



WELLSPRING
ACADEMY TRUST

We Make A Difference

Wellspring Academy Trust
(A Company Limited by Guarantee)

Trustees' Report and Audited Accounts for the year ended 31 August 2017

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Reference and Administrative Details

Trustees

Hearl Lenton (Chair)
Colin Booth
Jenny Davis (resigned 31 August 2017)
Cheryl Hobson (resigned 15 March 2017)
Dianne Murray
Michael Sanderson (Chair of Standards Committee)
Mark Townley (Chair of Audit Committee)
Dave Whitaker
Mark Wilson (CEO and Accounting Officer)
Gordon Beever (Chair of Finance, Resources & Remunerations Committee)
Chris Webb (resigned 16 March 2017)
Ian Bennett Hague-Brown
Warwick Firmin
Yiannis Kouris
Stewart Harper
Molly Beever (appointed 1 September 2017)
Jerzy Krawiec (appointed 1 September 2017)
Richard Owen (appointed 18 October 2017)

Members

Frank Johnston
Hearl Lenton
Barry Eldred
John Hall
Josie Teasdale (deceased 31 August 2017)



Reference and Administrative Details

Senior Management Team

– Chief Executive Officer	Mark Wilson
– Chief Finance Officer	Mark Wood
– Chief Operating Officer	Joshua Greaves
– Chief HR Officer	Trudy Morris
– Chief Administration Officer	Natalie Hardman
– Executive Principal of The Forest Primary Academy, Oakhill Primary Academy and Oakwell Rise Primary Academy	Samantha Bailey
– Executive Principal of Springwell Special Academy, Springwell Alternative Academy and Springwell Lincoln City Academy	Dave Whitaker
– Executive Principal of Phoenix Park Alternative Academy and Sevenhills Alternative Academy	Philip Hutchinson
– Executive Principal of Victoria Primary Academy and Ebor Gardens Primary Academy	Ian Goddard
– Principal of Littlecoates Primary Academy	Rosalind Smith
– Principal of Joseph Norton Academy	Sarah Wilson
– Executive Principal of Springwell Academy Leeds	Scott Jacques
– Head Teacher of Greenacre School	Diane Greaves
– Head Teacher of Beacon Academy	Jason Thurley

Company Secretary

Karen Froggatt

Company registration number

08120960 (England and Wales)

Registered office

Digital Media Centre, County Way, Barnsley,
South Yorkshire S70 2JW

Reference and Administrative Details

Academies operated	Location	Principal/Head of School
Victoria Primary Academy	Leeds	Amanda Green
Springwell Special Academy	Barnsley	Dave Whitaker
Springwell Alternative Academy	Barnsley	Dave Whitaker
Sevenhills Academy	Grimsby	Philip Hutchinson
Phoenix Park Academy	Grimsby	Philip Hutchinson
The Forest Academy	Barnsley	Samantha Bailey
Ebor Gardens Primary Academy	Leeds	Jennifer Thomas
Littlecoates Primary Academy	Grimsby	Rosalind Smith
Springwell Leeds Academy	Leeds	Scott Jacques
Oakhill Primary Academy	Barnsley	Samantha Golia
Joseph Norton Academy	Huddersfield	Sarah Wilson
Oakwell Rise Primary Academy	Barnsley	Jessica Jenkins
Springwell Lincoln City Academy	Lincolnshire	Dave Whitaker
Greenacre School	Barnsley	Diane Greaves
Independent Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA	
Internal Auditors	RSM Springfield House 76 Wellington Street Leeds LS1 2AY	
Bankers	Royal Bank of Scotland plc 5 Church Street Sheffield S1 1HF	
Solicitors	Watson Burton LLP 1 St James' Gate Newcastle upon Tyne NE99 1YQ	

Trustee's Report for the year ended 31 August 2017

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the Charitable Company for the period 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Wellspring Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Academy Trust is known as Wellspring Academy Trust.

The Trust's Articles of Association were amended in June 2015 and are registered at Companies House.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' liability

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

Trustees' indemnities

The Academy Trust maintains Governors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors 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 period and remain in force, in relation to certain losses and liabilities which the Governors or other Officers may incur to third parties in the course of acting as Governors or Officers of the Academy Trust.

Details of the insurance cover are provided in note 11 to the Financial Statements.

Method of recruitment and appointment or election of Trustees

As clearly set out in the Articles of Association, the Board of Trustees must consist of a minimum of three Trustees and comprise;

- a) up to two Trustees appointed by the Members,
- b) up to six Trustees appointed by the Sponsor, Barnsley College,
- c) a minimum of two Parent Trustees, unless the Local Governing Bodies include at least two Parent Members.

The Board may also co-opt Trustees onto the Board. The total number of Trustees including the CEO who are employees of the Company shall not exceed one third of the total number of Trustees.

The Board of Trustees has appointed Local Governing Bodies (LGBs) to oversee each Academy within the Trust. The LGBs have delegated powers to oversee the day to day running of the Academies. Each LGB must consist of a minimum of five Governors and comprise;

- a) up to eight Governors appointed by the Board of Trustees,
- b) two staff Governors elected by staff employed at the Academy (provided that the number of Wellspring staff, including the Principal, does not exceed one third of the total number of Governors on the LGB),
- c) two parent Governors elected by parents of registered pupils at the Academy,
- d) the Principal/Executive Principal of the Academy on an ex officio basis,
- e) the Chief Executive Officer of the Trust or a delegated representative on an ex-officio basis
- f) any additional Governors which could be requested by the Secretary of State for Education.

Subject to remaining eligible to be a particular type of Trustee or Governor, Trustees and Governors serve a term of office of four years, with the exception of the Chief Executive Officer and Principal/Executive Principal. Trustees and Governors are eligible to be re-elected or re-appointed.

The Trust Board and Local Governing Bodies annually review their skills and effectiveness and incorporate any actions in their Governance Development Plans. The assessments of effectiveness reflect good practice in respect of guidance provided by the National Governance Association and skills

Trustee's Report for the year ended 31 August 2017 (contin)

assessments relate to the DfE's Competency Framework.

The Governance Committee's role includes ensuring that there is a robust recruitment and selection process in place in respect of Trustees and local Governors. Potential Trustees and Governors are interviewed and checks are completed to ensure they are suitable to join the Trust.

Induction and training of Trustees and Governors

Newly-appointed Local Governing Body members participate in an induction training programme at the earliest opportunity. Further to this, a broad range of training and development opportunities are available to support Governors in developing their skills and knowledge.

Trustees are also inducted to their role and are encouraged to pursue individual training and development opportunities, in addition to participating in development activities undertaken by the full Board.

All Trustees and Governors are required to complete a register of interests, which is updated on an ongoing basis.

Organisational structure

The Members of Wellspring Academy Trust have ultimate control over the Trust, with the ability to appoint other Members and Trustees, and the right to amend the Trust's Articles of Association. The Members monitor, challenge and hold the Trustees to account on finance, school improvements, the objects of the Trust and recruitment of schools to the Trust.

The Board sets the strategic direction of the Trust and monitors its performance. It appoints professionals from the public sector, private industry, voluntary sectors and the community, whose knowledge and expertise can make a difference to the lives of children and young people. Trustees work together on the Board in a voluntary capacity to ensure that the Trust meets the needs of the community it serves.

The Chief Executive Officer of the Trust is responsible for the day-to-day operation of the Trust and is accountable to the Board.

Management responsibilities are governed by a detailed Scheme of Delegation, which specifies those decisions that are reserved to the Board of Trustees and those delegated to Local Governing Bodies or to Senior Management. Principals/Executive Principals are accountable to their

Local Governing Bodies. Where an Academy is categorised as 'Requires Improvement' or 'Inadequate' the Principal is supported by the Chief Executive Officer of the Trust to ensure that rapid improvements are secured.

