

The Stephenson Studio School Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2021

Company Registration No. 07662709



The Stephenson Studio School Trust
Reference and Administrative Details

Members

W Devitt	
P Elliott	Resigned 2 April 2021
R Kelly	
G Thomas	Appointed 2 April 2021

Governors (Trustees)

C Brown	
L Foster	Appointed 16 December 2020
A Gedge	Appointed 22 February 2021
V Gould	
M Highfield	Resigned 2 January 2021
K Hobbs	
R Kelly	
J Russell	Resigned 6 May 2021
P Scales	
D Whitmore	
D Hague	Resigned 6 October 2019
C King	Appointed 22 February 2021

Senior Management Team

K Hobbs	Headteacher and Accounting Officer
S Collishaw	Deputy Headteacher
G Dixon	Assistant Headteacher

Chair

Accounting Officer
Company Secretary
Clerk

R Kelly
K Hobbs
S Royle
E Scotford

Committee Members

Audit	C King, P Scales, D Whitmore
Curriculum and Standards	L Foster, A Gedge, K Hobbs, P Scales
Finance and Resources	L Foster, A Gedge, V Gould, K Hobbs
Remuneration	A Gedge, R Kelly, D Whitmore

Principal and Registered Office: The Stephenson Studio School Trust
C/O Stephenson College
Thornborough Road
Coalville
Leicestershire
LE67 3TN

Company Registration Number: 07662709

The Stephenson Studio School Trust
Reference and Administrative Details

Professional advisors:

Independent Auditor:
RSM UK Audit LLP
Rivermead House
7 Lewis Court
Grove Park
Leicester
LE19 1SD

Solicitors:
Marrons
1 Meridian South
Meridian Business Park
Leicester
LE19 1WY

Shakespeare Martineau LLP
No. 1 Colmore Square
Birmingham
B4 6AA

Bankers:
Lloyds Bank plc
PO Box 908
125 Colmore Row
Birmingham
B3 2DS

Internal Auditor:
Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

The Stephenson Studio School Trust Governors' Report

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a governor's report and a director's report and a strategic report under company law.

The Stephenson Studio School Trust ("The Academy Trust") operates an academy for pupils aged 15 to 18 serving a catchment area in Coalville. It has a pupil capacity of 106 and had a roll of 81 on 21 January 2021.

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 Governors act as Trustees for charitable activities of The Stephenson Studio School Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Stephenson Studio School.

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

Members' liability

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

Governors' indemnities

The Charitable Company has purchased Governors and Officers insurance, details of which can be found in note 11 of the accounts.

Method of recruitment and appointment or election of governors

The Academy Trust has the capacity to have as governors:

- Up to six Sponsor Governors
- Any Staff Governors
- A minimum of one Parent Governor
- The Headteacher (deemed Principal and Accounting Officer)
- Whilst additional governor(s) can be appointed by the Secretary of State, the Secretary of State has not exercised this right for The Stephenson Studio School Trust.

The total number of governors (including the Headteacher) who are employees of The Stephenson Studio School Trust must not exceed one third of the total number of governors.

The Parent Governors are nominated by parents of registered pupils at the school.

Policies and procedures adopted for the induction and training of governors

New governor training takes place through meetings held with the Clerk to the Board of Governors.

The Stephenson Studio School Trust Governors' Report (Continued)

Organisational structure

Under Section 94 of the Articles of Association, the business of The Academy Trust is managed by the Governors, the Governing Body and its makeup is defined by the Articles of Association.

The Governing Body's primary role is to approve the strategic direction and objectives of The Academy Trust and monitor its progress towards those objectives. To do this effectively, the Governing Body has formed the following four committees: Curriculum & Standards, Finance & Resources, Audit and Remuneration.

The makeup and function of the committees are as stated in the standing orders of the Governing Body.

The Governors have delegated to the Headteacher the internal organisation, management and control of the school (including implementation of all policies approved by the Governors and for the teaching and curriculum of the school).

Keith Hobbs was Headteacher for the period ending 31 August 2021.

Arrangements for setting pay and remuneration of key management personnel

The Remuneration Committee, on behalf of the Board of Trustees, will determine the Head Teacher's salary upon appointment, in accordance with The Academy Trust's pay range for Head Teachers. For other key management/leadership roles upon appointment new post-holders will be placed on a 5 point scale within the pay range for leadership roles. Subject to satisfactory performance, employees will receive an annual increment to the maximum scale point of their relevant pay range. A review of performance will take into consideration appraisal outcomes, whether objectives have been met and an assessment of performance against the appropriate Head Teacher/Teacher Standards.

