14,750	14,163
Auditors' remuneration for non-audit work	12,050	14,375
Depreciation – owned assets	<u>791,732</u>	<u>783,829</u>

**7. RAISING FUNDS**

	Unrestricted Funds	Restricted Funds	31.08.20 Total	31.08.19 Total
	£	£	£	£
Fundraising expenses	<u>2,136</u>	<u>25,907</u>	<u>28,043</u>	<u>30,095</u>
	<u>2,136</u>	<u>25,907</u>	<u>28,043</u>	<u>30,095</u>

**8. CHARITABLE ACTIVITIES**

	Unrestricted Funds	Restricted Funds	31.08.20 Total	31.08.19 Total
	£	£	£	£
<b>Direct costs – educational operations</b>				
Teaching and educational support staff costs	-	6,891,678	6,891,678	6,219,275
Educational supplies	960	67,771	68,731	94,403
Educational visits	250	66,628	66,878	217,147
Staff development	-	30,942	30,942	43,086
Educational consultancy	-	207,778	207,778	245,733
Nursery and wrap around care	7,202	-	7,202	9,934
Other direct costs	<u>23,869</u>	<u>1,336</u>	<u>25,205</u>	<u>8,269</u>
	<u>32,281</u>	<u>7,266,133</u>	<u>7,298,414</u>	<u>6,837,847</u>
<b>Allocated support costs – educational operations</b>				
Support staff costs	116,313	1,827,808	1,944,121	2,085,555
Catering	148,221	210,759	358,980	437,140
Depreciation	-	791,732	791,732	783,829
Technology costs	510	145,412	145,922	148,426
Premises costs	1,912	521,271	523,183	571,894
Administrative costs	1,344	96,347	97,691	94,970
Professional fees	-	99,011	99,011	107,797
Governance costs	-	26,800	26,800	28,798
Defined Benefit Pension scheme administrative costs	-	16,000	16,000	15,000
Defined Benefit Pension Scheme net interest cost	-	68,000	68,000	43,000
Other support costs	<u>802</u>	<u>43,438</u>	<u>44,240</u>	<u>47,069</u>
	<u>269,102</u>	<u>3,846,578</u>	<u>4,115,680</u>	<u>4,363,478</u>
<b>Total direct and support costs</b>	<u>301,383</u>	<u>11,112,711</u>	<u>11,414,094</u>	<u>11,201,325</u>

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**9. GOVERNANCE COSTS**

	Unrestricted Funds	Restricted Funds	31.08.20 Total	31.08.19 Total
	£	£	£	£
Auditor's remuneration				
Audit of financial statements	-	14,750	14,750	14,163
Non audit services	-	12,050	12,050	14,375
Legal and professional fees	-	-	-	260
	<u>-</u>	<u>26,800</u>	<u>26,800</u>	<u>28,798</u>

**10. STAFF COSTS**

**a. Staff costs**

Staff costs during the period were:

	31.08.20 £	31.08.19 £
Wages and salaries	6,315,073	6,106,162
Social security costs	547,397	571,215
Pension costs	<u>1,841,975</u>	<u>1,594,091</u>
	8,704,445	8,271,468
Agency supply teacher costs	31,480	33,362
Staff restructuring costs	<u>99,874</u>	<u>-</u>
	<u>8,835,799</u>	<u>8,304,830</u>

Staff restructuring costs comprise:

	31.08.20 £	31.08.19 £
Redundancy payments	11,298	-
Severance payments	12,575	-
Other restructuring costs	<u>76,001</u>	<u>-</u>
	99,874	-

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totally £12,575 (2019: £nil). The amounts comprise one individual payment.

**c. Staff numbers**

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

	31.08.20	31.08.19
<b>Charitable activities</b>		
Teachers	108	108
Administration and support	180	189
Management	<u>9</u>	<u>9</u>
	<u>297</u>	<u>306</u>

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**10. STAFF COSTS – continued**

**d. Higher paid staff**

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

	31.08.20	31.08.19
£60,001 - £70,000	5	4
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1

All of the above employees, with the exception of one, participated in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these staff amounted to £104,926 (2019: £60,913). One employee participated in the local government pension scheme. During the year ended 31 August 2020, pension contributions for this member of staff amounted to £14,544 (2019: £15,246).