The Board has four Committees which act in an advice and scrutiny capacity to the Board to enable informed decisions to be made. These are the Audit Committee, the Finance, Resources & Remuneration Committee, the Standards Committee and the Governance Committee.

The Board may appoint up to two co-opted members to each Committee. Towards the end of the financial year candidates were considered and appointments were made to the Audit Committee and the Finance, Resources & Remuneration Committee. These will take effect from September 2017.

The Terms of Reference of each Committee are reviewed annually by the Board.

Arrangements for setting pay and remuneration of key management personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and Senior Leadership Team as disclosed on pages 3 and 4.

The remuneration policy, setting the terms and conditions for the Key Management Personnel, was developed and approved by the Board of Trustees, after taking advice from the Chief Executive Officer and following guidance from the relevant professional pay review bodies. Naturally the Chief Executive Officer was not involved in setting his own remuneration package.

Only Staff Trustees, including the Chief Executive Officer, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as Trustees. Specific disclosures concerning Staff Trustees' remuneration is included in note 10.

The day to day running of the remuneration policy is delegated to the Chief Executive Officer and monitored by the Finance, Resources and Remuneration Committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed every three years by the Board of Trustees.

Trustee's Report for the year ended 31 August 2017 (contin)

Remuneration of key management personnel is set at an individual level, and where possible the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping Trustees conclude that each individual has remuneration at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contributions at specific approved rates.

The Board always bears in mind the charitable status of the Academy Trust and recognises the fact the Trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the Trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 9.

Related parties and other connected charities and organisations

The Trust was established by Barnsley College in 2012. The College continues to actively engage with the Trust and appoints representatives to the Trust Board.

A relationship exists between the Trust and a Community Interest Company (Opening Doors Greenacre CIC). This is a separate legal entity providing holistic opportunities to adults aged 19 to 25 who have an Education Health and Care Plan. The Trust provides staff members on a consultant basis to deliver the provision, for which the Trust invoices the Company. The Trust also levies a management and administration charge, in addition to charges for the use of premises and travel. The company submits an annual report to the Governing Body of Greenacre School detailing its operations for the given year, presented by Trust employees who sit as Board Directors within the Company. No member of Trust staff receives additional income in relation to work within the Company, other than where overtime work is required.

The Trust has also established a Community Interest Company (Spring Ahead) to deliver an agency staffing service to schools across the Trust; and to provide a

vehicle for other more commercial offerings in the future. This company has not yet commenced trading and hence there have been no transactions between the Trust and this Company.

The Trust works in partnership with a growing number of Local Authorities to drive forward change, develop collaborative ways of working and to enhance local opportunities.

Details of connected parties and related party transactions are detailed in note 23.

Objectives and activities

Objects and aims

The Trust's objects are specifically restricted to the following:

To advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; or education institutions which are principally concerned with providing education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them; or 16 to 19 Academies offering a curriculum appropriate to the needs of its students; or schools specially organised to make special educational provision for pupils with Special Educational Needs.

To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of said inhabitants

Objectives, Strategies and Activities

The Trust has recently updated its three year plan:

The Trust is a values driven organisation. Its track record as an Academy Trust evidences a distinctive vision and values set, applying the values challenge to decision making, whereby activity that doesn't align with the Trust's values doesn't happen.

Trustee's Report for the year ended 31 August 2017 (contin)

The Trust will put its values at the centre of its message and will play a system leader role by championing those values. Wellspring views education as a vehicle for better outcomes for all, including those from disadvantage, whatever their starting points. The Trust works with a high proportion of young people from lower income backgrounds and with SEN.

The Trust will aim to raise expectations and ambitions for every young person in its care. The Trust has earned its success thus far by empowering leadership teams and Governing Bodies within the context of a comprehensive and robust Trust-wide monitoring and risk assurance framework.

The Trust will further its assurance mechanisms and frameworks in partnership with its Academies through systems and through investment in the workforce.

The Trust's Values are:

- Inclusivity
- Ethical
- Student-centred
- Challenging inequality and underperformance
- Local Autonomy
- Progressive
- Authentic Care
- Unconditional positive regard.

The Trust's objectives are:

- Objective 1 - Strong Academies, strong outcomes for young people
- Objective 2 - A region wide network of Academies
- Objective 3 - Grow the infrastructure that underpins the scale and operation of the organisation
- Objective 4 - Financial Sustainability.

Public Benefit

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties, in particular to its supplementary guidance on advancing education.

Strategic Report

Achievements and performance

Wellspring has grown to become an **established Trust**, defined by the DfE as a Trust of between six to fifteen Academies in the same region. By number of Academies the Trust is amongst the largest 5% of Trusts in the Country.

The Trust has built the capacity and the potential of its School Improvement Teams and Support Centre to address the needs of the Academies and to manage a diversified portfolio of work.

The Trust has achieved its plan of developing clusters of Academies across the three main regions and proactively recruiting leaders to support growth.



Trust Academies in the Primary sector continue to achieve notable success. Both Oakwell Rise Academy (formerly Doncaster Road Primary) and Oakhill Academy were in Special Measures a year ago when taken over by the Trust. Both have made substantial progress in the year, with Oakwell Rise tripling its percentage of students reaching the national benchmark by age 11 and Oakhill doubling its score against the same measure to a significant 74% (above the national average). The Forest Academy continues to achieve very strong outcomes as a demonstration of its ongoing effectiveness and recovery from serious weakness, being in the Top 10 Most Improved Schools in 2016. Littlecoates Primary in North East Lincolnshire continues to outperform schools locally and similar schools nationally.

Trustee's Report for the year ended 31 August 2017 (contin)

The Trust's SEMH special schools continue to be successful in achieving a range of qualifications at GCSE and equivalent; Joseph Norton being particularly successful, with high percentages of pupils achieving qualifications in English and Maths. Springwell Barnsley have a broad range of GCSE and equivalent courses which have resulted in strong average points scores for its year 11 leavers. In Springwell Leeds the curriculum continues to develop and the focus on positive post-16 progression is clearly a strength, with 100% of pupils successfully making the move to college or employment.

The strength in the alternative academies is clear in the range of GCSE's on offer at Sevenhills and Springwell Barnsley. Springwell Lincolnshire is now developing a strong, broad curriculum offer from where it started with the special measures position prior to academisation. At Phoenix Park the curriculum offers a variety of vocational and foundation courses, with English GCSE a key strength.

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Results Analysis SEMH & AP 2016/2017 Year 11 only	Academy	Cohort size	% English Language GCSE Pass	% English Pass any Qualification	% Maths GCSE Pass	% Maths Pass any Qualification	% Maths & English GCSE combined	% Maths & English GCSE combined Grade 4+	% Maths & English GCSE combined Grade 5+	% 5+ GCSE (equivalent) inc. English & Maths (any grade)	% of pupils with at least 1 qualification	Average Points Score (new measures)	% Positive Destinations
SEMH Special	Springwell Special Academy (Barnsley)	14	36	64	42	57	36	7	0	43	71	11.18	78.57
	Springwell Academy (Leeds)	9	44	56	44	67	44	0	0	0	89	1.7	100
	Josephy Norton Academy	8	62	88	62	88	63	0	0	13	100	6.16	88
Alternative Provision (PRU)	Springwell Alternative Academy (Barnsley)	56	52	61	59	75	50	4	0	32	84	7.94	72.73
	Springwell Lincoln City Academy	86	21	60	21	50	20	3	0	17	65	3.1	
	Sevenhills Academy	14	78	86	71	71	71	7	7	43	93	9.1	79
	Phoenix Park Academy	16	81	81	50	56	50	0	0	19	94	4	88

Trustee's Report for the year ended 31 August 2017 (contin)

At Greenacre Special School the majority of students make exceptional progress in most areas of learning and development. Pupils in year 11 achieve well in Entry Level qualifications in English, Maths, PE, Science, IT and PSD. Pupils from disadvantaged backgrounds perform at least as well as other pupils, largely due to the individual support they receive to improve attendance, emotional resilience and wellbeing.

