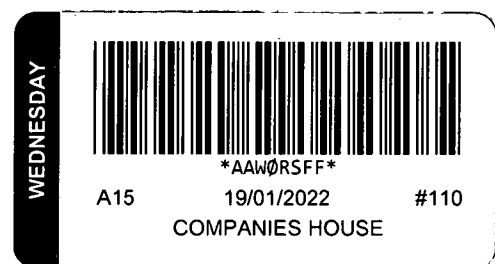


St Stephen's Church of England Multi Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2021**

Company Registration Number
10773530 (England and Wales)



**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2021

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St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

| | |
|--|--|
| Members | R. Whitehouse (appointed 16 May 2017) J. Bickley (appointed 16 May 2017) CECET (appointed 16 May 2017) G. Hawkins (appointed 15 October 2018) B. Singh-Cooner (appointed 26 March 2021) |
| Trustees | R. Whitehouse – Chair (appointed 16 May 2017) J. Bickley (appointed 16 May 2017) W. Downing – Accounting Officer and Executive Headteacher (appointed 16 May 2017) J. Whitehouse (appointed 16 May 2017) P. Flynn (appointed 16 May 2017) M. Smith (appointed 16 May 2017) A. Kelshaw (appointed 20 March 2018) T. Richardson (appointed 10 January 2020) |
| Company secretary | K. Banks |
| Senior management team St Stephen's Church of England Primary School | S. Horton, Head of School R. Antonic, Assistant Headteacher N. Pearce, KS2 and Numeracy Lead |
| Parkfield Primary School | T. Robinson, Head of School M Cross, Assistant Headteacher I. Upstone, EYFS, KS1 and Reading Lead W. Downing, Executive Headteacher K. Banks, Trust Business Manager |
| Company name | St Stephen's Church of England Multi Academy Trust |
| Principal and registered office | Woden Road Wolverhampton West Midlands WV10 0BB |
| Company registration number | 10773530 |
| Independent auditor | Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR |
| Bankers | Lloyds Bank 3 rd Floor, Queen Square Wolverhampton WV1 1TF |
| Solicitors | Howes Percival LLP Nene House 4 Rushmills Northampton Northamptonshire NN4 7YB |

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates primary schools serving catchment areas in Wolverhampton which are :

- St Stephen's Church of England Primary Academy
- Parkfield Primary Academy

They have a combined pupil capacity of 420 plus 50 nursery places and had a roll of 416 plus 26 in nursery at the time of the school census on 1st October 2021.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The Trustees of St Stephen's Church of England Multi Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as St Stephen's Church of England Multi Academy.

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.

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.

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are appointed or elected under the terms of the Trust deed.

Full details are laid out in the Trust Articles of Association. The number of Trustees shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum.

Subject to Articles 45 – 56, the academy Trust shall have the following Trustees:

- a) Up to 8 Trustees, appointed under article 50;
- b) At least 2 and up to 3 Trustees, appointed under and subject to Article 55AA;
- c) The Chief Executive Officer; and
- d) Parent Trustees are appointed under Articles 53 – 56 in the event that no provision is made for parent representatives on the LGB's under Articles 101A

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

Upon appointment, all Trustees attended a training session delivered by the Trust's Solicitors that covered Governance, Trustee Roles and Responsibilities. Trustees also received a pack containing key Trust documents. A Governance Training SLA package is also purchased from Services4Schools which is extended to Trustees. Newly elected Trustees attend induction training for new Trustees and in addition specific training provided by Trustee support in accordance with their individual needs.

Organisational structure

Members of the Trust meet annually and have an overall framework for the Governance of all the academies operating within the Trust.

The board of Trustees meet on a termly basis and make all major decisions about the strategic direction of the Trust.

The board is supported by the:

- Finance, Audit and General Purposes Committee
- Site, Health and Safety
- Pay Committee
- Head Teacher Performance Management
- Appeals Committee
- School Improvement Challenge Board – If required

Each Academy has its own Local Governing Body that meets at least termly with responsibility for local financial decisions, achievement and curriculum matters.

The Accounting Officer for the Trust is the Executive Headteacher.

