

Registered number: 10525065

**Stephen Sutton Multi Academy Trust**

**Trustees' Report and Financial Statements**

**For the year ended 31 August 2022**



**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

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**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Richard Williams Jane Sutton Lee Woodward Margaret Jolley
<b>Trustees</b>	Richard Williams, Chair <sup>1</sup> Stuart Jones, Executive Headteacher and Accounting Officer (up to 31 March 2022) <sup>1</sup> Diane Evans Claire Boliver Neil Wainwright Timothy Pugh Glenda Francis  <sup>1</sup> Finance, Audit and Risk Committee
<b>Company registered number</b>	10525065
<b>Company name</b>	Stephen Sutton Multi Academy Trust
<b>Principal and registered office</b>	Bridge Cross Road Burntwood Staffordshire WS7 2DB
<b>Company Secretary</b>	S J Thorp (up to 31 March 2022)
<b>Executive Headteacher and Accounting Officer</b>	Stuart Jones (up to 31 March 2022)
<b>Interim Accounting Officer</b>	Nicola Mason (from 1 April 2022)
<b>Senior management team</b>	Stuart Jones, Executive Headteacher and Accounting Officer (up to 31 March 2022) Sharon Thorp, Trust Business Manager Nicola Mason, Headteacher – Chase Terrace Academy Interim Accounting Officer from 1 April 2022

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**For the year ended 31 August 2022**

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<b>Independent auditors</b>	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank Plc Education Client Services Third Floor, Queen Square Wolverhampton WV1 1RF
<b>Solicitors</b>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

**Stephen Sutton Multi Academy Trust**  
(A company limited by guarantee)

**Trustees' report**  
**For the year ended 31 August 2022**

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The Directors of Stephen Sutton Multi-Academy Trust (SSMAT) present their annual report, together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. Under company law, the annual report serves the purposes of both a trustees' report and a directors' report.

The Trust came into being on 1 January 2017, and was formed to coincide with conversion of Chase Terrace Academy (CTA) (then known as Chase Terrace Technology College (CTTC)) to academy status.

CTA is a large secondary school for students aged 11 to 18, serving the community of Burntwood and the surrounding area. There are approximately 1,364 students on roll.

During the academic year, the Trust Board decided that the interests of CTA would be best served by 'folding' SSMAT in the year, with CTA joining John Taylor Multi-Academy Trust (JTMAT) on 1 April 2022. Consequently, these financial statements incorporate the income and expenditure account of CTA up to 31 March 2022. The Academy has been inactive from its transfer to 31 August 2022.

**Structure, governance and management**

**a. Constitution**

The Multi-Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Stephen Sutton Multi-Academy Trust are also the Directors of the charitable company, for the purposes of company law. The charitable company is known as Stephen Sutton Multi-Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable 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.

**c. Trustees' indemnities**

The Trust has opted into the Department for Education's (DfE's) Risk Protection Arrangement (RPA) - an alternative to insurance, whereby UK Government funds cover losses that arise. This scheme covers Directors (Trustees) and officers from claims that arise from negligent acts, errors or omissions that occur during the course of Trust business and provides unlimited cover. It is not possible to quantify the element of the indemnity that relates specifically to Directors and officers, within the overall cost of the RPA scheme.

**d. Method of recruitment and appointment or election of Trustees**

Directors of the Trust are appointed by existing Trust members, in accordance with the Trust's Articles of Association. The chairs of the Local Governing Body, and each Trust and Governing Body committee, are elected to their roles at the first meeting of the academic year. Directors and Governors are appointed on the basis of the skills and experience that they bring to the role, taking into account the skills and experience of other Directors and Governors. The key role of a Trust Director is to provide a strategic steer to the realisation of the Trust's vision, in accordance with its core values. The Trust Board also provides stakeholder representation, through the inclusion of members of the Governing Body of CTA as Directors on the Trust Board. Trust Board Directors are elected to serve for a period of four years.

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

The training and induction provided for each new Director depends on their experience. The Trust reviews the training needs of its Directors on an annual basis, organising both group and individual training that enables Directors to carry out their roles effectively. This practice is replicated for Governors serving on the Local Governing Body of CTA.

**f. Organisational structure**

The Trust's Scheme of Delegation outlines, in detail, the powers of authorisation and degree of involvement that apply to a range of actions and policy issues, delineating the respective roles of the Trust Board, Executive Headteacher, Local Governing Body and Head of School.

The Directors are responsible for the formulation of strategic goals and a plan for their achievement, including the development of supporting finance and asset management strategies. The budget is formulated by the Executive Headteacher, in consultation with the Local Governing Body, senior leadership team and Trust Business Manager. It is approved by the Trust Board.

The Trust Board is responsible for creating, revising and implementing a comprehensive set of Trust-wide policies, which provide the foundation for the consistent application of good practice in relation to issues concerning strategic management, human resources, risk and compliance, safeguarding, finance and premises. These are complemented by other more specific policies that are the responsibility of the Local Governing Body.

The Executive Headteacher works in close partnership with the Head of School and other colleagues in leadership positions. Leadership roles are delegated across the senior team.

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

The arrangements for determining the pay of SSMAT key management personnel are set out in the Trust's Pay Policy, which incorporates the stipulations of the Teachers' Pay and Conditions Document (STPCD) and the Green Book document for support staff. The pay of the Executive Headteacher is determined on an annual basis, by the Trust Board, consistent with the provisions of the Pay Policy. Senior staff pay is determined, within the parameters of the Trust's Pay Policy, by the Executive Headteacher, and reported to the Local Governing Body and Trust Board.

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 August 2022**

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**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

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

£

Total cost of facility time	-
Total pay bill	4,105,656
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time - %  
hours

**i. Related parties and other connected charities and organisations**

SSMAT has no structural or commercial affiliation to any other organisation. All business and pecuniary interests of staff and Directors are recorded and reviewed annually.

**Stephen Sutton Multi Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**For the year ended 31 August 2022**

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**Objectives and activities**

**a. Objects and aims**

SSMAT was conceived as a developing partnership of local schools, working together to help young people to become effective learners who take their opportunities. The aim was that schools across the Trust would work together for continuous improvement with imagination and ambition, providing an outstandingly inclusive and successful network of schools, where all students thrive and excel.