Key performance indicators

The Board considers that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education and Skills Funding Agency (ESFA) funding level);
- General financial stability - aim for income to match expenditure each year;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Capital expenditure;
- Pupil attendance;
- Annual Trust evaluation of effectiveness;
- Academies and destinations outcomes for young people.

The Board receives updates against the above indicators through the various reporting mechanisms during the year and considers that all key performance indicators listed have been successfully met.

Going concern

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

Financial review

During the period, the Academy Trust grew to include six additional academies. The Trust inherited the assets and liabilities in hand on the date of conversion to academy status. A net donation of £15m, which includes a valuation of land and buildings, is included within income in the Statement of Financial Activities, in accordance with the ESFA Accounts Direction.

Fixed assets inherited are included in the Restricted Fixed

Asset Fund; all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into Unrestricted Funds. The opening Local Government Pension Scheme liability is shown within Restricted Funds.

Most of the Trust's income is obtained from the ESFA in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2017, total expenditure of £49m was more than covered by recurrent grant funding from the ESFA, together with other incoming resources. The excess of income over expenditure for the year (excluding Restricted Fixed Asset Funds and movement on the pension reserve) was £0.5m.

At 31 August 2017, the net book value of tangible fixed assets was £46m and movements in tangible fixed assets are shown in note 13 to the Financial Statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Reserves policy

The Board of Directors is responsible for managing fluctuations in the overall financial position of the Trust and may hold reserves to further the Trust's charitable aims as required. Funds are received on behalf of the individual Academies within the Trust and are allocated by the Trust in line with the relevant scheme of delegation. Directors are mindful of the Financial Handbook and requirement that GAG funding should be spent on current pupils, whilst being aware of volatility in the funding of education and the need to manage resources effectively over a longer term period aligned to strategic and operational plans. Trust Academies are expected to set a budget each year using the GAG and other grants reasonably foreseen and to match expenditure to income.

Reserves at the end of each year will be held in support of:

- Contribution to capital projects planned or in development
- Financial commitments made but not yet come to fruition
- Investment in future educational initiatives
- Cash-flow requirement

Trustee's Report for the year ended 31 August 2017 (contin)

- Contingency against unforeseen events
- Immediate short-term resource capacity requirements, where there is a proven need.

The policy takes into account the following principles:

- Reserves must have a specific purpose related to future spending or covering current and future risks
- The size of reserves should balance the benefit of current spending with the risks the reserves cover
- They should be transparent and maintain the link with the purposes for which the income was given
- They should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, leading to deficit or cash-flow issues.

The policy allows for Academies to apply for advance funds from trust reserves, subject to a business case and agreed repayment schedule, covering the following exceptional circumstances:

- Essential betterment
- Rapid and sustaining school improvement
- Investing to save proposals.

The value of Unrestricted Funds as at 31 August 2017 is £1,669,825 and that of Restricted General Funds (excluding pension reserve) is £47,560,953.

As at the 31 August 2017 there were two academies in a deficit position as follows:

1. Springwell Leeds Academy. This resulted in the main from Pupil Premium funding that was expected to be paid by the ESFA in relation to pupils who came into the Academy post January census, but which the ESFA subsequently didn't provide funding for; and a difference in the expected funds on conversion due to additional financial activity up to the transfer date. The Academy was aware of the potential financial risks associated with these and is well on the way to finalising a deficit recovery plan which will recover the funds in full and place the school in a balanced position by the end of 2017/18.
2. Springwell Lincoln City Academy. This was a result of a difference in the expected funds on conversion following numerous meetings with North East Lincolnshire Council regarding financial activity that related to post conversion financial activity, and ongoing dialogue with the Council

regarding the funding of additional pupils over and above the standard number which were finally agreed at less than the Academy had been expecting. Detailed work is being undertaken with the Academy to finalise a deficit recovery plan, which may well be over a number of years as the Academy faces challenges over the next two years, transitioning into four new free schools. This would be subject to the Trust's Reserves Policy.

Investment policy and powers

All surplus funds are currently held in interest bearing accounts and drawn into current accounts as and when needed to meet operational needs. The Trust has an approved investment policy which allows for the investment of surplus cash funds to optimise returns, but ensuring that the investment instruments are such that there is no risk to the loss of these cash funds and that consideration is given to the ability to access any such funds should they be needed. The investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- To allow provision for a working balance to meet the needs of any unforeseen events
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested sums.

As a result of the low level of potential returns available in the market, set against the risk of tying up funding for any length of time, there were no investments undertaken during the reporting period.

The CFO regularly monitors cash-flow and account balances to ensure immediate financial commitments can be met and that the current account has adequate funds to meet forthcoming commitments. Interest rates on potential investments are regularly reviewed and compared with other investment opportunities.

Principal risks and uncertainties

The Trust maintains risk registers which identify and monitor the strategic risks of the Trust and the individual Academies. These are reviewed at least annually by the Governing Bodies and Board of Trustees.

Trustee's Report for the year ended 31 August 2017 (contin)

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

The Trust also faces significant risk through external quality assurance, particularly in relation to OFSTED evaluation of individual Academies, and whilst significant work is undertaken to internally evaluate progress of individual Academies through in depth analysis of data and ongoing assessment against the Trust Assurance Framework this will always remain a key risk.

Ensuring sufficient capacity is maintained as expansion occurs, and maintaining the reputation of the Trust represents an ongoing risk which is managed by the Trust.

With the expansion of the Trust significant work has been undertaken around the ongoing management of risk and an identified 'three lines of defence' approach is being developed which takes into account:

- Internal control measures
- Internal evaluation and scrutiny measures
- External scrutiny measures.

Alongside this the Trust has developed an Assurance Framework to evaluate and support senior managers across the Trust in the following key areas:

- Standards
- Administration
- Governance
- Financial Management
- Human Resources
- Business and Operations
- Behaviour and Safety.

Plans for future periods

The Trust has revised its three year plan, setting out the key strategic aims and priorities for the Trust and the actions required in order to achieve those priorities. The planning has been done with an understanding of the key challenges and opportunities facing the Trust, whilst building on the achievements of the previous planning period. The priorities and plans are as follows:

Objective 1: Strong Academies, strong outcomes for young people – The Trust will raise the expectations

and ambitions of its students and the communities its Academies serve through ensuring high quality leadership and management and timely and skilful support that, in turn, ensure high quality learning.

- Building internal development pathways, including at the most senior (System Leader) level
- Strengthening recruitment and selection processes for senior posts
- Ensuring effective support for Governors in new Academies
- Adding to the number of supernumerary Executive Leaders
- Implementing a continuous assurance framework
- Ensuring timely use of data
- Timely intervention in Academies at risk
- Timely benchmarking and other data
- Peer review
- Fostering professional practice networks at all levels.

Objective 2: A region-wide network of Academies –

The Trust will work with the system to grow substantially to scale at a rate of eight to ten Academies annually over the next three years, creating learning communities in three regions (West, Central and East).