Arrangements for setting pay and remuneration of key management personnel

Decisions in relation to all members of the Leadership Team, including the Executive Headteacher are reviewed and implemented in accordance with the Trust's Pay Policy by the Pay Committee.

Related parties and other Connected Charities and Organisations

Related parties, connected charities or organisations during the period are described in note 23 related party transactions.

Objectives and activities

Objects and aims

The strategic goal of St Stephen's Church of England Multi Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

Objectives, strategies and activities

St Stephen's Church of England Multi Academy Trust opened in June 2017, which developed from the desire and passion that we have nurtured and established here at St Stephen's Church of England Primary School.

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

It is our mission to ensure that every child who attends a school within our MAT:

- Has the opportunity to grow and develop in a supportive environment
- Has access to provision with excellent standards and outstanding progress that permeates across the school
- Accesses an inspiring, broad and balanced curriculum that is tailored to meet their needs
- Is able to celebrate and develop their talents
- Sees learning as being fun, real and engaging
- Works in harmony with the community
- Is valued in God's eye and as a unique individual
- Develops lifelong friendships, perseveres, and is respectful, compassionate, tolerant and trusting

It is our mission to ensure that every member of staff within our MAT

- Is a valued member of the team, where their successes are celebrated and their aspirations are nurtured
- Accesses high quality professional development tailored to their individual needs and professional aspirations
- Learns from each other and shares outstanding practice to support our pupils on their journey with us

We are proud of our achievements at St Stephen's Church of England Multi Academy Trust and our success has been built on the underpinning promise that,

'We will not make excuses, we will not make false promises, but will insist that all children have the same life chances and opportunities.'

There is no such thing as failure within our Trust, only exciting learning opportunities which we can build on to enable our pupils to become well rounded, resilient individuals who are prepared for the next stage of their education.

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/running-charity/managing-charity in exercising their powers or duties.

St Stephen's Church of England Multi Academy is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

1) Key Performance Indicators

The school continues to use evidence from OFSTED, Analyse School Performance in addition to its own rigorous and extensive monitoring data as Key Performance Indicators to continue to drive school improvement.

2) Review of Outcomes

Schools opened to all pupils again at the beginning of the Autumn term. All classes operated as a 'bubble' with no classes mixing and teachers and staff just working within their 'bubble'. All schools closed Nationally from the beginning of the Spring term until 8th February when schools again re-opened to vulnerable children and children of 'key workers' during this period. Schools did not fully re-open again until 8th March.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

All Statutory tests were cancelled except the Key Stage 1 phonic screen assessment which was administered to Year 2 pupils at the end of the Autumn term.

In the absence of statutory data, to support assessment judgements, both school's within the trust used a suite of tests created by the Local Authority. This has enabled performance to be measured and benchmarked against other schools within the authority.

St Stephen's Church of England Primary School

Phonics Data

Year 2 completed the statutory phonic screen assessment 75% achieved the desired standard.

| Reading | Local Authority Baseline 2020 | | Local Authority Midline Spring 2021 | | Local Authority Endline Summer 2021 | |
|---------|-------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score |
| Year 1 | | | | | | |
| Year 2 | | | 101.2 | 95.6 | 95.3 | 100.0 |
| Year 3 | 98 | 98.9 | 97.6 | 100.3 | 97.7 | 101.9 |
| Year 4 | 96.5 | 99.8 | 99.0 | 101.0 | 100.5 | 102.6 |
| Year 5 | 101.2 | 98.7 | 104.1 | 101.0 | 105.5 | 103.2 |
| Year 6 | 96.9 | 97.5 | 99.5 | 102.2 | 101.6 | 104.1 |

| Writing | Autumn 2020 | | Spring 2021 | | Summer 2021 | |
|---------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Online to be ARE | Online to be GD | Online to be ARE | Online to be GD | Online to be ARE | Online to be GD |
| Year 1 | 63% | 20% | 58% | 19% | 62% | 28% |
| Year 2 | 58% | 12% | 19% | 12% | 23% | 0% |
| Year 3 | 59% | 15% | 41% | 11% | 39% | 14% |
| Year 4 | 69% | 9% | 43% | 0% | 67% | 0% |
| Year 5 | 61% | 13% | 23% | 7% | 28% | 7% |
| Year 6 | 68% | 14% | 57% | 30% | 71% | 14% |