Connected organisations, including related party relationships

The sponsor of the Academy Trust, Stephenson College, dissolved on the 31 January 2020 following a merger with Brooksby Melton College. Brooksby Melton College was permitted by the Secretary of State for Education to change its name to The SMB Group, from the date of merger. The SMB Group successfully applied to become the sponsor of The Academy Trust from the date of merger.

The Academy Trust has strong connections with the Sponsor, Stephenson College and subsequently The SMB Group. When The Academy Trust was created in September 2011, Stephenson College was the lead sponsor of the Studio School. The Chair of Governors and the Principal of The SMB Group sit on the Board of Governors of the Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and aims of the Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education.

Objectives, Strategies and Activities

The Academy Trust's Mission is: Excellence and Enterprise in Learning.

Our strategic objectives are arranged around four themes: Quality, Efficiency, Community and Enterprise

Quality

Through strong leadership, governance and a commitment to the Stephenson Way for teaching and learning our students will achieve excellence. Our school will ensure that students are surprised by what they can achieve and access appropriate progression routes.

OBJECTIVES AND ACTIVITIES (continued)

Efficiency

We will empower our colleagues to create a culture of efficiency and achievement. Delivering the approved budget to meet the requirements of the school and deliver continued financial stability combined with a robust risk management process. The Academy Trust will be the school of choice and student numbers will exceed growth expectations.

Community

We are committed to ensuring that the Academy Trust delivers the very highest standards in all that it does. Our school will create a culture of high aspiration amongst all members of its community and enable all students to become lifelong learners and be the best that they can be. The Academy Trust model has been developed in partnership with local and national employers, the country's leading education agencies and partners from up and down the country.

Enterprise

We will create a culture where all stakeholders are able to develop, implement and learn from ideas required to shape the future. Promoting a business-like ethos and culture of high aspirations and expectations for both staff and students whilst simultaneously developing learners' employability skills within the CREATE framework, maturing a growth mind-set within all learners in developing the 'whole person'. Developing young people who are not only confident enough to take risks but who are also adaptable and able to transfer their skills and knowledge in an uncertain world.

Core values and behaviours

Our core values are reflected in everything that we do and we encourage our students, stakeholders and partners to hold us accountable to these values.

We will:

- Promote high aspirations and expectations within a dynamic and exciting learning environment
- Foster a culture to support efficiency and achievement
- Be a safe environment where everyone can overcome challenges and strive for success
- Celebrate innovation, resilience, determination and enterprise

Our values and behaviours are equally important to us and we are committed to:

- Leading by example
- Promoting individual liberty
- Accepting responsibility and being accountable for our actions
- Ensuring mutual respect and tolerance for all is non-negotiable, regardless of gender, faith, belief and sexuality

Public benefit

The Academy Trust recognises its legal requirement to be able to demonstrate that its aims are for the public benefit; in this case specifically the school has as its main charitable purpose the advancement of education.

STRATEGIC REPORT

Achievements and Performance

Headlines:

- Students make exceptional progress in their literacy at The Academy Trust
- Students make exceptional progress in developing skills that lead to them making a successful transition to Post 16 learning
- Students following the vocational strands finish with valuable qualifications
- Students make rapid progress in core subjects

Achievements and Performance (continued)

Academy Trust KPIs

The following are our core values:

1. All students should secure appropriate destinations
2. All students should make at least good progress
3. Students should become confident readers
4. Students should make good progress towards achieving their FFT50 estimates

2021 Year 11 Contextual Data

There were 47 pupils in the Y11 cohort.

Characteristic	Number	%
KS2 APS	96.8	
Average Reading Age at enrolment	11:07	
Boys	25	(53%)
Girls	22	(47%)
SEND	27	(55%)
EHCP	7	(14%)
Pupil Premium	17	(34%)
EAL	3	(6%)
Upper PA	4	(8%)
Mid PA	12	(24%)
Low PA	29	(59%)
No KS2 Data	5	(10%)

Confident Readers

On average students make over 2 years' worth of progress in their reading during the 18 months they are at The Academy Trust. We track this using GL Assessments reading tests. They are baselined upon arrival at school and then tested every 6 months.

The cohort graduating in July 2021 made 2 years and 4 months progress during the 18 months they were with us.

The average reading aged of the cohort on joining us was 11 years and 7 months. The average reading age of the cohort when they left was 13 years and 10 months.

The number of students with a reading age commensurate with their age jumped from 7 when the students first joined us in Year 10 to 21 students at the end of Year 11.

Our heavy focus on reading means that students make exceptional progress during their time at The Academy Trust.

Securing Appropriate Destinations

The Academy Trust provides students with more challenging circumstances the tools and knowledge to progress on to meaningful Post 16 destinations.