The Trust took its inspiration (and its name) from Stephen Sutton, who grew up in Burntwood and attended CTTC. Stephen was diagnosed with cancer at the age of 15. By the time he died, in 2014 (at the age of 19), he had raised over £3 million for the Teenage Cancer Trust through his fundraising activities. Stephen inspired people all over the world through his words and actions. Through his incredible positivity, creativity, courage and ambition, Stephen's memory provides the best possible role model. The Trust's core values are:

- A passion to learn and to succeed
- Honesty and integrity
- Positivity and bravery
- Creativity and a sense of fun

**b. Objectives, strategies and activities**

The Trust is committed to achieving the highest possible standards, through a flexible, inclusive and supportive approach and a commitment to learn from the best educational practice. As a strongly community-focused Trust, there is close engagement with local industry - to create improved life and employment prospects for young people.

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The principal object and activity of the charitable company is the operation of Stephen Sutton Multi-Academy Trust to advance, for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a Trust that offers a broad and balanced curriculum.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

**ACADEMIC OUTCOMES:**

As at 31 March 2022, the latest academic outcomes available relate to Summer '21.

In summer '21, as in '20, throughout the country, examinations were cancelled and schools were required to submit Centre Assessed Grades (CAGs) for all GCSE, A level and vocational courses. The '21 examination results (CAGs) will not feature in any formal accountability measures or DfE performance tables. Nevertheless, they are important indicators of the progress that is being made.

In '21, at GCSE, the average grade was a '5=' (as was the case in '20 - an improvement on the average '4+'.



#### Strategic report (continued)

##### Achievements and performance (continued)

grade in '19). The 'Basics' measure (Grade '5' or above in both English and Maths), at 47% of all students, was much better than the profile in '19 (36%) and a little lower than the 51% figure of '20. The improved attainment of disadvantaged students, from an average grade of '3+' in '19 to '4=' in '20 was sustained in '21 ('4=').

At A level, improvement in the average grade per course was also sustained – from 'C-' in '19 to 'B-' in both '20 and '21. For Level 3 vocational courses, there was also an improved profile, with an average grade of 'Distinction+' in '21, compared to 'Distinction –' in '19 and 'Distinction=' in '20.

In summer '20, on a national basis, the number of higher grades awarded (at both GCSE and A level), had been higher than in previous years. However, there were three factors that, together, indicated a real terms improvement:

- The degree of uplift for the school's grade profile was significantly stronger than the national increase (based on the information currently available)
- In recent years, the amount of consistency between the school's predicted grade profile and the actual results had been much narrower than the difference between that year's CAGs and the previous year's results.
- The mock exam grade profile was much stronger for that cohort than had been the case for the previous year's cohort (on a 'like for like' basis).

Sustaining this level of performance in '21 reinforces the evidence of 'real-terms' improvement.

The school's performance profile is considered carefully by Directors, Governors and senior staff and this analysis influences improvement plans and intervention strategies, maximising the potential for sustained continuous improvement.

#### PROGRESSION INTO FURTHER EDUCATION AND EMPLOYMENT WITH STRUCTURED TRAINING:

GTA has earned a strong reputation for the quality of its careers information and guidance and for its links with the local community. It is a national 'Careers Hub' school, with a remit to disseminate good practice and support other schools with Careers, Education, Information, Advice and Guidance (CEAIG). This work contributes significantly to outstanding progression statistics at age 16.

The most recent progression data, for Key Stage 4 leavers in summer '21, indicates a participation rate (in full-time education (FTE), or in a job with structured learning) of 100% (compared to 96%, nationally). GTA has achieved all eight out of the eight national Gatsby benchmarks (of good careers guidance) and has achieved the 'Quality in Careers Standard', as recommended by the DfE.

#### STUDENT RECRUITMENT

In the context of over-subscription, the school raised its Planned Admission Number (PAN) from 232 to 252 and then, from 2018, to 270, responding to the increased demand for places. However, in September '20, 29 fewer students were recruited than in the previous year (a reflection of a demographic 'dip' in student numbers in the school's catchment area, for this cohort) and recruitment in Sep. '21 was at a similar level.

In the sixth form, recruitment was weak for students starting courses in '18 and '19. However, as a result of an ambitious and detailed action plan, sixth form recruitment improved by 40% for the cohort starting in September '20. In Sep. '21, recruitment was a little weaker than in '20 but significantly stronger than the '18 and '19 profiles.

The school's PAN will reduce to 232 from September '23 due to the demographic dip and to support the school's long term financial and curriculum planning.

**Stephen Sutton Multi Academy Trust**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the Trust Board has confirmed that the Trust is no longer a Going Concern following the transfer of CTA on 1 April 2022. These financial statements have not been prepared on a going concern basis. Further details regarding the adoption can be found in the Statement of Accounting Policies.

**Financial review**

**a. Overview**

Over the period 1 September 2021 to 31 March 2022, the Trust received revenue income of £4,672,187 (12 months to 31 August 2021 - £7,695,065) in government and local authority grants and £243,281 (12 months to 31 August 2021 - £426,020) of other revenue income, i.e. £4,915,468 (12 months to 31 August 2021 - £8,121,085) in total. Total revenue expenditure amounted to £4,954,049 (12 months to 31 August 2021 - £7,895,545). Capital income of £38,868 (12 months to 31 August 2021 - £1,929,951) was received over the same period.

**b. Reserves policy**

The Trust Board considers that the level of reserves held should take into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements.

In recent years, Chase Terrace Academy has spent considerable amounts on priority capital projects, most notably a new sports hall, refurbishment of the newly acquired design and technology centre, extension and refurbishment of the library, new boilers and the school's ICT infrastructure. In a financially challenging context, with a demographic 'dip' in the local area, from 2009 through to 2015, the school managed to improve facilities and expand accommodation. This created the context in which it had been possible to increase the school's PAN. However, since the building of the Sports Hall in 2010, there had been no significant reserves until 2019. In 2018, the Trust Board set out (in its strategic plan) its intention to gradually increase reserves, but without compromising the ambitious plans for continuous improvement.

Following two consecutive years ('18/'19 and '19/'20) of significant in-year surpluses, it has been possible to structure longer-term budget modelling projections to build in (over the period '19 to '22) planned expenditure of £200K - £300K on site improvement priorities, whilst continuing to keep reserves of at least £200K. In '20/'21, significant success in capital bids (£2,000,000 in value) has further supported both site development and the accumulation/maintenance of significant reserves, which are now well in excess of the £200K benchmark that had been set.

Following the transfer of CTA from SSMAT on 1 April 2022, the Trust held fund balances as at 31 August 2022 of £Nil (2021 - £22,629,844), comprising an amount of £Nil (2021 - £126,034) of unrestricted general funds, £Nil (2021 - £25,180,846) in respect of restricted fixed asset funds, and £Nil (2021 - £726,964) in respect of restricted general funds (excluding pension reserve).

**c. Investment policy**

The Trust has an Investment Policy, as the basis for the strategic use of any surplus funds, although there has not yet been any practical need to employ the policy.