- Attracting a mixture of sponsored and convertor academies
- Implementing a scalable leadership and school improvement model
- Embedding a continuous assurance framework, encompassing Academy performance and technical measures
- Attracting Academies from all sectors and phases
- Developing regional practice networks
- Pooling resources and expertise
- Creating regional Challenge Partnerships
- Creating regions that feature distinct local identity
- A solutions focussed approach to partnership with key partners including the Local Authority
- A region wide network of Specialist Schools.

Objective 3: Grow the infrastructure that underpins the scale and operation of the organisation – The Trust will mature its assurance mechanisms, frameworks and partnerships across its system and invest in its workforce.

- Embed Trust-wide Business Information Systems, including real-time monitoring and reporting
- Realign technical support teams, lines of reporting and accountability

Trustee's Report for the year ended 31 August 2017 (contin)

- Strengthen Academy governance as a key layer of assurance
- Extend partnerships with like-minded, values based, progressive and inclusive schools and Trusts
- Extend partnerships with Local Authorities, Regional Schools Commissioner and DfE, Further and Higher Education for business development opportunities and Academies growth
- Extend partnerships with the NHS and Social Care for funding programmes that complement the core business and moral purpose of the Trust
- Provision of career development programmes
- Focus HR resources on staff welfare and wellbeing
- Provide career development opportunities through personal, professional and organisational growth.

Objective 4: Financial sustainability – The Trust will embed robust and resilient systems that ensure effective financial management and futures planning.

- Develop systems that provide support and challenge for leaders and governing bodies
- Develop systems that provide continuous financial assurance to Academies, governors and the Board
- Develop systems that provide assurance from an expert, highly qualified staff
- Invest surplus balances in the Academies to grow their business and stimulate new business
- Support all Academies to achieve balanced in-year budgets
- Realise the potential of economies of scale locally and at system level
- Provide effective cash-flow forecasting for the Board and governing bodies
- Take an innovative approach to new business development opportunities
- Take a risk informed approach as directed by the Trust Board.

Funds held as Custodian trustee on behalf of others

No funds are held on behalf of others.

Trustee's Report for the year ended 31 August 2017 (contin)

Auditor

In so far as the Trustees are aware:

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

UHY Hacker Young resigned as auditors during the year and KPMG LLP were appointed in their place. KPMG LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 13 December 2017 and signed on its behalf by:



Hearl Lenton
Chair of the Board
13 December 2017



Mark Wilson
CEO and Accounting Officer
13 December 2017

Governance Statement for the year ended 31 August 2017

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Wellspring Academy 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 of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Wellspring Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Hearl Lenton (Chair of Board and of Governance Committee)	4	5
Colin Booth	3	5
Jenny Davis	4	5
Cheryl Hobson	1	3
Dianne Murray	4	5
Michael Sanderson (Chair of Standards Committee)	4	5
Mark Townley (Chair of Audit Committee)	2	5
Dave Whitaker	4	5
Mark Wilson (CEO and Accounting Officer)	5	5
Gordon Beever (Chair of Finance, Resources & Remuneration Committee)	2	5
Chris Webb	1	3
Ian Bennett Hague-Brown	4	5
Warwick Firmin	4	5
Yiannis Kouris	3	5
Stewart Harper	5	5

The Chair of the Board was reappointed for a further year at the meeting held in October 2017.

The Chair of the Board undertakes annual 'one to one' reviews with Trustees. The Board has conducted an annual evaluation of its effectiveness and skills and considered the outcomes and actions at its meeting on 18 October 2017.

Governance Statement for the year ended 31 August 2017 (contin)

As the Trust has matured and its scale has increased, the data and other information provided to the Board, Board Scrutiny Committees and Local Governing Bodies has been reviewed. This will continue to be the case.

All Terms of Reference and other constitutional documents and arrangements have been reviewed, with the aim of further increasing the range and rigour of information provided throughout the governance structure.

Key areas reviewed have included: greater focus on risk and assurance registers, including the introduction of Academy-specific registers; detailed planning for the introduction of the 'Wellspring Assurance Framework', which will assess key performance measures three times a year, providing feedback to the Trust Board and Local Governing Bodies; the formation of a Safeguarding Committee, which will provide feedback to the Trust in respect of safeguarding audits and related activities and significant focus on providing a range of bench-marking data, to support the Board and Governors in measuring the performance of the Trust and its Academies.

Governance Reviews

The Trust Board and Local Governing Bodies annually review their skills and effectiveness and incorporate any actions in their Governance Development Plans. The assessments of

effectiveness reflect good practice in respect of guidance provided by the National Governance Association and skills assessments relate to the DfE's Competency Framework.

An internal audit review was carried out in relation to governance with a focus on the structure of the governance arrangements and reporting. This resulted in a 'substantial' assurance opinion with no areas identified within the scope to improve.

The internal audit governance opinion is further informed by attendance at meetings of the Audit Committee where the Trust's performance is reported and scrutinised by members.

The **Finance, Resources & Remuneration Committee** is a committee of the main Board of Trustees. Its remit is to ensure sound management of the Trust's finances and resources, including planning, monitoring, probity and value for money. The Committee advises the Board regarding the year-end accounts, strategic matters with financial implications, remuneration and other key matters and reports to the Board any decisions taken in accordance with the Schemes of Delegation and delegated powers, including in respect of the Academies' assets and depreciation.

Attendance at Finance, Resources & Remuneration Committee meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Hearl Lenton (ex-officio)	1	3
Cheryl Hobson	0	1
Dave Whitaker	1	3
Mark Wilson (CEO and Accounting Officer)	3	3
Gordon Beever (Chair of FRR Committee)	3	3
Yiannis Kouris	3	3

Governance Statement for the year ended 31 August 2017 (contin)

The **Audit Committee** is also a committee of the main Board of Trustees. Its remit is to advise the Board and Accounting Officer (the CEO) regarding the adequacy and effectiveness of the Trust's internal controls, risk management, governance and value for money systems and frameworks. The Committee also advises the Board

regarding the appointment of auditors and the planned audit approach, as well as considering reports from the internal and external auditors and other bodies and ensuring that actions are taken where required.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Cheryl Hobson	0	3
Mark Townley (Chair of Audit Committee)	4	4
Chris Webb	1	1
Stewart Harper	4	4

The **Governance Committee** is another committee of the main Board of Trustees. The Committee's remit is to ensure that governance arrangements within the Trust are robust, advising the Board in respect of the Trust's Articles of Association, Schemes of Delegation, Terms of Reference and other governance policies and procedures. The Committee

also oversees a range of other matters, including: the recruitment of Directors (Trustees) and Academy Governors, training and development and Board / Committee / Governing Body effectiveness.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Hearl Lenton (Chair of Governance Committee)	2	2
Jenny Davis	2	2
Michael Sanderson	2	2
Stewart Harper	2	2
Ian Bennett Hague-Brown	1	2
Mark Wilson (CEO and Accounting Officer)	2	2

The **Standards Committee** is also a committee of the main Board of Trustees. Its remit is to monitor and advise the Board regarding the performance and standards of the Trust's Academies, with reference to a range of matters, including: the quality of the curriculum, key quantitative

and qualitative benchmarks and progress regarding the Academies' Action Plans.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Michael Sanderson (Chair of Standards Committee)	3	3
Colin Booth	2	2
Dave Whitaker	3	3
Dianne Murray	3	2
Warwick Firmin	3	3
Mark Wilson (CEO and Accounting Officer)	3	3

Governance Statement for the year ended 31 August 2017 (contin)

Review of value for money

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

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

- The Trust has undertaken a major procurement exercise for ICT equipment that has realised significant financial savings
- The Trust has commenced a procurement exercise for catering provision across the Trust
- The Trust has commenced a procurement exercise for cleaning provision across the Trust
- The Trust is establishing an in-house payroll function which will provide improved performance whilst delivering efficiencies in processing and managing HR/Payroll within Academies
- The Trust is setting up its own staff supply agency delivered through the community interest company (Spring Ahead) to provide more cost effective supply across the Trust
- Financial benchmarking information has been shared across all Academies to assist with future year financial planning.