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior management team of the Trust as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the Trust during this period was £776,574 (2019: £719,748).

**11. CENTRAL SERVICES**

The Trust charged each individual academy a flat percentage of 5.5% of GAG income to fund central services. Additional reserves contributions were also made based on reserve levels. The central services includes:

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

	31.08.20	31.08.19
	£	£
Chelsfield Primary School	33,894	33,046
Darrick Wood Junior School	95,884	78,016
Green Street Green Primary School	110,935	87,500
The Highway Primary School	52,493	48,916
Pratts Bottom Primary School	28,471	22,978
Tubbenden Primary School	167,813	162,604
MAT Interest	36	37
Other MAT Income	27,759	22,838
	<u>517,285</u>	<u>455,936</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**11. CENTRAL SERVICES – continued**

	31.08.20	31.08.19
	£	£
Audit and banking	27,695	29,183
Professional fees	61,450	63,003
Training and Staffing	453,220	290,385
Insurance	39,685	46,475
Capital Expenditure	6,500	-
Other costs	31,270	6,559
	<hr/> 619,820	<hr/> 435,605
 MAT funds brought forward	 63,547	 43,216
	<hr/>	<hr/>
 MAT funds carried forward	 (38,988)	 63,547
	<hr/>	<hr/>

**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Chief Executive Officer and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration in the year ended 31 August 2020 was as follows:

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

Remuneration £105,000-£110,000 (2019: £100,000-£105,000)

Employer's pension contributions £25,000-£30,000 (2019: £15,000-£20,000)

Mr A Kilgour, a member of the Trust's key management personnel has a close family relationship with Mrs C Kilgour, an employee of the Trust. The remuneration of the member of staff concerned for the year ended 31 August 2020 was in the range £20,000 - £25,000 (2019: £20,000 - £25,000). Members of local governing bodies during the year are employees of South Orpington Learning Alliance Multi-Academy Trust, they are not however trustees of the Trust and accordingly their salaries are not disclosed but those who are considered to be key management personnel are disclosed in note 10e above. During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed to Trustees (year ended 2019: £nil). Other related party transactions involving the Trustees are set out in note 25.

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

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

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	31.08.19 Total Funds
		£	£	£	£
	Note				
<b>Income from:</b>					
Donations and capital grants	2	49,005	64,792	1,105,648	1,219,445
Funding for the multi-academy trust's educational operations	3	418,940	9,454,676	-	9,873,616
Other trading activities	4	172,346	24,981	-	197,327
Investments	5	2,068	32	-	2,100
<b>Total income</b>		<b>642,359</b>	<b>9,544,481</b>	<b>1,105,648</b>	<b>11,292,488</b>
<b>Expenditure on:</b>					
Raising funds	7	4,036	26,059	-	30,095
<i>Charitable activities:</i>					
Multi-academy trust's educational operations	8	358,919	10,058,577	783,829	11,201,325
<b>Total expenditure</b>	6	<b>362,955</b>	<b>10,084,636</b>	<b>783,829</b>	<b>11,231,420</b>
<b>Net income / (expenditure)</b>		<b>279,404</b>	<b>(540,155)</b>	<b>321,819</b>	<b>61,068</b>
<b>Transfers between funds</b>	20	<b>(252,945)</b>	<b>166,736</b>	<b>86,209</b>	<b>-</b>
<b>Net income/(expenditure) for the year before other recognised gains and losses</b>		<b>26,459</b>	<b>(373,419)</b>	<b>408,028</b>	<b>61,068</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,696,000)	-	(1,696,000)
<b>Net movement in funds</b>		<b>26,459</b>	<b>(2,069,419)</b>	<b>408,028</b>	<b>(1,634,932)</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>537,166</b>	<b>(1,737,915)</b>	<b>31,105,528</b>	<b>29,904,779</b>
<b>Total funds carried forward</b>		<b>563,625</b>	<b>(3,807,334)</b>	<b>31,513,556</b>	<b>28,269,847</b>