The Trust manages its cash balances in order to ensure that adequate funds are available in the current account to cover day-to-day working requirements and would invest any significant cash surpluses/reserves, in order to optimise the return on this investment, within the constraints that there must be no risk of loss in value, due to the nature of the investment.

The Trust reviews levels of reserves annually and considers the nature of income and expenditure streams and the need to match commitments with income.

At the point where bank reserves exceed £400,000, the Trust Board has committed to monitor cash flow and current account balances regularly, to ensure that immediate financial commitments can be met (including payroll and other payments runs), ensuring that the current account has adequate balances to meet forthcoming commitments. The Trust Board identifies funds surplus to immediate cash requirements and, as appropriate, transfers those reserves to a high interest deposit account (taking into account any terms and conditions). The Trust's policy is to only invest funds in risk-free and short-term interest-bearing accessible deposit accounts and/or risk-free investment accounts authorised by the Financial Services Authority. In these circumstances, the Board periodically (at least annually), reviews interest rates and makes comparisons with other investment opportunities, considering alternative secure investments.

There were transfers of £Nil (2021 - £500,000) into the investment account in the year.

**d. Principal risks and uncertainties**

SSMAT's Risk Management Policy aims to ensure that the Trust complies with best practice in risk management, appropriate to the context in which the Trust operates.

The Trust has developed a Risk Register, which is reviewed twice a year by the Finance, Audit and Risk Committee, and more frequently, as required. Risks are categorised as 'External', 'Strategic/Operational' and 'Change' and are assessed in relation to impact and likelihood. The Risk Register also records actions taken (including cases where control measures have failed to have the desired effect) to address risks. The Risk Register identifies the controls that have been put in place in order to mitigate the risk. The effectiveness of this mitigation is reviewed on a continuous basis.

**Fundraising**

Stephen Sutton Multi-Academy Trust is committed to its charitable aims and fundraises where possible to help achieve these. The Trustees ensure that the school complies with charity legislation and regulation in this area and it is expected that any fundraising activities are carried out in adherence to this legislation. Fundraising will be legal, respectful, honest and properly administered. Where possible all costs of fundraising events will be covered by participants to ensure that as much of the fundraising income received will go directly to cover the charitable aims. Stephen Sutton Multi-Academy Trust will not undertake business with companies or individuals which could cause detriment to the reputation; which will disproportionately decrease the amount of donations to the Academy. All fundraising activities are monitored and information of the donor will be handled properly and carefully.

**Plans for future periods**

The Trust Board decided that the interests of CTA would be best served by 'folding' SSMAT in the year, with CTA joining John Taylor Multi-Academy Trust (JTMAT) on 1 April 2022. JTMAT was the preferred choice following an analysis of the profiles of all suitable local multi-academy trusts.

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 August 2022**

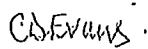
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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

*The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 November 2022 and signed on its behalf by:*

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**Diane Evans**  
Trustee

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Stephen Sutton Multi 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer during its active period and the Headteacher of CTA following the transfer of CTA to JTMA, 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 Stephen Sutton Multi 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 3 times during the active period.

Attendance during the active period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Williams, Chair	3	3
Stuart Jones, Executive Headteacher and Accounting Officer	3	3
Diane Evans	3	3
Claire Boliver	3	3
Neil Wainwright	3	3
Timothy Pugh	3	3
Glenda Francis	3	3

The Trust Board comprised of seven Directors. The current board had a mix of senior-level business experience, including finance, data management and human resources expertise. There is also considerable knowledge of governance and leadership in public sector educational contexts.

**Finance, Audit and Risk Committee**

The Trust also has a Finance, Audit and Risk Committee, a sub-committee of the main Board. Its purpose is to provide the Trust Board with assurances over the suitability of, and compliance with, the Trust's financial systems and controls and to support the Board's management of risk. The policies and strategic areas for which the Finance, Audit and Risk Committee has responsibility are listed in the Committee's Terms of Reference and in the Trust's Scheme of Delegation.

Attendance during the active period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Lee Woodward, Chair of Committee	0	2
Richard Williams	2	2
Stuart Jones	2	2
Sharon Thorp	2	2

**Governance Statement (continued)**

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**Review of value for money**

As accounting officer, the Headteacher has responsibility for ensuring that the Multi-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 resources has provided good value for money during each academic year, and reports to the Trust Board where value for money can be improved, including the use of benchmarking data, where appropriate. Examples of specific ways in which the Trust has delivered value for money during the year are:

**Replacement Art computers:**

A suite of PCs (in the Art Department) have been replaced to bring the performance up to a good standard. Following inspection of three quotes, a suite of computers was purchased from the most competitively priced provider, taking into account this company's track record of handling warranty issues reliably and swiftly. The displaced machines have been upgraded and will be utilized to provide the school's newly refurbished Music department with an ICT classroom in Summer '22.

**Whole school interactive displays:**

A three quote process was completed and achieved a saving of £7,153 for the schools overall purchase to replace end-of-life projector installations.

**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 Multi-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 Stephen Sutton Multi Academy Trust for the active period 1 September 2021 to 31 March 2022 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 Multi-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 ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the active period 1 September 2021 to 31 March 2022 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 Multi-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 Trust Board, Finance, Audit and Risk Committee and Local Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- delegation of authority and segregation of duties

**Stephen Sutton Multi Academy Trust**  
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**Governance Statement (continued)**

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**The risk and control framework (continued)**

- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ RB Chartered Accountant as internal auditor.

With regard to financial risk and control, the Trust Board considered the need for a specific internal audit function and appointed RB Chartered Accountant as internal auditor in the preceeding year. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

The checks carried out (in relation to the period 1 Sep. '20 to 31 Aug. '21) by RB Chartered Accountants focused upon internal control procedures for the prevention of fraud. The Trust received the report in the 2021 Autumn Term and acting upon recommendations at that time.

As the school was going through the transfer process, it was agreed that further internal scrutiny checks would be put on hold until the transfer was completed.

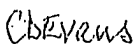
**Review of effectiveness**


As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the active period in question the review has been informed by:

- the report of the Internal auditor for work relating to previous periods;
- the Financial Management and Governance Self-Assessment process;
- the work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 November 2022 and signed on their behalf by:

  
**Diane Evans**  
Trustee

  
**Nicola Mason**  
Interim Accounting Officer

**Stephen Sutton Multi Academy Trust**  
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**Statement on Regularity, Propriety and Compliance**

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As interim accounting officer of Stephen Sutton Multi Academy Trust I have considered my responsibility to notify the Multi-Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi-Academy Trust, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Multi-Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi-Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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.