The purpose of the system of internal control

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

and Financial Statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed RSM as Internal Auditors.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Governance – Structure and Reporting
- Due Diligence – Academy Conversions
- Key Financial Controls.

Governance Statement for the year ended 31 August 2017 (contin)

On a termly basis the Internal Auditor reports to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned. The internal audit reports have highlighted improvements required in key financial controls, whereby the framework of controls in place was sound, but there were some weaknesses in terms of those controls being operated. The Trust has established an action plan to address all recommendations.

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

Approved by order of the Board of Trustees on 13 December 2017 and signed on its behalf by:



Hearl Lenton
Chair of the Board



Mark Wilson
CEO and Accounting Officer

Review of effectiveness

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

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

Statement of Regularity, Propriety and Compliance for the year ended 31 August 2017

As Accounting Officer of Wellspring 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 funding, under the Funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



Mark Wilson
CEO and Accounting Officer
13 December 2017

Statement of Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

The trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations, including the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA).

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

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 the charitable company's 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 (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements and 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;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect 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 ESFA/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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 13 December 2017 and signed on its behalf



Hearl Lenton
Chair of the Board



Mark Wilson
CEO and Accounting Officer

Independent Auditor's Report to the Members of Wellspring Academy Trust

Opinion

We have audited the financial statements of Wellspring Academy Trust ("the charitable company") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2016 to 2017* issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Trustees' Annual Report and Governance Statement and the Statement on regularity, propriety and compliance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Wellspring Academy Trust (contin)

Trustees' responsibilities

As explained more fully in their statement set out on page 22, the Trustees (who are the Directors of the charitable company 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company'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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Sue Suchoparek (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

20 December 2017

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

In accordance with the terms of our engagement letter dated 22 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2016 to 20 December 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Wellspring Academy Trust (the 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 the 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 the Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 20 December 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Principal on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2016;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

Independent Reporting Accountant's Assurance Report on Regularity to Wellspring Academy Trust and the Education and Skills Funding Agency (contin)

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2016 to 2017.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 20 December 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Sue Suchoparek (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

20 December 2017

Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 August 2017

	Notes	Unrestricted Funds £	Restricted General £	Restricted Funds: Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	23,808	–	570,215	594,023	552,697
Donations - transfer on conversion	26	1,501,331	40,210	25,696,485	27,238,026	7,842,187
Charitable activities:						
- Funding for educational operations	3	–	31,535,738	–	31,535,738	13,859,677
Other trading activities	4	431,759	498,115	–	929,874	338,939
Investments	5	6,907	–	–	6,907	5,135
Total income and endowments		1,963,805	32,074,063	26,266,700	60,304,568	22,598,635
Expenditure on:						
Raising funds	6	–	–	–	–	88,210
Charitable activities:						
- Educational operations	6, 7	71,207	33,433,039	2,473,273	– 35,977,519	15,100,038
Inherited defined benefit pension liability	26	–	12,523,000	–	12,523,000	1,317,000
Total expenditure	6, 7	71,207	45,956,039	2,473,273	48,500,519	16,505,248
Net income/(expenditure)		1,892,598	(13,881,976)	23,793,427	11,804,049	6,093,387
Transfers between funds		(1,288,265)	(80,210)	1,368,475	–	–
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	–	2,037,000	–	2,037,000	(3,173,000)
Net movement in funds		604,333	(11,925,186)	25,161,902	13,841,049	2,920,387
Reconciliation of funds						
Total funds brought forward		1,065,492	(7,060,841)	21,648,078	15,652,729	12,732,342
Total funds carried forward		1,669,825	(18,986,027)	46,809,980	29,493,778	15,652,729

The deficit restricted general reserve includes surplus restricted general funds of £750,973 offset by deficit pension reserves of £19,737,000.

Balance Sheet

As at 31 August 2017

		2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	12		79,675		63,982
Tangible assets	13		46,396,277		21,562,615
Charitable activities:			46,475,952		21,626,597
Current assets					
Stocks	14	25,783		40,584	
Debtors	15	3,191,042		1,655,160	
Cash at bank and in hand		5,156,752		1,901,904	
			8,373,577		3,597,648
Current liabilities					
Creditors: amounts falling due within one year	16	(5,618,751)		(1,633,516)	
Net current assets			2,754,826		1,964,132
Net assets excluding pension liability			49,230,778		23,590,729
Defined benefit pension liability	20	(19,737,000)		(7,938,000)	
Net assets			29,493,778		15,652,729
Funds of the Academy Trust:					
Restricted funds					
- Fixed asset funds			46,809,980		21,648,078
- Restricted income funds			750,973		877,159
- Pension reserve			(19,737,000)		(7,938,000)
Total restricted funds			27,823,953		14,587,237
Unrestricted income funds	18		1,669,825		1,065,492
Total funds			29,493,778		15,652,729

The accounts set out on pages 30 to 54 were approved by the Board of Trustees and authorised for issue on 13 December 2017 and are signed on its behalf by:



Hearl Lenton
Chair of the Board



Mark Wilson
CEO and Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	2,814,862	(27,653)
Cash funds transferred on conversion		1,501,331	117,094
		4,316,193	89,441
Cash flows from investing activities			
Dividends, interest and rents from investments		6,907	5,135
Capital funding from sponsors and others		570,215	64,077
Payments to acquire intangible fixed assets		(23,300)	(67,720)
Payments to acquire tangible fixed assets		(1,615,167)	(179,029)
		(1,061,345)	(177,537)
Change in cash and cash equivalents in the reporting period		3,254,848	(88,096)
Cash and cash equivalents brought forward		1,901,904	1,990,000
Cash and cash equivalents carried forward		5,156,752	1,901,904

Notes to the Financial Statements for the Year Ended 31 August 2017

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wellspring Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Conversion to an Academy Trust

The conversion of four state maintained schools to academies and their transfer into the Academy Trust and the transfer of two stand-alone academies into the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the maintained schools and legacy academies to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from Local Authority on conversion in the Statement of Financial Activities and analysed under Unrestricted Funds, Restricted General Funds and Restricted Fixed Asset Funds. Further details of the transaction are set out in note 26.

1.4 Income

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

Grants receivable

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

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

the receipt is probable and the amount can be reliably measured.

Other income

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

Donated goods, facilities and services

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

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

On conversion, the school properties were transferred from the Local Authority and legacy academies to the Academy Trust for £nil consideration. Such properties are included in the accounts at fair value.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in

undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT. Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.6 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	5 years
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1.7 Tangible fixed assets and depreciation

Assets costing £2,000 or more, or £500 or more for electrical assets, are capitalised as tangible fixed assets

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with Unrestricted Funds, depreciation on such assets is charged to the Unrestricted Fund.

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

Leasehold land and buildings	40 years
Computer equipment	3 years
Fixtures, fittings, equipment & vehicles	5 years

No depreciation is provided in respect of freehold land.

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.

1.8 Liabilities

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

1.9 Leasing and hire purchase commitments

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

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

1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

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

1.13 Fund accounting

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

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

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

1.14 Financial instruments

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects

results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust included properties transferred on conversion at fair value, being recognised in the Statement of Financial Activities in the year of conversion. The Trust engages independent valuation specialists to determine fair value. The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the properties.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Capital grants	–	570,215	570,215	64,077
Other donations	23,808	–	23,808	488,620
	23,808	570,215	594,023	552,697

Capital grants include Capital Improvement Funding of £315k from the DfE.