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**15. TANGIBLE FIXED ASSETS**

	Freehold/ Leasehold Land and Buildings £	Fixtures and Fittings £	Computer Equipment & Software £	Totals £
<b>COST</b>				
At 1 September 2019	32,440,808	753,771	582,164	33,776,743
Additions	<u>1,072,786</u>	<u>6,179</u>	<u>50,160</u>	<u>1,129,125</u>
At 31 August 2020	<u>33,513,594</u>	<u>759,950</u>	<u>632,324</u>	<u>34,905,868</u>
<b>DEPRECIATION</b>				
At 1 September 2019	2,094,585	402,418	434,057	2,931,060
Charge for period	<u>611,992</u>	<u>91,365</u>	<u>88,375</u>	<u>791,732</u>
At 31 August 2020	<u>2,706,577</u>	<u>493,783</u>	<u>522,432</u>	<u>3,722,792</u>
<b>NET BOOK VALUE</b>				
At 31 August 2020	<u>30,807,017</u>	<u>266,167</u>	<u>109,892</u>	<u>31,183,076</u>
At 31 August 2019	<u>30,346,223</u>	<u>351,353</u>	<u>148,107</u>	<u>30,845,683</u>

Included in freehold/leasehold land and buildings is freehold/leasehold land of £2,609,599 (2019: £2,609,599) which has not been depreciated.

**16. DEBTORS**

	31.08.20 £	31.08.19 £
Trade debtors	27,992	25,248
VAT recoverable	66,911	116,227
Prepayments and accrued income	<u>700,873</u>	<u>613,806</u>
	<u>795,776</u>	<u>755,281</u>

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

	31.08.20	31.08.19
	£	£
Trade creditors	181,092	181,040
Taxation and social security	284,809	264,993
Accruals and deferred income (deferred income note 18)	573,124	391,612
Other loans	<u>15,132</u>	<u>14,581</u>
	<u>1,054,157</u>	<u>852,226</u>

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

	31.08.20	31.08.19
	£	£
Other loans	<u>90,309</u>	<u>100,851</u>
	<u>90,309</u>	<u>100,851</u>

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

	Original loan	Duration	Term remaining	Due < 1 year	Due > 1 year
	£			£	£
ESFA	7,188	5 years	2 years	1,437	719
ESFA	16,504	8 years	6 years	2,063	9,284
ESFA	31,983	8 years	6 years	3,998	19,989
ESFA	19,946	8 years	6 years	2,493	12,467
ESFA	44,181	10 years	10 years	4,040	40,141
Salix	8,810	8 years	8 years	<u>1,101</u>	<u>7,709</u>
Total				<u>15,132</u>	<u>90,309</u>

**18. DEFERRED INCOME**

	31.08.20	31.08.19
	£	£
At 1 September	190,327	191,514
Resources deferred during the year	186,265	190,327
Amounts released from previous years	<u>(190,327)</u>	<u>(191,514)</u>
At 31 August	<u>186,265</u>	<u>190,327</u>
	31.08.20	31.08.19
	£	£
ESFA infant free school meal funding	141,822	135,267
Other ESFA grants	26,438	5,865
School journeys paid for in advance	15,295	44,484
Clubs, lettings and nursery fees	<u>2,710</u>	<u>4,711</u>
	<u>186,265</u>	<u>190,327</u>

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**19. OPERATING LEASE COMMITMENTS**

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

	31.08.20	31.08.19
	£	£
Amounts due within one year	4,563	3,865
Amounts due between one and five years	-	3,312
	<u>4,563</u>	<u>7,177</u>