**Nicola Mason**  
Interim Accounting Officer  
Date: 9 November 2022



**Stephen Sutton Multi Academy Trust**  
(A company limited by guarantee)

**Statement of Trustees' responsibilities**  
For the year ended 31 August 2022

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business and therefore, prepare the financial statements on a basis other than going concern.

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

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

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

Approved by order of the members of the Board of Trustees on 9 November 2022 and signed on its behalf by:

  
\_\_\_\_\_  
**Diane Evans**  
Trustee

**Stephen Sutton Multi Academy Trust**  
(A company limited by guarantee)

**Independent auditors' Report on the financial statements to the Members of Stephen Sutton Multi Academy Trust**

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**Opinion**

We have audited the financial statements of Stephen Sutton Multi Academy Trust (the 'multi-academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Multi-Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Multi-Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Emphasis of matter - financial statements prepared on a basis other than going concern**

We draw attention to Note 2.2 to the financial statements, which explains that the Trustees intend to liquidate the Multi-Academy Trust, and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in respect of this matter.

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Stephen Sutton Multi Academy Trust (continued)**

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of trustees**

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

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

Independent auditors' Report on the financial statements to the Members of Stephen Sutton Multi Academy Trust (continued)

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**Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

**Stephen Sutton Multi Academy Trust**  
(A company limited by guarantee)

**Independent auditors' Report on the financial statements to the Members of Stephen Sutton Multi Academy Trust (continued)**

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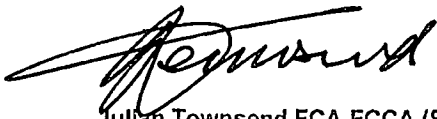
**Auditors' responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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



**Julian Townsend FCA FCCA (Senior statutory auditor)**

for and on behalf of  
**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Birmingham

9 November 2022

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Stephen Sutton Multi Academy Trust and the Education & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 24 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stephen Sutton Multi Academy Trust during the year 1 September 2021 to 31 August 2022 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 Stephen Sutton Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stephen Sutton Multi Academy Trust and 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 Stephen Sutton Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Stephen Sutton Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Stephen Sutton Multi Academy Trust's funding agreement with the Secretary of State for Education dated 21 December 2016 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 Multi-Academy Trust's income and expenditure.


Stephen Sutton Multi Academy Trust  
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Stephen Sutton Multi Academy Trust and the Education & Skills Funding Agency (continued)

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains Audit Limited

Statutory Auditor  
Chartered Accountants

Date: 9 November 2022

**Stephen Sutton Multi Academy Trust**  
(A company limited by guarantee)

**Statement of financial activities (Incorporating Income and expenditure account)**  
**For the year ended 31 August 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds discontinued operations 7 months to 31 March 2022 £	Total funds 12 months to 31 August 2021 £
<b>Income from:</b>						
Donations and capital grants	4	1,206	-	-	1,206	1,934,426
Other trading activities	6	120,717	-	-	120,717	101,258
Investments	7	98	-	-	98	164
Charitable activities:	5					
Funding for the academy trust's educational operations		-	4,793,447	35,868	4,829,315	7,998,303
<b>Total income</b>		<b>122,021</b>	<b>4,793,447</b>	<b>35,868</b>	<b>4,951,336</b>	<b>10,034,151</b>
<b>Expenditure on:</b>						
Charitable activities:	8					
Academy trust educational operations		2,090	5,183,959	287,333	5,473,382	8,481,319
Transfer of existing academy out of the trust	30	245,965	(1,840,511)	24,968,344	23,373,798	-
<b>Total expenditure</b>		<b>248,055</b>	<b>3,343,448</b>	<b>25,255,677</b>	<b>28,847,180</b>	<b>8,481,319</b>
<b>Net (expenditure)/income</b>		<b>(126,034)</b>	<b>1,449,999</b>	<b>(25,219,809)</b>	<b>(23,895,844)</b>	<b>1,552,832</b>
Transfers between funds	19	-	(38,963)	38,963	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>		<b>(126,034)</b>	<b>1,411,036</b>	<b>(25,180,846)</b>	<b>(23,895,844)</b>	<b>1,552,832</b>



**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**For the year ended 31 August 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds Discontinued operations 7 months to 31 March 2022 £	Total funds 12 months to 31 August 2021 £
<b>Net movement in funds before other recognised (losses)/gains brought forward</b>		(126,034)	1,411,036	(25,180,846)	(23,895,844)	1,552,832
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	1,266,000	-	1,266,000	(617,000)
<b>Net movement in funds</b>		<u>(126,034)</u>	<u>2,677,036</u>	<u>(25,180,846)</u>	<u>(22,629,844)</u>	<u>935,832</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		126,034	(2,677,036)	25,180,846	22,629,844	21,694,012
Net movement in funds		(126,034)	2,677,036	(25,180,846)	(22,629,844)	935,832
<b>Total funds carried forward</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,629,844</u>

The Statement of financial activities includes all gains and losses recognised in the active period.. All transactions relate to discontinued operations for the 7 month period to 31 March 2022.

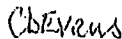
The notes on pages 26 to 57 form part of these financial statements.


**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 10525065**

**Balance sheet**  
**As at 31 August 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	15	-	70
Tangible assets	16	-	23,337,763
			<u>23,337,833</u>
<b>Current assets</b>			
Debtors	17	-	2,061,549
Cash at bank and in hand	24	-	1,013,563
			<u>3,075,112</u>
Creditors: amounts falling due within one year	18	-	(379,101)
<b>Net current assets</b>		-	2,696,011
<b>Total assets less current liabilities</b>		-	26,033,844
Defined benefit pension scheme asset / liability	26	-	(3,404,000)
<b>Total net assets</b>		-	<u>22,629,844</u>
<b>Funds of the Multi-Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	-	25,180,846
Restricted income funds	19	-	726,964
			<u>25,907,810</u>
Restricted funds excluding pension asset	19	-	25,907,810
Pension reserve	19	-	(3,404,000)
<b>Total restricted funds</b>	19	-	22,503,810
<b>Unrestricted income funds</b>	19	-	126,034
<b>Total funds</b>		-	<u>22,629,844</u>

The financial statements on pages 22 to 57 were approved by the Trustees, and authorised for issue on 09 November 2022 and are signed on their behalf, by:

  
**Diane Evans**  
 Trustee

  
**Nicola Mason**  
 Accounting Officer

The notes on pages 26 to 57 form part of these financial statements.