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

3 Funding for the Academy Trust's

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General Annual Grant (GAG)	–	14,617,921	14,617,921	6,365,862
	–	60,000	60,000	125,000
	–	2,155,564	2,155,564	1,194,929
	–	16,833,485	16,833,485	7,685,791
Other government grants				
Local Authority grants	–	14,702,253	14,702,253	6,173,886
	–	16,833,485	16,833,485	7,685,791
Total funding	–	31,535,738	31,535,738	13,859,677

The Master Funding Agreement of the Trust is not subject to the limits on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ ESFA grants includes £1,505k of Pupil Premium Funding, £280k of Free School Pre-Opening Grants and £164k of Free School Meal Funding.

Local Authority grants includes £8,910k of Local Authority Top up Funding, £2,708k of Higher Needs funding and £322k of Early Years Funding.

4 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Hire of facilities	9,363	–	9,363	822
Catering income	102,282	–	102,282	37,365
Income from services	179,905	–	179,905	136,911
Other income	140,209	498,115	638,324	163,841
	431,759	498,115	929,874	338,939

Continued

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

5 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Short term deposits	6,907	–	6,907	5,135

6 Other trading activities

	Staff Costs £	Premises and Equipment £	Other Costs £	Total 2017 £	Total 2016 £
Academies educational operations					
Direct costs	19,829,851	–	2,888,071	22,717,922	7,499,925
Allocated support costs	6,579,790	3,890,674	2,789,133	13,259,597	7,600,113
	26,409,641	3,890,674	5,677,204	35,977,519	15,100,038
Other expenditure					
Raising funds	–	–	–	–	88,210
Total expenditure	26,409,641	3,890,674	5,677,204	35,977,519	15,188,248

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees paid to auditor for audit services	43,800	23,200
Operating lease rentals	143,219	40,418
Impairment of tangible fixed assets	1,319,428	–
Depreciation and amortisation	1,153,684	544,585

The Academy Trust has provided the following central services to its academies during the year:

- educational support services;
- financial and procurement support;
- governance support;
- school improvement support;
- project and capital project support; and
- others as arising.

The Academy Trust charges for these services at a flat rate of 5% of the base per pupil funding.

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

6 Expenditure

Amounts charged for central services during the year were as follows

	Total £
Victoria Primary Academy	80,142
Springwell Lincoln City Academy	54,842
Oakhill Primary Academy	50,612
Oakwell Rise Academy	28,641
Springwell Barnsley Academies	100,750
The Forest Academy	53,181
Springwell Leeds Academy	90,581
Ebor Gardens Primary Academy	89,273
Littlecoates Primary Academy	42,275
Greenacre School	69,642
Joseph Norton Academy	32,531
Grimsby Alternative Academies	88,483
	780,953

7 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Direct costs – educational operations	71,207	22,646,715	22,717,922	7,499,925
Support costs – educational operations	–	13,259,597	13,259,597	7,600,113
	71,207	35,906,312	35,977,519	15,100,038

	2017 £	2016 £
Analysis of support costs		
Support staff costs	6,579,790	4,664,188
Depreciation, amortisation and impairment	2,473,112	107,945
Technology costs	470,767	294,256
Premises costs	1,630,339	1,403,319
Other support costs	1,667,446	756,797
Governance costs	438,143	373,608
	13,259,597	7,600,113

Continued

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Amounts included within support costs				
Legal and professional fees	–	379,463	379,463	340,122
Auditor's remuneration	–	43,600	43,600	23,200
- Audit of the financial statements				
Support staff costs	–	–	–	4,660
Trustees' reimbursed expenses	–	3,940	3,940	405
Depreciation	–	–	–	4,863
Other governance costs	–	11,140	11,140	358
	–	438,143	438,143	373,608

9 Staff costs

	Total 2017 £	Total 2016 £
Wages and salaries	18,970,561	7,379,365
Social security costs	1,515,917	526,298
Pension costs	4,053,952	1,251,830
Apprenticeship levy	42,002	–
	24,582,432	9,157,493
Supply staff costs	1,205,528	312,449
Staff development and other staff costs	621,681	285,699
	26,409,641	9,755,641

Staff numbers

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

	2017 Number	2016 Number
Teachers	278	104
Administration and support	893	270
Management	13	7
	1,184	381

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

9 Staff costs (contin)

Higher paid staff

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

	2017	2016
£60,001 - £70,000	5	2
£70,001 - £80,000	4	2
£80,001 - £90,000	2	–
£90,001 - £100,000	–	–
£100,001 - £110,000	1	1
£140,001 - £150,000	–	1
£160,001 - £170,000	1	–

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 4. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £929,111 (2016: £627,217).

Staff severance payments

Included within staff costs are severance payments totalling £168,852. Individually, the payments were: £25,236, £20,250, £15,529, £11,415, £9,470, £8,602, £7,152, £7,000, £6,375, £6,080, £6,000, £6,000, £6,000, £5,527, £5,500, £4,900, £4,750, £4,314, £3,790, £2,500, £2,010, £452.

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows: The value of Trustees' remuneration was as follows:

M Wilson (Chief Executive Officer and Director):
Remuneration £160,001 - £170,000 (2016: £140,000 - £145,000) Employer's pension contributions paid

£15,001 - £20,000 (2016: £15,000 - £20,000)

J Davis (Executive Vice Principal Care and Director):
Remuneration £60,001 - £70,000 (2016: £50,000 - £55,000) Employer's pension contribution paid £10,001 - £15,000 (2016: £10,000 - £15,000)

D Whitaker (Executive Principal and Director):
Remuneration £100,001 - £110,000 (2016: £105,000 - £110,000) Employer's pension contribution paid £15,001 - £20,000 (2016: £15,000-£20,000)

No other Trustee received any remuneration as a member of staff of the Trust.

During the year ended 31 August 2017, travel and subsistence expenses totalling £5,809 (2016: £337) were reimbursed or paid directly to 7 Trustees (2016: 2 Trustees).

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

11 Trustees' and officers' insurance

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

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

12 Intangible fixed assets

	Software £
Cost	
At 31 August 2016	67,720
Additions	23,300
Acquired on conversion	8,482
At 31 August 2017	99,502
Amortisation	
At 1 September 2016	3,738
Charge for the year	16,089
At 31 August 2017	19,827
Net book value	
At 31 August 2017	79,675
At 31 August 2016	63,982

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

13 Tangible fixed assets

	Leasehold land and buildings	Computer equipment	Fixtures, fittings, equipment and vehicles	Total
	£	£	£	£
Cost				
At 1 September 2016	22,052,698	281,526	142,786	22,477,010
Transfer on conversion	25,304,505	50,530	320,644	25,675,679
Additions	768,562	485,787	360,818	1,615,167
Disposals	–	(1,214)	–	(1,214)
Impairment	(1,319,428)	–	–	(1,319,428)
At 31 August 2017	46,806,337	816,629	824,248	48,447,214
Depreciation				
At 1 September 2016	777,874	93,914	42,607	914,395
Charge for the year	842,876	196,107	98,612	1,137,595
Disposals	–	(1,053)	–	(1,053)
At 31 August 2017	1,620,750	288,968	141,219	2,050,937
Net book value				
At 31 August 2017	45,185,587	527,661	683,029	46,396,277
At 31 August 2016	21,274,824	187,612	100,179	21,562,615

Included in buildings is an amount of £1,926,569 (2016: £929,394) in respect of land which is not depreciated.

The valuations of land and buildings transferred on conversion were performed by NPS Barnsley Ltd (MRICS Registered Valuer) on 28 August 2013 and by Mouchel on 21 July 2015 and 14 September 2015. In the opinion of the Trustees, the resulting valuations, which were carried out on a depreciated replacement costs basis, are appropriate for inclusion in the accounts.