Base-line prediction of NEET for the 2021 cohort of students, given the characteristics of NEET students defined by the DfE, was 44%. Actual NEETs are 6%. This suggests NEET and vulnerable students who come to SSS are more likely to end up in appropriate Post-16 provision.

Achievements and Performance (continued)

The DfE suggests that students with the following characteristics are more likely to be NEET:

- Ever a looked after child (LAC)
- Ever in the Children in Need census but not a looked after child (CIN)
- Attended alternative provision or a pupil referral unit (AP/PRU)
- Over 10% absence in key stage 3 or 4, excluded in key stage 3 or 4 or have special educational needs at age 15 (SEN/Absent/Excluded)
- Eligible for free school meals during secondary school (FSM)

We judge a child to be at risk of being NEET if they have at least 3 of these characteristics.

43 out of the 47 students have secured a destination for their next phase of learning.

Education	37
Apprenticeship	4
Employment	2
Possible NEET	4

Exceptional Vocational Learning

All students at The Academy Trust have the opportunity to follow a vocational course, delivered by the industry standard providers SMB Group. This provides our students with a unique opportunity to achieve a groundwork of skills in a quality vocation.

91% of students following the Construction vocational strand gained a L1 qualification.

50% of students following the Hair and Beauty vocational strand gained a qualification, either a Certificate in Hair and Beauty, or an award in Hair and Beauty.

100% of students following the Motor Vehicle vocational strand gained a L1 qualification.

Rapid Progress in Core Learning

Many students arrive at The Academy Trust behind where they should be. All students are baseline tested to assess their skills and to show gaps in knowledge and areas of weakness.

Students make good progress from baseline at The Academy Trust.

- During their 18 months at The Academy Trust 84% of students made one or more grades progress in Maths, 56% of students made two or more grades progress.
- During their 18 months at The Academy Trust 69% of students made one or more grades progress in English. 38% of students made two or more grades progress.
- 68% were within one grade of achieving their FFT50 target in Maths. 32% of students hit their FFT50 target.
- 69% were within one grade of achieving their FFT50 target in English. 42% of students hit their FFT 50 target.
- 16% of students achieved a grade 4+ in both English and Maths.
- 31% of students achieved a grade 4+ in English. 19% of students achieved a 5+.
- 25% of students achieved a grade 4+ in Maths. 9% of students achieved a 5+.
- 16% of students gained a GCSE pass in Science
- 39% of the Apprenticeship Pathway passed the Business BTEC at Level 2. A further 9 (29%) passed it at Level 1.

The Stephenson Studio School Trust Governors' Report (Continued)

Going concern

After making appropriate enquiries, Governors have 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 Accounting Policies.

Financial Review

During the year ended 31 August 2021, the Academy Trust received income of £1,316,000 (2020: £1,128,000) from DfE in respect of General Annual Grant, other Government funding of £nil (2020: £5,000) in the form of DfE capital grants and £6,000 (2020: £6,000) other income, giving a total income of £1,322,000 (2020: £1,139,000) for the year. Expenditure for the year amounted to £1,210,000 (2020: £1,167,000).

At 31 August 2021 the net book value of fixed assets was £73,000 (2020: £96,000) and movements in tangible fixed assets are shown in note 12 to the financial statements.

The Academy Trust held fund balances, including pension funds, at 31 August 2021 of £120,000 (2020: £75,000) comprising of a deficit of £237,000 (2020: deficit £289,000) of restricted general funds, a surplus of £73,000 (2020: surplus £96,000) of restricted fixed assets and £284,000 (2020: £268,000) of unrestricted general funds.

Covid-19

Throughout the year, Covid-19 has affected all key stakeholders of The Academy Trust. The virus has impacted on almost every aspect of The Academy Trust's operations and adaptations have been made to ensure the continued delivery of tuition to our pupils, whilst maintaining a safe environment for all. The Academy Trust in partnership with the SMB Group will continue to follow Government guidance to maintain the safety of our pupils and staff.

Financial and risk management objectives and policies

The Governors aim to minimise financial risk as part of their overall responsibilities for risk management. The measures used by the Governors to manage financial risk are included in the separate Governance Statement on page 11.

Principal risks and uncertainties

The Governors have assessed the major risks to which The Academy Trust is currently exposed and ensure that steps are taken to mitigate risks. This is done through the committees and includes educational risks such as The Academy Trust not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. Some significant risks such as public and employee liability are covered by The Academy Trust's insurance policy. Governors have directed the creation of a formal risk register that will be reviewed at least annually.

The Academy Trust continues to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy Trust's assets and reputation.