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 August 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	251,778	(1,441,322)
<b>Cash flows from investing activities</b>	23	(1,265,341)	1,704,023
<b>Cash flows from financing activities</b>	22	-	(24,143)
<b>Change in cash and cash equivalents in the year</b>		<b>(1,013,563)</b>	<b>238,558</b>
Cash and cash equivalents at the beginning of the year		1,013,563	775,005
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<b>-</b>	<b>1,013,563</b>

The notes on pages 26 to 57 form part of these financial statements

**Stephen Sutton Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**1. General information**

Stephen Sutton Multi-Academy Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 10525065 and its registered office is Bridge Cross Road, Burntwood, Staffordshire, WS7 2DB.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the Multi-Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stephen Sutton Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

**2.2 Basis other than 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 Multi-Academy Trust 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 financial statements. The Trustees have concluded that the Multi-Academy Trust is no longer a going concern following the transfer of Chase Terrace Academy to John Taylor Multi-Academy Trust on 1 April 2022, and the subsequent 'folding' of the Trust. As a result, the financial statements have been prepared on a basis other than a going concern basis. This basis includes, where applicable, writing the Trust's fixed assets down to the lower of cost and net realisable value and showing these as current assets, taking any long term liabilities to current liabilities and recognising any costs of early settlement, and recognising any other associated costs of winding up the Trust. Provisions have also been made in respect of contracts which have become onerous at the reporting date. No provision has been made for the future costs of terminating the Trust unless such costs were committed at the reporting date.

The academy trust is now inactive and dormant and will dissolve as soon as practically possible.

**2.3 Transfer out of trust**

The transfer out of the academy trust involved the transfer of identifiable assets and liabilities and the operation of the school 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 to John Taylor Multi-Academy Trust have been valued at their book value. The amounts have been recognised under Charitable Activities - transfer out of academy trust 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 30.

## 2. Accounting policies (continued)

### 2.4 Income

All incoming resources are recognised when the Multi-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 year is deducted from income and recognised as a liability.

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

- **Sponsorship income**

Sponsorship income provided to the Multi-Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where 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 year it is receivable and to the extent the Multi-Academy Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the Multi-Academy Trust)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi-Academy Trust's accounting policies.

## 2. Accounting policies (continued)

### 2.5 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 allocated on the portion of the asset's use.

#### o Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

### 2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Multi-Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 Taxation

The Multi-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 Multi-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.

### 2.8 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 33 % straight line
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**2. Accounting policies (continued)**

**2.9 Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 1-2% straight line
Building refurbishments	- 5% straight line
Furniture and fixtures	- 10% straight line
Computer equipment	- 33% straight line

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.

**2.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.12 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 Multi-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.

**2. Accounting policies (continued)**

**2.13 Provisions**

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

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

**2.14 Financial instruments**

The Multi-Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi-Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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.

**2.15 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.



**2. Accounting policies (continued)**

**2.16 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Multi-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.

**2.17 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Multi-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 the 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 Department for Education Group.

**3. 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 Multi-Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessary applied are summarised below:

**Depreciation and residual values**

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

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**4. Income from donations and capital grants**

	Unrestricted funds 7 months to 31 March 2022 £	Restricted fixed asset funds 7 months to 31 March 2022 £	Total funds 7 months to 31 March 2022 £
Donations	1,206	-	1,206

	Unrestricted funds 12 months to 31 August 2021 £	Restricted fixed asset funds 12 months to 31 August 2021 £	Total funds 12 months to 31 August 2021 £
Donations	4,475	10,979	15,454
Capital Grants	-	1,918,972	1,918,972
	4,475	1,929,951	1,934,426

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**5. Funding for the Multi-Academy Trust's charitable activities**

	<b>Restricted funds 7 months to 31 March 2022 £</b>	<b>Total funds 7 months to 31 March 2022 £</b>
<b>Educational Operations</b>		
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	4,373,462	4,373,462
<b>Other DfE/ESFA grants</b>		
Pupil Premium	137,090	137,090
School fund income	35,868	35,868
Teachers' pay grant	6,689	6,689
Teachers' pension grant	18,902	18,902
National Tutoring programme	17,128	17,128
	<b>4,589,139</b>	<b>4,589,139</b>
<b>Other Government grants</b>		
Special educational needs	79,818	79,818
Pupil premium	3,230	3,230
	<b>83,048</b>	<b>83,048</b>
<b>Other income from the Multi-Academy Trust's educational operations</b>	<b>136,529</b>	<b>136,529</b>
<b>COVID-19 additional funding (DfE/ESFA)</b>		
Catch-up Premium	20,469	20,469
Other DfE/ESFA COVID-19 funding	130	130
	<b>20,599</b>	<b>20,599</b>
	<b>4,829,315</b>	<b>4,829,315</b>

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**5. Funding for the Multi-Academy Trust's charitable activities (continued)**

	<b>Restricted funds 12 months to 31 August 2021 £</b>	<b>Total funds 12 months to 31 August 2021 £</b>
<b>Educational Operations</b>		
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	6,878,626	6,878,626
<b>Other DfE/ESFA grants</b>		
Pupil Premium	232,959	232,959
Other DfE/ESFA grants	42,547	42,547
Teachers' pay grant	94,934	94,934
Teachers' pension grant	268,261	268,261
	<b>7,517,327</b>	<b>7,517,327</b>
<b>Other Government grants</b>		
Special educational needs	150,872	150,872
Pupil premium	4,400	4,400
	<b>155,272</b>	<b>155,272</b>
<b>Other income from the Multi-Academy Trust's educational operations</b>	<b>168,918</b>	<b>168,918</b>
<b>COVID-19 additional funding (DfE/ESFA)</b>		
Catch-up Premium	121,176	121,176
Other DfE/ESFA COVID-19 funding	35,610	35,610
	<b>156,786</b>	<b>156,786</b>
	<b>7,998,303</b>	<b>7,998,303</b>

Income for the 7 active months of £20,469 (12 months to 31 August 2021 - £121,176) was received in relation to COVID-19 catch up premium, of which all was spent giving an unspent carry forward of £Nil (2021 - £75,146). Other COVID-19 funding of £130 for the same period (12 months to 31 August 2021 - £35,610) was received, all of which was spent during the year and therefore, a £Nil (2021 - £Nil) carry forward remains.