In the year ended 31 August 2016 two property valuations were based on management estimates. Post the year-end new third party information has been brought to the attention of management providing a depreciated replacement cost for these properties. These valuations showed that the carrying value of these properties was in excess of a depreciated replacement

cost by £1,319,428. Management have adjusted the carrying value of the two properties by this amount accordingly, recognised as an impairment within the financial statements.

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

14 Stocks

	Total 2017 £	Total 2016 £
Educational resources and supplies	13,342	20,068
Uniforms	12,441	20,516
	25,783	40,584

15 Debtors

	Total 2017 £	Total 2016 £
Trade debtors	709,716	529,793
VAT recoverable	887,972	266,515
Other debtors	408,317	-
Prepayments and accrued income	1,185,037	858,852
	3,191,042	1,655,160

16 Creditors: amounts falling due within one year

	Total 2017 £	Total 2016 £
Trade creditors	819,196	409,903
Other taxation and social security	471,299	224,409
Other creditors	655,153	45,187
Accruals and deferred income	3,673,103	954,017
	5,618,751	1,633,516

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

17 Deferred income

	Total 2017 £	Total 2016 £
Deferred income included within creditors due in one year:		
Deferred income brought forward	265,739	142,077
Released from previous years	(217,254)	(142,077)
Amounts deferred in the year	2,225,212	265,739
Deferred income carried forward	2,273,697	265,739

Included in deferred income are amounts received in advance from the Local Authorities and the ESFA for Free School Meals, Early Years funding, capital grants and other pupil related income.

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

18 Funds

	Balance at 31 August 2016	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant	–	14,617,921	(14,617,921)	–	–
Start up grants	34,812	60,000	(94,812)	–	–
Pupil Premium	–	1,570,519	(1,570,519)	–	–
Other DfE / ESFA grants	89,668	1,100,775	(985,687)	(40,000)	164,756
Other government grants	272,679	13,866,485	(14,020,519)	–	118,645
Other restricted funds	480,000	858,363	(830,581)	(40,210)	467,572
Funds excluding pensions	877,159	32,074,063	(32,120,039)	(80,210)	750,973
Pension reserve	(7,938,000)	–	(13,836,000)	2,037,000	(19,737,000)
Total restricted general funds	(7,060,841)	32,074,063	(45,956,039)	1,956,790	(18,986,027)
Restricted fixed asset funds					
DfE / ESFA capital grants	21,937	570,215	(310,448)	52,324	334,028
Inherited funds	21,454,782	25,696,485	(2,162,825)	(12,323)	44,976,119
Capital expenditure transferred from GAG	171,359	–	–	1,328,474	1,499,833
Total restricted fixed asset funds	21,648,078	26,266,700	(2,473,273)	1,368,475	46,809,980
Total restricted funds	14,587,237	58,340,763	(48,429,312)	3,325,265	27,823,953
Unrestricted funds					
General funds	1,065,492	1,963,805	(71,207)	(1,288,265)	1,669,825
Total funds	15,652,729	60,304,568	(48,500,519)	2,037,000	29,493,778

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

Restricted general funds must be used for the normal running costs of the Trust. In line with the Master Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.

Unrestricted funds will be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.

Funds transfers relate to the pension scheme movements during the period, fixed assets purchased from unrestricted funds and recurrent expenditure purchased from non GAG funding.

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

18 Funds (contin)

Total funds analysis by academy

	2017	2016
	£	£
Fund balances at 31 August 2017 were allocated as follows:		
Victoria Primary Academy (VPA)	–	125,486
Springwell Special Academy (SSA)	266,421	413,546
Springwell Alternative Academy (SAA)	273,657	687,859
Sevenhills Academy (SEV)	172,847	17,110
Phoenix Park Academy (PPA)	198,890	107,949
The Forest Academy (TFA)	47,464	(76,770)
Central Services (WAT)	324,744	479,075
Ebor Gardens Primary Academy (EGPA)	–	98,314
Littlecoates Primary Academy (LPA)	163,408	90,082
Joseph Norton Primary (JNA)	161,485	–
Springwell Lincoln City Academy (LIN)	(101,825)	–
Springwell Leeds Academy (SLA)	(329,343)	–
Oakhill Primary Academy (OPA)	18,231	–
Oakwell Rise Academy (ORA)	16,823	–
Greenacre School (GRE)	1,207,996	–
Total funds before fixed assets and pension reserves	2,420,798	1,942,651
Restricted fixed asset funds	46,809,980	21,648,078
Pension reserves	(19,737,000)	(7,938,000)
Total funds	29,493,778	15,652,729

As at the 31 August 2017 there were two academies in a deficit position as follows:

1. Springwell Leeds Academy. This resulted in the main from Pupil Premium funding that was expected to be paid by the ESFA in relation to pupils who came into the Academy post January census, but which the ESFA subsequently didn't provide funding for; and a difference in the expected funds on conversion due to additional financial activity up to the transfer date. The Academy was aware of the potential financial risks associated with these and is well on the way to finalising a deficit recovery plan which will recover the funds in full and place the school in a balanced position by the end of 2017/18.
2. Springwell Lincoln City Academy. This was a result of a difference in the expected funds on conversion following numerous meetings with North East Lincolnshire Council regarding financial activity that related to post-conversion financial activity, and ongoing dialogue with the Council regarding the funding of additional pupils over and above the standard number which were finally agreed at less than the Academy had been expecting. Detailed work is being undertaken with the Academy to finalise a deficit recovery plan, which may well be over a number of years as the Academy faces challenges over the next two years, transitioning into four new free schools. This would be subject to the Trusts Reserves Policy.

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

18 Funds (contin)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation and impairment	Total 2017
	£	£	£	£	£
EGPA	1,492,194	266,859	138,947	436,566	2,334,566
GAA	1,656,181	361,717	696,953	319,368	3,034,219
GRE	1,927,805	535,320	206,634	244,494	2,914,253
JNA	1,195,088	402,183	158,637	320,204	2,076,112
LIN	1,382,250	398,360	357,564	217,402	2,355,576
LPA	719,996	157,709	46,325	124,722	1,048,752
OPA	1,076,677	170,638	81,359	220,390	1,549,064
ORA	448,250	80,985	89,227	161,040	779,502
SBA	3,189,186	867,703	565,889	409,283	5,032,061
SLE	4,089,708	676,707	512,587	758,888	6,037,890
TFA	795,903	173,990	137,610	187,661	1,295,164
VPA	1,462,469	278,554	144,113	369,699	2,254,835
WAT	394,143	2,209,065	95,978	93,066	2,792,252
	19,829,850	6,579,790	3,231,823	3,862,783	33,504,246

19 Analysis of net assets between funds

	Unrestricted funds	General Restricted funds	Restricted fixed assets	Total 2017
	£	£	£	£
Fund balances as at 31 August 2017 are represented by:				
Intangible fixed assets	–	–	79,675	79,675
Tangible fixed assets	–	–	46,396,277	46,396,277
Current assets	1,699,825	6,369,724	334,028	8,373,577
Creditors falling due within one year	–	(5,618,751)	–	(5,618,751)
Defined benefit pension liability	–	(19,737,000)	–	(19,737,000)
	1,699,825	(18,986,027)	46,809,980	29,493,778

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

20 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. The latter of which is managed by East Riding Pensions Agency, South Yorkshire Pensions Agency and West Yorkshire Pensions Agency. All are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2017.

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

Teachers' Pension Scheme Introduction

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014, published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The

latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in September 2015. The actuarial valuation on the scheme as at 31 March 2016 is expected to be completed in 2018.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,291,531 (2016: £414,022).