**20. FUNDS**

	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2020
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	105,958	7,636,707	(7,285,855)	(348,260)	108,550
Other DfE/ESFA grants	14,200	1,091,729	(1,044,970)	-	60,959
Other Government Grants	-	774,535	(774,535)	-	-
Other educational	116,508	132,504	(732,526)	485,865	2,351
Pension reserve	(4,044,000)	-	(509,000)	811,000	(3,742,000)
	<u>(3,807,334)</u>	<u>9,635,475</u>	<u>(10,346,886)</u>	<u>948,605</u>	<u>(3,570,140)</u>
<b>Restricted fixed asset funds</b>					
Fixed Assets	31,513,556	952,393	(791,732)	33,802	31,708,019
	<u>31,513,556</u>	<u>952,393</u>	<u>(791,732)</u>	<u>33,802</u>	<u>31,708,019</u>
<b>Total restricted funds</b>	<u>27,706,222</u>	<u>10,587,868</u>	<u>(11,138,618)</u>	<u>982,407</u>	<u>28,137,879</u>
<b>Unrestricted funds</b>					
Unrestricted funds	563,625	543,309	(303,519)	(171,407)	632,008
<b>Total unrestricted funds</b>	<u>563,625</u>	<u>543,309</u>	<u>(303,519)</u>	<u>(171,407)</u>	<u>632,008</u>
<b>Total funds</b>	<u>28,269,847</u>	<u>11,131,177</u>	<u>(11,442,137)</u>	<u>811,000</u>	<u>28,769,887</u>



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**20. FUNDS – continued**

**FUNDS COMPARATIVE**

	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2019
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	20,450	7,785,652	(7,471,136)	(229,008)	105,958
Other DfE/ESFA grants	18,260	734,125	(738,185)	-	14,200
Other Government Grants	-	684,842	(660,421)	(24,421)	-
Other educational	78,375	339,862	(721,894)	420,165	116,508
Pension reserve	<u>(1,855,000)</u>	<u>-</u>	<u>(493,000)</u>	<u>(1,696,000)</u>	<u>(4,044,000)</u>
	<u>(1,737,915)</u>	<u>9,544,481</u>	<u>(10,084,636)</u>	<u>(1,529,264)</u>	<u>(3,807,334)</u>
<b>Restricted fixed asset funds</b>					
Fixed Assets	<u>31,105,528</u>	<u>1,105,648</u>	<u>(783,829)</u>	<u>86,209</u>	<u>31,513,556</u>
	<u>31,105,528</u>	<u>1,105,648</u>	<u>(783,829)</u>	<u>86,209</u>	<u>31,513,566</u>
<b>Total restricted funds</b>	<u>29,367,613</u>	<u>10,650,129</u>	<u>(10,868,465)</u>	<u>(1,443,055)</u>	<u>27,706,222</u>
<b>Unrestricted funds</b>					
Unrestricted funds	<u>537,166</u>	<u>642,359</u>	<u>(362,955)</u>	<u>(252,945)</u>	<u>563,625</u>
<b>Total unrestricted funds</b>	<u>537,166</u>	<u>642,359</u>	<u>(362,955)</u>	<u>(252,945)</u>	<u>563,625</u>
<b>Total funds</b>	<u>29,904,779</u>	<u>11,292,488</u>	<u>(11,231,420)</u>	<u>(1,696,000)</u>	<u>28,269,847</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**20. FUNDS – continued**

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

**General Annual Grant (GAG)**

Funds must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

**Other DfE/ESFA grants**

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

**Other Government Grants**

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

**Pension reserve**

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

**Restricted fixed asset funds**

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

**Unrestricted funds**

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

**Transfers between funds**

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

**Analysis of academies by fund balance**

Fund balances at 31 August were allocated as follows:

	31.08.20 £	31.08.19 £
Chelsfield Primary School	78,030	64,276
Darrick Wood Junior School	238,303	146,689
Green Street Green Primary School	216,697	179,984
The Highway Primary School	71,252	54,959
Pratts Bottom Primary School	44,725	39,800
Tubbenden Primary School	193,849	251,036
MAT	(38,988)	63,547
Total before fixed assets and pension reserve	<u>803,868</u>	<u>800,291</u>
Restricted fixed asset fund	31,708,019	31,513,556
Pension reserve	<u>(3,742,000)</u>	<u>(4,044,000)</u>
Total	<u>28,769,887</u>	<u>28,269,847</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**20. 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) £	31.08.20 Total £	31.08.19 Total £
Chelsfield Primary School	378,401	83,690	7,179	104,047	573,317	644,326
Darrick Wood Junior School	1,162,489	234,429	47,552	263,837	1,708,307	1,754,553
Green Street Green Primary School	1,445,362	473,619	29,553	348,868	2,297,402	2,303,683
The Highway Primary School	780,890	250,934	13,622	199,472	1,244,918	1,217,253
Pratts Bottom Primary School	368,817	70,713	7,368	93,483	540,381	531,057
Tubbenden Primary School	2,450,468	638,744	30,335	504,213	3,623,760	3,546,114
MAT	<u>305,251</u>	<u>191,992</u>	<u>-</u>	<u>165,077</u>	<u>662,320</u>	<u>450,605</u>
	<u>6,891,678</u>	<u>1,944,121</u>	<u>135,609</u>	<u>1,678,997</u>	<u>10,650,405</u>	<u>10,447,591</u>

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

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	31.08.20 Total Funds £
Tangible fixed assets	-	-	31,183,076	31,183,076
Current assets	660,586	1,023,771	788,920	2,473,277
Current liabilities	(28,578)	(851,911)	(173,668)	(1,054,157)
Long term liabilities	-	-	(90,309)	(90,309)
Pension scheme liability	-	(3,742,000)	-	(3,742,000)
Total net assets	<u>632,008</u>	<u>(3,570,140)</u>	<u>31,708,019</u>	<u>28,769,887</u>

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	31.08.19 Total Funds £
Tangible fixed assets	-	-	30,845,683	30,845,683
Current assets	570,594	963,257	887,030	2,421,241
Current liabilities	(7,329)	(726,591)	(118,306)	(852,226)
Long term liabilities	-	-	(100,851)	(100,851)
Pension scheme liability	-	(4,044,000)	-	(4,044,000)
Total net assets	<u>563,625</u>	<u>(3,807,334)</u>	<u>31,513,556</u>	<u>28,269,847</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**22. CAPITAL COMMITMENTS**

	31.08.20	31.08.19
	£	£
Capital Commitments	<u>599,847</u>	<u>772,103</u>
	<u>599,847</u>	<u>772,103</u>

**23. MEMBERS' LIABILITY**

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

**24. PENSION AND SIMILAR OBLIGATIONS**

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

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

Contributions amounting to £160,968 (2019: £133,504) were payable to the schemes at 31 August 2020 and are included within creditors.

**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 2023.

The employers pension costs paid to TPS in the period amounted to £916,216 (2019: £623,591).

A copy of the valuation report and supporting documentation is on [the Teachers' Pension Scheme website](#).

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

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £626,610 (2019 : £613,898) of which employer's contributions totalled £501,763 (2019: £492,411) and employees' contributions totalled £124,847 (2019: £120,411). The agreed contribution rates for future years range from 18.1 to 26.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

**Principal actuarial assumptions**

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

	31.08.20	31.08.19
Discount rate	1.80%	1.80%
Price increases	2.40%	2.10%
Future salary increases	3.90%	3.60%
Future pension increases	2.50%	2.20%
Commutation of pension to lump sums	50.00%	50.00%

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

	31.08.20	31.08.19
<b>Retiring today</b>		
Males	22.8	23.5
Females	25.2	26.2
<b>Retiring in 20 years</b>		
Males	24.7	26.2
Females	27.2	28.5

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

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

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,510,000	3,742,000	3,974,000
Projected service cost	904,000	925,000	936,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,767,000	3,742,000	3,717,000
Projected service cost	925,000	925,000	925,000
Adjustment to inflation	+0.1%	0.0%	-0.1%
Present value of total obligation	3,984,000	3,742,000	3,500,000
Projected service cost	948,000	925,000	902,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	4,084,000	3,742,000	3,400,000
Projected service cost	956,000	925,000	894,000