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**6. Income from other trading activities**

	Unrestricted funds 7 months to 31 March 2022 £	Total funds 7 months to 31 March 2022 £
Lettings income	73,614	73,614
Other income	34,830	34,830
Sales of goods and services	12,273	12,273
	<u>120,717</u>	<u>120,717</u>

	Unrestricted funds 12 months to 31 August 2021 £	Total funds 12 months to 31 August 2021 £
Lettings income	64,619	64,619
Other income	28,289	28,289
Sales of goods and services	8,350	8,350
	<u>101,258</u>	<u>101,258</u>

**7. Investment income**

	Unrestricted funds 7 months to 31 March 2022 £	Total funds 7 months to 31 March 2022 £
Bank interest	98	98
	<u>98</u>	<u>98</u>

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**Notes to the financial statements**  
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**7. Investment income (continued)**

	Unrestricted funds 12 months to 31 August 2021 £	Total funds 12 months to 31 August 2021 £
Bank interest	164	164

**8. Expenditure**

	Staff Costs 7 months to 31 March 2022 £	Premises 7 months to 31 March 2022 £	Other 7 months to 31 March 2022 £	Total 7 months to 31 March 2022 £
Expenditure on educational operations:				
Direct costs	3,374,138	254,358	495,518	4,124,014
Support costs	914,013	280,608	154,747	1,349,368
Transfer of existing academy out of the trust	-	-	23,373,798	23,373,798
	<u>4,288,151</u>	<u>534,966</u>	<u>24,024,063</u>	<u>28,847,180</u>

	Staff Costs 12 months to 31 August 2021 £	Premises 12 months to 31 August 2021 £	Other 12 months to 31 August 2021 £	Total 12 months to 31 August 2021 £
Educational Operations:				
Direct costs	5,205,878	430,736	718,966	6,355,580
Allocated support costs	1,399,629	509,565	216,545	2,125,739
	<u>6,605,507</u>	<u>940,301</u>	<u>935,511</u>	<u>8,481,319</u>

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**9. Analysis of expenditure by activities**

	Activities undertaken directly 7 months to 31 March 2022 £	Support costs 7 months to 31 March 2022 £	Total funds 7 months to 31 March 2022 £
Educational Operations (excluding transfer)	4,124,014	1,349,368	5,473,382

	Activities undertaken directly 12 months to 31 August 2021 £	Support costs 12 months to 31 August 2021 £	Total funds 12 months to 31 August 2021 £
Educational Operations	6,355,580	2,125,739	8,481,319



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Notes to the financial statements  
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 7 months to 31 March 2022 £	Total funds 12 months to 31 August 2021 £
Net interest from LGPS pension	33,000	45,000
Staff costs	3,374,138	5,205,878
Depreciation and amortisation	287,333	485,675
Educational supplies	102,647	128,247
Examination fees and printing	41,628	99,305
Licences and fees	48,553	70,202
COVID-19 related costs	41,490	44,246
Music fees	4,734	4,201
Travel, subsistence and expenses	107,614	129,368
School fund expenditure	66,648	96,443
Staff related insurance	3,384	31,129
Other direct costs	12,845	15,886
	<u>4,124,014</u>	<u>6,355,580</u>

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**Notes to the financial statements**  
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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 7 months to 31 March 2022 £</b>	<b>Total funds 12 months to 31 August 2021 £</b>
Staff costs	914,013	1,399,629
Catering costs	29,365	30,947
Technology costs	27,376	56,380
Clothing	757	301
Other support costs	40,651	51,757
Maintenance of premises	40,167	65,980
Cleaning	104,002	168,315
Rates	21,955	37,632
Energy	107,142	139,029
Legal and professional	55,703	76,788
Other premises costs	8,237	98,981
	<b>1,349,368</b>	<b>2,125,739</b>

**10. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	<b>7 months to 31 March 2022 £</b>	<b>12 months to 31 August 2021 £</b>
Operating lease rentals	19,638	21,390
Depreciation of tangible fixed assets	287,263	483,395
Amortisation of intangible assets	70	2,280
Fees paid to auditors for:		
- audit	8,110	7,725
- other services	2,865	3,650

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**Notes to the financial statements**  
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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	7 months to 31 March 2022 £	12 months to 31 August 2021 £
Wages and salaries	2,726,380	4,619,777
Social security costs	365,395	483,271
Pension costs	798,465	1,313,447
	<u>3,890,240</u>	<u>6,416,495</u>
Agency staff costs	153,222	182,225
Staff restructuring costs	244,689	6,787
	<u>4,288,151</u>	<u>6,605,507</u>

Staff restructuring costs comprise:

	7 months to 31 March 2022 £	12 months to 31 August 2021 £
Enhanced redundancy payments	89,789	-
Other staff restructuring costs	-	6,787
Severance payments	154,900	-
	<u>244,689</u>	<u>6,787</u>

**b. Severance payments**

The Multi-Academy Trust paid 244,689 severance payments in the year (2021 - 6,787), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	-	1
£50,001 - £100,000	1	-
£150,000+	1	-
	<u>1</u>	<u>-</u>

The above severance payments arose from the decision to transfer the business of CTA to JTMAT.

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**For the year ended 31 August 2022**

**11. Staff (continued)**

**c. Special staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £154,900 (2021 - £100). Individually, the payments were: £154,900 (2021 - £100).

**d. Staff numbers**

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

	7 months to 31 March 2022 No.	12 months to 31 August 2021 No.
Teachers	74	77
Administration and support	43	44
Management	8	10
Apprentice	-	3
	<u>125</u>	<u>134</u>

**e. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	-	4
In the band £70,001 - £80,000	-	1
In the band £110,001 - £120,000	-	1
In the band £140,001 - £150,000	1	-
In the band £240,001 - £250,000	1	-
	<u>1</u>	<u>-</u>

**f. Key management personnel**

The key management personnel of the Multi-Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi-Academy Trust for the 7 month active period was £519,685 (12 months to 31 August 2021 - £353,025).

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**12. Central services**

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

- Human resources
- Educational services
- Financial services
- Operations
- Legal and Governance
- Others as arising

The Multi-Academy Trust charges for these services on the following basis:

Flat percentage of General Annual Grant (3.5%).

The actual amounts charged during the year were as follows:

	7 months to 31 March 2022 £	12 months to 31 August 2021 £
Chase Terrace Academy	152,169	239,133

Amounts charged in the current year reflect the 7 month period to 31 March 2022, the date after which the Trust transferred CTA to JTMAT.

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Multi-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. The value of Trustees' remuneration and other benefits was as follows:

		7 months to 31 March 2022 £'000	12 months to 31 August 2021 £'000
Stuart Jones, Executive Headteacher and Accounting Officer	Remuneration	245 - 250	110 - 115
	Pension contributions paid	15 - 20	25 - 30

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

**14. Trustees' and Officers' insurance**

The Multi-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 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 membership.