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

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

Continued

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 10.2% to 26.4% for employers and 5.5 to 10.5% for employees.

The LGPS obligation includes the employees of the Academy Trust who were employees transferred as part of the conversion from their legacy organisation (as described in note 26) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion

represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

The subsequent values disclosed relate to the average of the eight schools within the MAT.

Total contributions made

	2017 £	2016 £
Employer's contributions	1,888,000	627,000
Employees' contributions	518,000	191,000
	2,406,000	818,000

Principal actuarial assumptions

	2017 %	2016 %
Rate of increases in salaries	3.45	3.31
Rate of increase for pensions in payment	2.2	2.00
Discount rate	2.6	2.10

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

20 Pensions and similar obligations (contin)

Sensitivity analysis - Changes in assumptions, where provided, would have the following effect on the LGPS deficit:

	TFA	PPA	SEV	SSA	SAA	VPA	EGPA	LPA	GRE	OPA	ORA	JNA	SLE	SLI
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k
0.5% decrease in Real Discount Rate		154	72					143						163
0.1% discount rate	(41)			(61)	(63)	(50)	(36)		(305)	(37)	(11)	(37)	(108)	
1 year increase in member life expectancy	27			41	38	67	41		195	30	8	47	139	
0.5% increase in the Salary Increase Rate		36	10					42						29
0.1% pay increase						20	16		314			15	42	
0.1% inflation	42			63	66					38	11			
0.5% increase in the Pension Increase Rate		114	61					97						131
0.1% pension increase	7			21	25	31	21		112	11	2	23	68	

TFA - The Forest Academy
 PPA - Phoenix Park Academy
 SEV - Sevenhills Academy
 SSA - Springwell Special Academy
 SAA - Springwell Alternative Academy
 VPA - Victoria Primary Academy
 EGPA - Ebor Gardens Primary Academy

LPA - Littlecoates Primary Academy
 GRE - Greenacre School
 OPA - Oakhill Primary Academy
 ORA - Oakwell Rise Academy
 JNA - Joseph Norton Primary
 SLE - Springwell Leeds Academy
 SLI - Springwell Lincoln City Academy

Continued

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

20 Pensions and similar obligations (contin)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.70
- Females	24.4	25.30
Retiring in 20 years		
- Males	24.1	25.00
- Females	26.6	28.00

The Academy Trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	8,842,000	2,532,000
Bonds	2,096,000	610,000
Cash	246,000	62,000
Property	886,000	279,000
Other assets	611,000	158,000
Total market value of assets	12,681,000	3,641,000
Actual return on scheme assets - gain/(loss)	908,000	454,000

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	2,862,000	636,000
Net interest cost	323,000	152,000

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

20 Pensions and similar obligations (contin)

Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations brought forward	11,579,000	4,027,000
Obligations acquired on conversion	18,218,000	2,966,000
Current service cost	2,862,000	636,000
Interest cost	518,000	226,000
Employee contributions	518,000	191,000
Actuarial gain	(1,129,000)	3,553,000
Benefits paid	(148,000)	(20,000)
Obligations carried forward	32,418,000	11,579,000

Changes in the fair value of the Academy Trust's share of scheme assets	2017	2016
	£	£
Assets brought forward	3,641,000	740,000
Assets acquired on conversion	5,695,000	1,649,000
Interest income	195,000	74,000
Administration costs	(16,000)	226,000
Actuarial loss	908,000	–
Employer contributions	380,000	3,553,000
Employee contributions	1,888,000	627,000
Benefits paid	518,000	191,000
Assets carried forward		
Obligations carried forward	12,681,000	3,641,000

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

21 Reconciliation of net income to cash flows from operating activities

	2017	2016
	£	£
Net income for the reporting period	11,579,000	4,027,000
Adjusted for		
Net deficit/(surplus) transferred on conversion	(14,662,492)	(6,525,187)
Capital grants from DfE / ESFA and other capital income	(570,215)	(64,077)
Investment income	(6,907)	(5,135)
Defined benefit pension cost less contributions payable	1,508,000	9,000
Defined benefit pension net finance cost/(income)	(195,000)	152,000
Depreciation and amortisation of fixed assets	1,153,684	544,585
Impairment of tangible fixed assets	1,319,428	–
Decrease/(increase) in stocks	14,801	(40,584)
(Increase)/decrease in debtors	(1,535,882)	(1,069,933)
Increase/(decrease) in creditors	3,985,235	878,291
Loss on disposal of tangible fixed assets	161	–
Loss on disposal of tangible fixed assets	2,814,862	(27,653)

22 Commitments under operating leases

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

	2017	2016
	£	£
Amounts due within one year	193,655	73,642
Amounts due within two and five years	299,925	120,653
Amounts due after five years	–	412
	493,580	194,707

Notes to the Financial Statements

for the Year Ended 31 August 2017 (contin)

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board may have an interest. All transactions involving such organisations are in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Wellspring Academy Trust was set up by Barnsley College who sponsor the Trust. Barnsley College have a number of representatives on the Board in accordance with the Trust's Articles of Association.

During the year, Barnsley College provided services (at cost) to the Trust, mainly facilities hire, training and reprographics, which totalled £31,651 (2016: £14,693). At 31 August 2017, the Trust owed £0 (2016: £77).

Michael Sanderson, a Trustee of Wellspring Academy Trust, was also the Chair of Governors at Springwell Learning Community during the year and at Barnsley Primary Partnerships; Forest, Oakhill and Oakwell Academies from November 2016.

Michael Sanderson was also a member of Barnsley Governors' Association Executive Committee. During the year £340 (2016: £170) membership and training fees were paid to the Barnsley Governors' Association.

24 Post balance sheet events

After the year-end, the following school converted to Academy Trust status and joined Wellspring Academy Trust.

Academy	Beacon Academy
Location	Cleethorpes
Date of conversion	1 September 2017

At the time of signing the accounts management have not been able to determine the fair value of assets and liabilities acquired by the Trust.

25 Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he or 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.

26 Conversion to an academy

During the year, the below joined the Trust with all of their operations and assets and liabilities being transferred to Wellspring Academy Trust from the relevant Local Authorities and legacy academies for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Notes to the Financial Statements for the Year Ended 31 August 2017 (contin)

26 Conversion to an academy (contin)

Academy	Location	Date of conversion
Springwell Leeds Academy	Leeds	1 September 2016
Oakhill Primary Academy	Barnsley	1 September 2016
Joseph Norton Academy	Huddersfield	1 September 2016
Oakwell Rise Academy	Barnsley	1 February 2017
Springwell Lincoln City Academy	Lincoln	1 April 2017
Greenacre School	Barnsley	1 April 2017

	2017
	£
Net assets transferred:	
Leasehold land and buildings	25,304,505
Other tangible fixed assets	371,174
Intangible assets	8,482
Cash	1,501,331
Debtor for LA budget funds	40,210
Recognised as income within the SOFA	27,238,026
LGPS pension deficit recognised as expenditure within the SOFA	(12,523,000)
Total net assets acquired	14,715,026

Funds surplus/(deficit) transferred	Unrestricted funds	General Restricted funds	Restricted fixed assets	Total 2017
	£	£	£	£
Fixed asset funds	–	–	25,696,485	25,696,485
LA budget funds	–	40,210	–	40,210
Cash	1,501,331	–	–	1,501,331
Defined benefit pension liability	–	(12,523,000)	–	(12,523,000)
	1,501,331	(12,482,790)	25,696,485	14,715,026



Wellspring Academy Trust
Digital Media Centre
County Way
Barnsley
S70 2JW



Call us
01226 720 742



Email us
info@wellspringacademies.org.uk



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