Principal risks and uncertainties (continued)

Based on the strategic plan, the audit committee undertakes a comprehensive review of the risks to which the Academy Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy Trust.

The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

A risk register is maintained at the Academy Trust level which is reviewed and presented at each meeting of the Audit Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the School and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect The Academy Trust. Not all of the factors are within The Academy Trust's control. Other factors besides those listed below may also adversely affect The Academy Trust.

Liquidity risk

The Academy Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Student recruitment risk

The Academy Trust is at risk if it fails to recruit sufficient learners to make it viable.

Reserves policy

The Academy Trust's policy is to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. Reserves at the period end included £73,000 (2020: £96,000) in a restricted fixed asset reserve, £150,000 (2020: £9,000) in a restricted revenue reserve, £387,000 deficit (2020: £298,000 deficit) in a restricted pension reserve and unrestricted reserves of £284,000 (2020: £268,000). Combined, total reserves stood at £120,000 (2020: £75,000).

Investment policy

The Academy Trust has no current plans to move surplus funds into separate investment funds.

Plans for future periods

The future plans for The Academy Trust comprise:

- Strengthening the excellent links with local businesses which have been strained given the pandemic.
- Embedding core projects that develop student contribution to their community.
- Increase roll numbers by promoting positive relationships within the community.

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

The Stephenson Studio School Trust
Governors' Report (Continued)

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Report is approved by order of the Board of Governors and the Strategic Report (included therein) is approved by the Board of Governors in their capacity as the directors at a meeting on 13 December 2021 and signed on its behalf by:



Robert Kelly
Chair of Governors
13 December 2021

The Stephenson Studio School Trust

Governance Statement

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Academy Trust has effective and appropriate systems of control, financial and otherwise. This remained true during the national pandemic. 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 Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between The Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

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

Governor		Meetings attended	Out of a possible
C Brown		2	6
L Foster	Appointed 16 December 2020	5	6
A Gedge	Appointed 22 February 2021	3	3
V Gould		2	6
M Highfield	Resigned 2 January 2021	1	1
K Hobbs (Headteacher & Accounting Officer)		6	6
R Kelly (Chair)		5	6
C King	Appointed 22 February 2021	5	5
J Russell	Resigned 6 May 2021	2	4
P Scales		5	6
D Whitmore		5	6

The Audit Committee is a committee of the main Board of Governors. Attendance at meetings in the year was as follows:

Governor		Meetings attended	Out of a possible
C King	Appointed 22 February 2021	3	3
J Russell	Resigned 6 May 2021	2	3
P Scales		4	4
D Whitmore		4	4

The Curriculum and Standards committee is a committee of the main Board of Governors. Attendance at meetings in the year was as follows:

Governor		Meetings attended	Out of a possible
L Foster	Appointed 16 December 2020	1	2
A Gedge	Appointed 22 February 2021	2	2
K Hobbs		3	3
J Russell	Resigned 6 May 2021	2	3
P Scales		3	3

The Stephenson Studio School Trust Governance Statement (Continued)

The Finance and Resources Committee is a committee of the main Board of Governors. Attendance at meetings in the year was as follows:

Governor		Meetings attended	Out of a possible
L Foster	Appointed 16 December 2020	2	2
A Gedge	Appointed 22 February 2021	2	2
V Gould		2	3
K Hobbs		3	3

The Remuneration Committee is a committee of the main Board of Governors. Attendance at meetings in the year was as follows:

Governor		Meetings attended	Out of a possible
A Gedge	Appointed 22 February 2021	0	1
R Kelly		1	1
D Whitmore		1	1

Governance reviews

The strength of governance was reflected on during a working party in May 2019. Governors began the 2019/20 year following this reflection in agreement that governance remained strong and governance key performance indicators were in place. The impact of governance had been validated in the June 2018 Ofsted inspection which found "Members of the governing body understand their duties and responsibilities in relation to governance."

The governor role changed to reflect the pressures and demands of the national pandemic which continued during 2020/21. The Governors continued to meet remotely through the remainder of 2020/21, seeking assurance from the leadership team that teaching and learning continued remotely and that the needs and welfare of vulnerable learners, disadvantaged pupils and pupils who have SEN and/or disabilities were understood and addressed.

Review of Value for Money

As accounting officer the Headteacher 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 Academy 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 demonstrated by:

- Securing in kind sponsor support.
- Delivering a favourable variance when compared with forecast.
- Implementing Covid-19 controls to enable learners to return to site.
- Investing in assets.

The Stephenson Studio School Trust Governance Statement (Continued)

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 The 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 The Academy Trust for the year ended 31 August 2021 and up to the date of approval of The Academy Trust's annual report and financial statements.