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15. Intangible assets

	Computer software £
At 1 September 2021	15,169
Transfer out to another academy trust	(15,169)
At 31 August 2022	-
At 1 September 2021	15,099
Charge for the year	70
Transfer out to another academy trust	(15,169)
At 31 August 2022	-
<b>Net book value</b>	
At 31 August 2022	-
At 31 August 2021	70

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**16. Tangible fixed assets**

	Long-term leasehold property £	Assets under construction £	Furniture and fixtures £	Computer equipment £	Total £
At 1 September 2021	25,187,125	-	36,921	205,074	25,429,120
Additions	851,639	374,837	38,849	35,982	1,301,307
Transfer out to another academy trust	(26,038,764)	(374,837)	(75,770)	(241,056)	(26,730,427)
At 31 August 2022	-	-	-	-	-
At 1 September 2021	1,976,398	-	10,406	104,553	2,091,357
Charge for the year	254,358	-	3,630	29,275	287,263
Transfer out to another academy trust	(2,230,756)	-	(14,036)	(133,828)	(2,378,620)
At 31 August 2022	-	-	-	-	-
<b>Net book value</b>					
At 31 August 2022	-	-	-	-	-
At 31 August 2021	23,210,727	-	26,515	100,521	23,337,763

**17. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	-	91,791
Other debtors	-	243
Prepayments and accrued income	-	1,969,515
	-	2,061,549

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**Notes to the financial statements**  
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**18. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other loans	-	8,504
Trade creditors	-	234,912
Other taxation and social security	-	2,462
Other creditors	-	17,550
Accruals and deferred income	-	115,673
	<u>-</u>	<u>379,101</u>
	2022 £	2021 £
Deferred income at 1 September 2021	54,709	68,708
Resources deferred during the year	84,522	54,709
Amounts released from previous periods	(54,709)	(68,708)
Resources transferred out to another academy trust	(84,522)	-
	<u>-</u>	<u>54,709</u>

As at 31 March 2022, the Multi-Academy Trust was holding funds received in advance for school trips. In the prior year, the Trust also deferred rates relief income, relating to the following academic year.

**Other loans**

Other loans brought forward during the year relate to a SALIX loan associated with a Conditional Improvement Fund (CIF) grant. The loan is repayable monthly and is repayable within one year.



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Notes to the financial statements  
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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds	126,034	122,021	(248,055)	-	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	618,921	4,373,462	(4,947,635)	(44,748)	-	-
Pupil Premium	-	137,090	(137,090)	-	-	-
Teachers Pay Grant	-	25,591	(25,591)	-	-	-
COVID-19 Catch Up Premium	75,146	20,469	(95,615)	-	-	-
COVID-19 Other funding	-	130	(130)	-	-	-
Other DfE/ESFA Grants	-	17,128	(22,913)	5,785	-	-
Other Government Grants	2,978	83,048	(86,026)	-	-	-
Other Funding	-	101,235	(101,235)	-	-	-
School Fund	29,919	35,294	(65,213)	-	-	-
Pension reserve	(3,404,000)	-	2,138,000	-	1,266,000	-
	(2,677,036)	4,793,447	(3,343,448)	(38,963)	1,266,000	-
<b>Restricted fixed asset funds</b>						
Transferred on conversion	23,022,298	-	(23,022,298)	-	-	-
DfE/ESFA capital grants	1,157,667	-	(1,157,667)	-	-	-
Capital expenditure from GAG	148,467	-	(187,430)	38,963	-	-
Other funding	852,414	35,868	(888,282)	-	-	-
	25,180,846	35,868	(25,255,677)	38,963	-	-
<b>Total Restricted funds</b>	<b>22,503,810</b>	<b>4,829,315</b>	<b>(28,599,125)</b>	<b>-</b>	<b>1,266,000</b>	<b>-</b>
<b>Total funds</b>	<b>22,629,844</b>	<b>4,951,336</b>	<b>(28,847,180)</b>	<b>-</b>	<b>1,266,000</b>	<b>-</b>

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**19. Statement of funds (continued)**

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

**Restricted general fund**

This fund represents grants and other income received for the Academy's operational activities and development.

**Pension reserve**

This pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

**Restricted Fixed Asset Fund**

This fund represents grants received from the DfE, ESFA and Local Authority to carry out works of a capital nature.

**Transfers**

Transfers from restricted general to restricted fixed asset funds have been made to cover capital additions purchased in the year.

Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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**19. Statement of funds (continued)**

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General Funds	55,859	105,897	(3,075)	(32,647)	-	126,034
<b>Restricted general funds</b>						
General Annual Grant (GAG)	544,658	6,878,626	(6,674,953)	(129,410)	-	618,921
Pupil Premium	-	232,959	(232,959)	-	-	-
Teachers Pay Grant	-	379,908	(379,908)	-	-	-
COVID-19 Catch Up Premium	-	121,176	(46,030)	-	-	75,146
COVID-19 Other funding	-	35,610	(35,610)	-	-	-
Other Government Grants	-	155,272	(152,294)	-	-	2,978
Other Funding	-	137,399	(137,399)	-	-	-
School Fund	48,610	57,353	(76,044)	-	-	29,919
Budget deficit transferred on conversion	(32,647)	-	-	32,647	-	-
Pension reserve	(2,530,000)	-	(257,000)	-	(617,000)	(3,404,000)
	<u>(1,969,379)</u>	<u>7,998,303</u>	<u>(7,992,197)</u>	<u>(96,763)</u>	<u>(617,000)</u>	<u>(2,677,036)</u>
<b>Restricted fixed asset funds</b>						
Transferred on conversion	23,441,485	-	(419,187)	-	-	23,022,298
DfE/ESFA capital grants	136,774	1,078,868	(57,975)	-	-	1,157,667
Capital expenditure from GAG	27,299	-	(8,242)	129,410	-	148,467
Other funding	1,974	851,083	(643)	-	-	852,414
	<u>23,607,532</u>	<u>1,929,951</u>	<u>(486,047)</u>	<u>129,410</u>	<u>-</u>	<u>25,180,846</u>
<b>Total Restricted funds</b>	<u>21,638,153</u>	<u>9,928,254</u>	<u>(8,478,244)</u>	<u>32,647</u>	<u>(617,000)</u>	<u>22,503,810</u>
<b>Total funds</b>	<u>21,694,012</u>	<u>10,034,151</u>	<u>(8,481,319)</u>	<u>-</u>	<u>(617,000)</u>	<u>22,629,844</u>

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**19. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Chase Terrace Academy	-	817,797
Stephen Sutton Multi-Academy Trust	-	35,201
Total before fixed asset funds and pension reserve	-	852,998
Restricted fixed asset fund	-	25,180,846
Pension reserve	-	(3,404,000)
<b>Total</b>	<b>-</b>	<b>22,629,844</b>