| Mathematics | Local Authority Baseline 2020 | | Local Authority Midline Spring 2021 | | Local Authority Endline Summer 2021 | |
|-------------|-------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score |
| Year 1 | | | 107.9 | 98.8 | 104.8 | 100.4 |
| Year 2 | 93.2 | 98.6 | 90.5 | 95.6 | 92.8 | 99.6 |
| Year 3 | 95.9 | 97.7 | 96.6 | 96.9 | 100.4 | 101.2 |
| Year 4 | 95.2 | 97.2 | 94.3 | 97.9 | 99.2 | 99.8 |
| Year 5 | 97.2 | 98.1 | 96.3 | 97.2 | 104.3 | 100.9 |
| Year 6 | 92.3 | 93 | 96.2 | 98.2 | 101.0 | 101 |

Parkfield Primary School

Phonics Data

Year 2 completed the statutory phonic screen assessment 83% achieved the desired standard.

| Reading | Local Authority Baseline 2020 | | Local Authority Midline Spring 2021 | | Local Authority Endline Summer 2021 | |
|---------|-------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score |
| Year 1 | | | | | | |
| Year 2 | | | 94.6 | 95.6 | 98.8 | 100.0 |
| Year 3 | 93.9 | 98.9 | 98.5 | 100.3 | 100.8 | 101.9 |
| Year 4 | 98.7 | 99.8 | 98.6 | 101.0 | 98.9 | 102.6 |
| Year 5 | 96.5 | 98.7 | 102.4 | 101.0 | 102.4 | 103.2 |

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

| | | | | | | |
|--------|------|------|-------|-------|-------|-------|
| Year 6 | 94.7 | 97.5 | 104.1 | 102.2 | 102.2 | 104.1 |
|--------|------|------|-------|-------|-------|-------|

| Writing | Autumn 2020 | Spring 2021 | | Summer 2021 | | |
|---------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Online to be ARE | Online to be GD | Online to be ARE | Online to be GD | Online to be ARE | Online to be GD |
| Year 1 | 55% | 7% | 52% | 3% | 30% | 0% |
| Year 2 | 60% | 7% | 60% | 0% | 23% | 0% |
| Year 3 | 43% | 0% | 25% | 0% | 27% | 0% |
| Year 4 | 76% | 17% | 7% | 10% | 21% | 0% |
| Year 5 | 57% | 10% | 53% | 3% | 50% | 3% |
| Year 6 | 83% | 33% | 70% | 30% | 61% | 3% |

| Mathematics | Local Authority Baseline 2020 | | Local Authority Midline Spring 2021 | | Local Authority Endline Summer 2021 | |
|-------------|-------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score | School Scale Score | Local Authority Scale Score |
| Year 1 | | | 96.0 | 98.8 | 94.3 | 100.4 |
| Year 2 | 96.1 | 98.6 | 92.5 | 95.6 | 99.5 | 99.6 |
| Year 3 | 92.8 | 97.7 | 96.3 | 96.9 | 98.5 | 101.2 |
| Year 4 | 97.8 | 97.2 | 99.4 | 97.9 | 99.6 | 99.8 |
| Year 5 | 95.3 | 98.1 | 97.4 | 97.2 | 102.7 | 100.9 |
| Year 6 | 91.4 | 93.0 | 100.2 | 98.2 | 99.8 | 101 |

- Direct costs as a percentage of total costs were 67.6% (2020 : 70.4%)
- Support costs as a percentage of total costs were 32.4% (2020 : 29.6%)
- Total payroll costs as a percentage of recurring income were 73.0% (2020 : 75.0%)

Going concern

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

Financial Review

The financial results of St Stephen's Church of England Multi Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2021 total resources expended were £2,899,075 and the deficit of expenditure over income was £53,792 which included depreciation of £116,498.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2021 of £430,985 which included £323,698 restricted funds not available for general purposes of the multi academy trust, £447,751 of free reserves defined as unrestricted funds available for general purposes and £1,802,536 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus/deficit of £771,449.