Capacity to handle risk

The Board of Governors 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 Governors 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 ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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

The Board of Governors has considered the need for a specific internal audit function and have appointed Wylie Bisset to perform agreed procedures. The Audit Committee are responsible for giving advice on financial matters and use Wylie Bisset to perform a range of checks The Academy Trust's financial systems and systems of control to gain assurance.

Review of effectiveness

As Accounting Officer, the Headteacher 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 agreed procedures performed by Wylie Bisset
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the managers within The Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

The Stephenson Studio School Trust
Governance Statement (Continued)

Approved by order of the members of the Board of Governors on 13 December 2021 and signed
on its behalf by:



Robert Kelly
Chair of Governors



Keith Hobbs
Accounting Officer

The Stephenson Studio School Trust
Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Stephenson Studio School Trust I have considered my responsibility to notify the Academy Trust board of governors and the Education and Skills Funding Agency ('ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by The Academy Trust under the funding agreement in place between The Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and The Stephenson Studio School Trust board of governors are able to identify any material irregular or improper use of funds by The Stephenson Studio School Trust or material non-compliance with the terms and conditions of funding under The Stephenson Studio School Trust funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregular, improper 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 governors and ESFA.



Keith Hobbs
Accounting Officer
13 December 2021

The Stephenson Studio School Trust Statement of Governors' Responsibilities

The governors who are also the directors of The Stephenson Studio School Trust for the purposes of company law, are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Directory 2020 to 2021;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 13 December 2021 and signed on its behalf by:



Robert Kelly
Chair of Governors

Independent Auditors' Report to the Members of The Stephenson Studio School Trust

Opinion

We have audited the financial statements of The Stephenson Studio School Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent Auditors' Report to the Members of The Stephenson Studio School Trust (Continued)

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Governors' Report.

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' responsibilities set out on page 16, the governors (who act as trustees for the charitable activities of the charitable company are also 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, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for 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 the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of The Stephenson Studio School Trust (Continued)

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report and evaluating relevant advice received from internal/external advisors.

Independent Auditors' Report to the Members of The Stephenson Studio School Trust (Continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied in the preparation of the financial statements.

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

Use of our report

This report is made solely to the 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 responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Rivermead House,
7 Lewis Court,
Grove Park,
Leicester,
Leicestershire,
LE19 1SD

Date: 17/12/2021

The Stephenson Studio School Trust

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 August 2021

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000
Income and endowments from:									
Donations and capital grants	3	-	-	-	-	-	-	5	5
Charitable activities:									
Funding for the academy trust's educational operations	4	14	1,302	-	1,316	-	1,128	-	1,128
Other trading activities	5	6	-	-	6	4	-	-	4
Investments	6	-	-	-	-	2	-	-	2
Total		<u>20</u>	<u>1,302</u>	<u>-</u>	<u>1,322</u>	<u>6</u>	<u>1,128</u>	<u>5</u>	<u>1,139</u>
Expenditure on:									
Charitable activities:									
Academy trust educational operations	7	4	1,183	23	1,210	3	1,148	16	1,167
Total		<u>4</u>	<u>1,183</u>	<u>23</u>	<u>1,210</u>	<u>3</u>	<u>1,148</u>	<u>16</u>	<u>1,167</u>
Net income / (expenditure)		16	119	(23)	112	3	(20)	(11)	(28)
Transfers between funds	15	-	-	-	-	-	(3)	3	-
Other recognised gains / (losses):									
Actuarial gains/ (losses) on defined benefit obligations	25	-	(67)	-	(67)	-	(132)	-	(132)
Net movement in funds		<u>16</u>	<u>52</u>	<u>(23)</u>	<u>45</u>	<u>3</u>	<u>(155)</u>	<u>(8)</u>	<u>(160)</u>
Reconciliation of funds									
Total funds brought forward		268	(289)	96	75	265	(134)	104	235
Total funds carried forward		<u>284</u>	<u>(237)</u>	<u>73</u>	<u>120</u>	<u>268</u>	<u>(289)</u>	<u>96</u>	<u>75</u>