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	5,318,000	4,291,000
Other bonds	1,071,000	859,000
Cash	64,000	80,000
Property	308,000	284,000
Other	<u>1,346,000</u>	<u>1,260,000</u>
<b>Total market value of assets</b>	<b>8,107,000</b>	<b>6,774,000</b>
Present value of scheme liabilities		
-Funded	<u>(11,849,000)</u>	<u>(10,818,000)</u>
<b>Deficit in the scheme</b>	<b><u>(3,742,000)</u></b>	<b><u>(4,044,000)</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**24. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	Defined benefit pension plans	Defined benefit pension plans
	31.08.20	31.08.19
	£	£
Current service cost (net of employee contributions)	425,000	435,000
Total operating charge	425,000	435,000
Analysis of pension finance income/(costs)		
Net interest on defined liability	68,000	43,000
Administration expenses	16,000	15,000
Pension finance costs	84,000	58,000

The actuarial gains for the current year of £811,000 are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a £2,172,000 loss (2019: £2,983,000 loss).

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

	31.08.20	31.08.19
	£	£
Opening defined benefit obligation	10,818,000	7,598,000
Current service cost	878,000	657,000
Benefits paid net of transfers in	(84,000)	(28,000)
Contributions by scheme participants	126,000	122,000
Interest cost	196,000	212,000
Past Service Costs	20,000	272,000
Remeasurement gain/(losses)	146,000	1,985,000
Other remeasurements	(364,000)	-
Business combinations	113,000	-
Closing defined benefit obligation	11,849,000	10,818,000

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

	31.08.20	31.08.19
	£	£
Opening fair value of scheme assets	6,774,000	5,743,000
Interest on plan assets	128,000	169,000
Contributions by employer	502,000	494,000
Benefits paid net of transfers in	(84,000)	(28,000)
Contributions by scheme participants	126,000	122,000
Remeasurement gains	593,000	289,000
Administration expenses	(16,000)	(15,000)
Business combinations	84,000	-
Closing fair value of scheme assets	8,107,000	6,774,000

The estimated value of employer contributions for the year ending 31 August 2021 is £502,000.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The following transactions occurred during the year under review between the academy trust and The Friends of The Highway, an entity in which Mrs S Kenneth (a Key Personnel) is a Trustee:

- The academy trust received or is due to receive a total donation from The Friends of The Highway totalling £2,550 (2019: £7,000) during the period.

The following transactions occurred during the year under review between the academy trust and The Darrick Wood Junior School Parents / Teachers Association, an entity in which Mr A Kilgour (a Key Personnel) is a Trustee:

- The academy trust received a donation from The Darrick Wood Junior School Parents / Teachers Association totalling £2,232 (2019: £5,085) during the period.

The following transactions occurred during the year under review between the academy trust and Pratts Bottom Primary School Parent, Teacher and Friends Association, an entity in which Mrs E Hodson (a Key Personnel) is a Trustee:

- The academy trust received a donation from Pratts Bottom Primary School Parent Teacher and Friends Association totalling £3,240 (2019: £7,252) during the period.

During the year, a member of the Trust's key management personnel disclosed a close family member's interest in Cyber Covered Limited. Subsequent to this, The Highway Primary School took out an annual policy at a cost of £493.

During the year, a member of the Trust's key management personnel disclosed a close family member's interest in PiXL. Four of the six schools have annual subscriptions with this company. However, the subscriptions were all renewed in 2018/19 covering the period up to 31 May 2020. Due to COVID, PiXL extended these subscriptions until 31 August 2020 and so in the year under review, no contracts were renewed.

No further related party transactions took place in the period under review, other than certain trustees' and employees remuneration and expenses already disclosed in **note 12**. In entering into these transactions the Trust has complied with the requirements of the ESFA's Academies Financial Handbook 2019.