**Total cost analysis by academy**

Expenditure incurred by each academy during the active period was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Chase Terrace Academy	3,167,047	738,590	173,640	633,339	4,712,616
Stephen Sutton Multi-Academy Trust	240,091	175,423	-	61,928	477,442
	<u>3,407,138</u>	<u>914,013</u>	<u>173,640</u>	<u>695,267</u>	<u>5,190,058</u>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Chase Terrace Academy	5,150,964	1,316,667	258,499	1,017,249	7,743,379
Stephen Sutton Multi-Academy Trust	99,914	82,962	-	69,389	252,265
	<u>5,250,878</u>	<u>1,399,629</u>	<u>258,499</u>	<u>1,086,638</u>	<u>7,995,644</u>

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year 2022 £nil**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	23,337,763	23,337,763
Intangible fixed assets	-	-	70	70
Current assets	126,034	1,097,561	1,851,517	3,075,112
Creditors due within one year	-	(370,597)	(8,504)	(379,101)
Provisions for liabilities and charges	-	(3,404,000)	-	(3,404,000)
<b>Total</b>	<b>126,034</b>	<b>(2,677,036)</b>	<b>25,180,846</b>	<b>22,629,844</b>

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(23,895,844)	1,552,832
<b>Adjustments for:</b>		
Net deficit on transfer of academy out of the trust	23,373,798	-
Amortisation	70	2,280
Depreciation	287,263	483,395
Capital grants from DfE and other capital income	(35,868)	(1,929,951)
Interest receivable	(98)	(164)
Defined benefit pension scheme cost less contributions payable	199,000	212,000
Defined benefit pension scheme finance cost	33,000	45,000
Increase in debtors	(79,156)	(1,862,209)
Increase in creditors	369,613	55,123
Loss on disposal of asset	-	372
<b>Net cash provided by/(used in) operating activities</b>	<b>251,778</b>	<b>(1,441,322)</b>

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**22. Cash flows from financing activities**

	2022 £	2021 £
Cash inflows from new borrowing	-	8,504
Repayments of borrowing	-	(32,647)
<b>Net cash provided by/(used in) financing activities</b>	<b>-</b>	<b>(24,143)</b>

**23. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	98	164
Purchase of tangible fixed assets	(1,301,307)	(226,092)
Capital grants from DfE Group	-	1,078,868
Capital funding received from sponsors and others	35,868	851,083
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,265,341)</b>	<b>1,704,023</b>

**24. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	-	1,013,563
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>1,013,563</b>

**25. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	Other non- cash changes £
Cash at bank and in hand	1,013,563	(147,131)	(866,432)
Debt due within 1 year	(8,504)	-	8,504
	<b>1,005,059</b>	<b>(147,131)</b>	<b>(857,928)</b>

## 26. Pension commitments

The Multi-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 Staffordshire County Council. Both are multi-employer defined benefit schemes.

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

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

### Teachers' Pension Scheme

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

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

### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the 7 month period amounted to £498,692 (2021 - £844,383).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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**26. Pension commitments (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 7 month active period to 31 March 2022 was £189,000 (12 months to 31 August 2021 - £329,000), of which employer's contributions totalled £153,000 (12 months to 31 August 2021 - £257,000) and employees' contributions totalled £ 36,000 (12 months to 31 August 2021 - £72,000). The agreed contribution rates for future years are 25.2 per cent for employers and 5.5 - 12.5 per cent for employees.

The LGPS obligation relates to the employees of the Multi-Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi-Academy Trust at the balance sheet date.

As described in note the LGPS obligation relates to the employees of the Multi-Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi-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.

**Principal actuarial assumptions**

	2022 %	2021 %
Rate of increase in salaries	3.55	3.30
Rate of increase for pensions in payment/inflation	3.15	2.90
Discount rate for scheme liabilities	2.75	1.65

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

	2022 Years	2021 Years
Retiring today		
Males	21.2	21.4
Females	23.8	24.0
Retiring in 20 years		
Males	22.2	22.5
Females	25.5	25.7



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**26. Pension commitments (continued)**

**Sensitivity analysis**

	2022 £000	2021 £000
Discount rate -0.5%	655	755
Salary Increase rate +0.5%	75	90
CPI rate +0.5%	575	655

**Share of scheme assets**

The Multi-Academy Trust's share of the assets in the scheme was:

	At 31 March 2022 £	At 31 August 2021 £
Equities	2,163,000	2,014,000
Bonds	518,000	539,000
Property	244,000	198,000
Cash and other liquid assets	121,000	85,000
<b>Total market value of assets</b>	<b>3,046,000</b>	<b>2,836,000</b>

The actual return on scheme assets was £33,000 (2021 -£454,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Interest income	28,000	38,000
Interest cost	(61,000)	(83,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(33,000)</b>	<b>(45,000)</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>5,771,000</b>	<b>4,603,000</b>
Interest cost	61,000	83,000
Employee contributions	36,000	72,000
Actuarial (gains)/losses	(1,261,000)	1,033,000
Benefits paid	(12,000)	(20,000)
<b>At 31 March</b>	<b>4,595,000</b>	<b>5,771,000</b>

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**26. Pension commitments (continued)**

Changes in the fair value of the Multi-Academy Trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	2,836,000	2,073,000
Interest income	28,000	38,000
Actuarial gains	5,000	416,000
Employer contributions	153,000	257,000
Employee contributions	36,000	72,000
Benefits paid	(12,000)	(20,000)
At 31 March	<u>3,046,000</u>	<u>2,836,000</u>

**27. Operating lease commitments**

At 31 August 2022 the Multi-Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	-	7,255

All lease commitments were transferred as at 1 April 2022 to John Taylor Multi-Academy Trust.

**28. 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.

**29. Related party transactions**

Owing to the nature of the Multi-Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Multi-Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

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**For the year ended 31 August 2022**

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**30. Transfer out on academies leaving the multi-academy trust**

On 1 April 2022, the academy trust transferred out its operations and assets and liabilities to John Taylor Multi-Academy Trust.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred are recognised as an expense in the statement of financial activities as charitable expenditure - transfer out of academy trust. The transfer was for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred.

**Chase Terrace Academy**

	<b>Transfer out on academy leaving the trust £</b>
<b>Tangible fixed assets</b>	
Long-term leasehold property	23,808,008
Assets under construction	374,837
Furniture and equipment	61,734
Computer equipment	107,228
<b>Current assets</b>	
Debtors due within one year	1,274,268
Cash at bank and in hand	866,432
<b>Liabilities</b>	
Creditors due after one year	(748,709)
<b>Pensions</b>	
Pensions - pension scheme assets	3,046,000
Pensions - pension scheme liabilities	(5,416,000)
<b>Net assets</b>	<b>23,373,798</b>