The Stephenson Studio School Trust
Balance Sheet
As at 31 August 2021

Company No. 07662709

		2021	2021	2020	2020
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	12		73		96
Current assets					
Debtors	13	51		60	
Cash at bank and in hand		<u>486</u>		<u>295</u>	
		537		355	
Current liabilities					
Creditors: amounts falling due within one year	14	<u>(103)</u>		<u>(78)</u>	
Net current assets			<u>434</u>		<u>277</u>
Total assets less current liabilities			507		373
Net assets excluding pension liability			507		373
Defined benefit pension scheme liability	25		<u>(387)</u>		<u>(298)</u>
Total net assets			<u><u>120</u></u>		<u><u>75</u></u>
Funds of the academy trust:					
Restricted funds					
. Restricted fixed asset fund	15	73		96	
. Restricted income fund	15	150		9	
. Pension reserve	15	<u>(387)</u>		<u>(298)</u>	
Total restricted funds			(164)		(193)
Unrestricted income funds	15		<u>284</u>		<u>268</u>
Total funds			<u><u>120</u></u>		<u><u>75</u></u>

The financial statements on pages 21 to 38 were approved by the governors, and authorised for issue on 13 December 2021 and are signed on their behalf by:



Robert Kelly
Chair of Governors

The Stephenson Studio School Trust
Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	191	(10)
Net cash used in investing activities	20	-	(40)
Net increase/ (decrease) in cash and cash equivalents in the reporting period		191	(50)
Cash and cash equivalents at beginning of year		295	345
Cash and cash equivalents at end of year	21	486	295

The Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021

1 Accounting Policies

General Information

The Stephenson Studio School Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations is set out in the Governors' Report.

Basis of Accounting

The financial statements of the Academy Trust, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going Concern

At the time of approving the financial statements, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Following the uncertainty presented by COVID-19, management has reassessed the going concern assumption and prepared revised income and expenditure forecasts for the period to August 2024 and cashflow forecasts for the period to August 2024. Based on scrutiny of these forecasts, its cash reserves and the expected student numbers, trustees have concluded that the going concern basis remains appropriate and that the Trust is able to meet its liabilities as they fall due. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern.

Income

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

Grants

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

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

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

The Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

1 Accounting policies (continued)

Income (continued)

Sponsorship Income

Sponsorship income provided to The Stephenson Studio School 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 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.

Expenditure

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring 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 less residual value on a straight-line basis over its expected useful life, as follows:

- | | |
|--|----------------------------|
| • Long leasehold property improvements | Over the life of the lease |
| • Computers and Equipment | 3 - 5 years |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1 Accounting policies (continued)

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 Stephenson Studio School Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

Taxation

The Stephenson Studio School 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 part 11, chapter 3 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.

Pensions Benefits

Retirement benefits to employees of The Stephenson Studio School 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 Stephenson Studio School 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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1 Accounting policies (continued)

Pensions Benefits (continued)

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

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of The Stephenson Studio School 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.

Agency Arrangements

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

2 General Annual Grant (GAG)

Previously, under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

For the year ended 31 August 2021, these limits have been removed from the funding agreement.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital Grants	-	-	-	5
	-	-	-	5

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Funding for academy trust's educational operations				
DfE / ESFA grants				
General Annual Grant (GAG)	-	942	942	866
Other DfE/ESFA grants				
Pupil Premium	-	35	35	36
Other grants	14	179	193	170
	14	1,156	1,170	1,072
Other Government grants				
Local authority grants	-	107	107	56
	-	107	107	56
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium	-	6	6	-
Other DfE / ESFA COVID-19 funding	-	33	33	-
	-	39	39	-
	14	1,302	1,316	1,128

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported within the Other DfE/ESFA grants/Other DfE Group grants line item, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £6k of funding for catch-up premium and costs incurred in respect of this funding totalled £4k, with the remaining £2k to be spent in 2021/22.

The Stephenson Studio School Trust

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Miscellaneous income	6	-	6	4
	<u>6</u>	<u>-</u>	<u>6</u>	<u>4</u>

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Interest from short term deposits	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

7 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	633	-	146	779	744
Allocated support costs	140	214	77	431	423
	<u>773</u>	<u>214</u>	<u>223</u>	<u>1,210</u>	<u>1,167</u>

Net (income)/expenditure for the period includes:

	2021 £000	2020 £000
Operating lease rentals	133	132
Depreciation	23	16
Net interest on defined benefit pension liability (Note 25)	5	3
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- statutory audit	<u>24</u>	<u>12</u>

8 Charitable activities

	Total 2021 £000	Total 2020 £000
Direct costs – educational operations	779	744
Support costs – educational operations	431	423
	<u>1,210</u>	<u>1,167</u>

Analysis of support costs

	Total 2021 £000	Total 2020 £000
Support staff costs	140	128
Depreciation	11	10
Premises costs	214	224
Other support costs	42	49
Governance costs	24	12
Total support costs	<u>431</u>	<u>423</u>

The Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2021 £000	Total 2020 £000
Wages and salaries	577	537
Social security costs	44	35
Pension costs	119	122
	740	694
Supply staff costs	10	23
Staff training	2	8
Staff restructuring costs	21	-
	773	725
Staff restructuring costs comprise:		
Payment in lieu of notice	11	-
Payment for loss of office	10	-
	21	-

b. Non statutory / non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21,000 (2020: £ Nil). Individually, the payments were: £21,000.

c. Staff numbers

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

	Persons 2021 No.	FTE 2021 No.	Persons 2020 No.	FTE 2020 No.
Educational Operations				
Teachers	12	5	9	6
Administration and support	9	5	11	6
Management	3	3	2	2
	24	13	22	14

d. Higher paid staff

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

	2021 No.	2020 No.
£70,001 - £80,000	1	1
	1	1

9 Staff (continued)

e. Key management personnel

The key management personnel of The Academy Trust comprises of the governors and the senior leadership team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to The Academy Trust was £222,000 (2020: £174,000).

10 Governors' remuneration and expenses

During the year 3 governors were paid remuneration or have received other benefits from employment with the Academy Trust. The principal and other staff governors only received 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 governors. Other governors were not paid any remuneration or received any other benefits from employment with the Academy Trust.

K Hobbs (principal and governor):

- Remuneration received of £77,292 (2020: £76,907)
- Employer's pension contributions paid of £18,303 (2020: £18,212)

S Page (staff governor):

- Remuneration received of £1,505 (2020: £8,758)
- Employer's pension contributions paid of £376 (2020: £2,011)

L Foster (staff governor):

- Remuneration received of £15,408 (2020: £0)
- Employer's pension contributions paid of £4,250 (2020: £0)

During the year ended 31 August 2021, 0 (2020: 1) trustees claimed expenses or had their expenses met by the Academy Trust. The expenses incurred were in respect of travel and subsistence and an amount of £0 (2020: £110) was reimbursed or paid by The Academy Trust.

11 Governors' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2021 was £560 (2020: £560). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Long Leasehold Property Improvements	Computers and Equipment	Total
	£000	£000	£000
Cost			
At 1 September 2020	117	260	377
At 31 August 2021	117	260	377
Depreciation			
At 1 September 2020	64	217	281
Charged in year	8	15	23
At 31 August 2021	72	232	304
Net book values			
At 31 August 2020	53	43	96
At 31 August 2021	45	28	73

13 Debtors

	2021 £000	2020 £000
VAT recoverable	16	5
Other debtors	-	1
Prepayments and accrued income	35	54
	51	60

14 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	4	1
Other taxation and social security	8	6
Other creditors	20	14
Accruals and deferred income	71	57
	103	78

Deferred income

	2021 £000	2020 £000
Deferred income at 1 September	19	20
Released from previous years	(6)	(8)
Resources deferred in the year	19	7
Deferred Income at 31 August	32	19

At the reporting date The Academy Trust was holding funds received from bursary payments not yet spent and grant income deferred.

The Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

15 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	9	942	(907)	-	44
Pupil premium	35	35	(15)	-	55
Other grants	(35)	325	(239)	-	51
Pension reserve	(298)	-	(22)	(67)	(387)
	<u>(289)</u>	<u>1,302</u>	<u>(1,183)</u>	<u>(67)</u>	<u>(237)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	96	-	(23)	-	73
	<u>96</u>	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>73</u>
Total restricted funds	<u><u>(193)</u></u>	<u><u>1,302</u></u>	<u><u>(1,206)</u></u>	<u><u>(67)</u></u>	<u><u>(164)</u></u>
Total unrestricted funds	<u><u>268</u></u>	<u><u>20</u></u>	<u><u>(4)</u></u>	<u><u>-</u></u>	<u><u>284</u></u>
Total funds	<u><u>75</u></u>	<u><u>1,322</u></u>	<u><u>(1,210)</u></u>	<u><u>(67)</u></u>	<u><u>120</u></u>

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

Restricted general funds:

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy at the year end.

Restricted other funds:

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

Restricted fixed asset funds:

This fund represents the net book value of fixed assets that the Academy has purchased out of grants received.

Unrestricted funds:

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Academy Trust.

Previously, under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

For the year ended 31 August 2021, these limits have been removed from the funding agreement.

The Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

15 Funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	866	(854)	(3)	9
Pupil premium	-	36	(1)	-	35
Other grants	-	226	(261)	-	(35)
Pension reserve	(134)	-	(32)	(132)	(298)
	<u>(134)</u>	<u>1,128</u>	<u>(1,148)</u>	<u>(135)</u>	<u>(289)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	104	5	(16)	3	96
	<u>104</u>	<u>5</u>	<u>(16)</u>	<u>3</u>	<u>96</u>
Total restricted funds	<u>(30)</u>	<u>1,133</u>	<u>(1,164)</u>	<u>(132)</u>	<u>(193)</u>
Total unrestricted funds	<u>265</u>	<u>6</u>	<u>(3)</u>	<u>-</u>	<u>268</u>
Total funds	<u>235</u>	<u>1,139</u>	<u>(1,167)</u>	<u>(132)</u>	<u>75</u>

16 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	73	73
Current assets	284	253	-	537
Current liabilities	-	(103)	-	(103)
Pension scheme liability	-	(387)	-	(387)
Total net assets	<u>284</u>	<u>(237)</u>	<u>73</u>	<u>120</u>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £0	Total Funds £000
Tangible fixed assets	-	-	96	96
Current assets	268	87	-	355
Current liabilities	-	(78)	-	(78)
Pension scheme liability	-	(298)	-	(298)
Total net assets	<u>268</u>	<u>(289)</u>	<u>96</u>	<u>75</u>

17 Capital commitments

There were no capital commitments, contracted but not provided for, present at year end (2020: £nil).

The Stephenson Studio School Trust
Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

18 Commitments under operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£000	£000
Amounts due within one year	132	132
Amounts due between one and five years	528	528
Amounts due after five years	132	264
	792	924

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

	2021	2020
	£000	£000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	112	(28)
Adjusted for:		
Depreciation (note 12)	23	16
Capital grants from DfE and other capital income	-	(5)
Interest receivable (note 6)	-	(2)
Defined benefit pension scheme cost less contributions payable (note 25)	22	32
Decrease/(Increase) in debtors	9	(30)
Increase in creditors	25	7
Net cash provided by / (used in) operating activities	191	(10)

20 Reconciliation of net income/(expenditure) to net cash flow from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	-	2
Purchase of tangible fixed assets	-	(47)
Capital grants from DfE/ESFA	-	5
Net cash used in investing activities	-	(40)

21 Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash and cash equivalents represents:		
Cash in hand and at bank	486	295
	486	295

22 Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£000	£000	£000
Cash	295	191	486
Total	295	191	486

23 Contingent liabilities

There were no contingent liabilities present at year end (2020: £ Nil).

24 Members' liability

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

25 Pension and similar obligations

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

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

Contributions amounting to £9,787 were payable to the schemes at 31 August 2021 (2020: £10,535) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. The Academy Trust has set out below the information available on the scheme.

Valuation of the Teachers' Pension Scheme

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

The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

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

The employer's pension costs paid to TPS in the period amounted to £72,000 (2020: £66,000).

25 Pension and similar obligations (continued)**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £36,000 (2020: £33,000), of which employer's contributions totalled £30,000 (2020: £27,000) and employees' contributions totalled £6,000 (2020: £6,000). The agreed contribution rates for future years are 26% for employers and rates varying between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2021 by a qualified independent actuary.

	2021	2020
Rate of increase in salaries	3.40%	2.70%
Rate of increase for pensions in payment/inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.7	21.5
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.9	25.2

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

	Fair value of assets	
	2021	2020
	£000	£000
Equity instruments	198	147
Debt instruments	99	73
Property	24	20
Cash	21	10
Total fair value of assets	342	250

The actual return on scheme assets was £5,000 (2020: £4,000).

25 Pension and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities:

	2021 £000	2020 £000
Current service cost	17	29
Net interest cost	5	3
	<u>22</u>	<u>32</u>

Changes in the present value of defined benefit obligations:

	2021 £000	2020 £000
At 1 September	548	353
Current service cost	47	56
Interest cost	10	7
Employee contributions	6	6
Benefits paid	(2)	(6)
Actuarial gain	120	132
At 31 August	<u>729</u>	<u>548</u>

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

	2021 £000	2020 £000
At 1 September	250	219
Interest income	5	4
Return on plan assets (excluding net interest on the net defined benefit pension liability)	53	-
Benefits paid	(2)	(6)
Employer contributions	30	27
Employee contributions	6	6
At 31 August	<u>342</u>	<u>250</u>

26 Related party transactions

During the year The Stephenson Studio School Trust was charged an amount of £417,000 (2020: £396,000) from The SMB Group, in respect of school link, accommodation and other costs. At 31 August 2021 there was an amount of £ nil (2020: £ nil) due to The SMB Group and included within creditors.

Transactions with key management personnel

Key management personnel compensation disclosure is included in Note 9.

27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £644 (2020: £858) and disbursed £0 (2020: £43) from the fund. An amount of £13,418 (2020: £12,774) is included in deferred income relating to undistributed funds that is repayable to ESFA.