In addition, the deficit on the restricted pension fund of £2,143,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trust aims to retain approximately three months of total salary costs as a reasonable level of reserves. This is monitored and reviewed by trustees throughout the course of the financial year.

Investment Policy

The Trust's investment principles are outlined in its Investment Policy which requires the Trust to:

- Undertake suitable risk assessments against any potential investment
- Gain professional advice
- Review ethic status of potential investments
- Monitor and report upon performance

The Trust does not currently have any active investments.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the period was monitored by the Trustees.

Plans for Future Periods

1. Future Developments

We aim to grow as a Trust, supporting primary schools in Wolverhampton and the neighbouring authorities so that children have the opportunities to reach their full potential in a supportive environment. All of our schools will be partners, with the same shared vision and values.

2. Our Children

We will ensure that all of our children reach their full potential and perform well against National indicators both in terms of attainment and achievement. We want our children to see learning as fun and to be valued in God's eye as unique individuals.

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2021 (continued)

3. Our Staff

The Trust will continue to value all members of the staff team, celebrating their successes and nurturing their aspirations. We will aim to develop our own staff so that they become leaders of the future.

Funds Held as Custodian Trustee on Behalf of Others

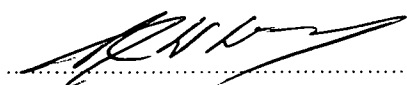
Neither the multi academy trust nor its trustees act as a custodian trustee on behalf of others.

Auditor

Insofar as the Trustees are aware :

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 1 December 2021 and signed on the board's behalf by:



..... R Whitehouse - Chair of Trustees

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Governance Statement for the year ended 31 August 2021

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Stephen's Church of England Multi Academy 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 Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Stephen's Church of England Multi Academy 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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows :

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| R Whitehouse (Chair) | 4 | 4 |
| J Bickley (Vice Chair) | 3 | 4 |
| J Whitehouse | 4 | 4 |
| W Downing (Executive Headteacher and Accounting Officer) | 4 | 4 |
| P Flynn | 4 | 4 |
| A Kelshaw | 3 | 4 |
| T Richardson | 4 | 4 |
| M Smith | 2 | 4 |

The trust completed a skills audit, March 2021, to identify how best to strengthen the knowledge and expertise of the board. A review of Governance, in its widest sense is planned for early Spring term 2022.

This year continued to be challenging, however, the trust board have continued to meet regularly through virtual meetings in order to effectively discharge their duties. Trustees and Governors also received regular update reports from the Executive Headteacher throughout the year.

In addition to the attendance listed above, trustees also held a number of strategic discussion meetings on the following dates: 21/10/20, 24/02/2021, 26/05/2021. Trustees also held a joint trustee and staff meeting on the 03/01/2021 to discuss lockdown measures.

The **finance and Audit committee** is a sub-committee of the main board of trustees. Its purpose is to maintain strategic oversight of financial planning and the day to day operations of the trusts finances, with due regard to the requirements of the Academies Financial Handbook and the Academy Funding Agreement.

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

Governance Statement for the year ended 31 August 2021 (continued)

| Trustee | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| J Bickley (Chair) | 3 | 3 |
| P Flynn | 3 | 3 |
| M Smith | 1 | 3 |
| W Downing (Executive Headteacher and Accounting Officer) | 3 | 3 |
| T Richardson | 3 | 3 |

Review of value for money

As accounting officer the Executive 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by completing the following:

- Reviewing SLA's and contracts annually, procuring goods and services that meet the changing needs of the trust whilst securing value for money.
- Extensive building refurbishment work has been carried out at both schools throughout the academic year. The Trust's Tendering process was followed to ensure best value for money.
- Energy contracts for both schools have been reviewed and retendered.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the multi academy trust's 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 St Stephen's Church of England Multi Academy for the year 1 September 2020 to 31 August 2021 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 on-going process for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Governance Statement for the year ended 31 August 2021 (continued)

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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed M3 Academy Audit & Consultancy Services to carry out a programme of checks throughout the year.

The internal audit function role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. Reports on internal audit findings are shared with Trustees on a termly basis. A level of 'outstanding' assurance was recently provided to the Board and there were many areas of good practise that were identified.

Review of Effectiveness

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

- the work of the internal reviewer
- the work of the external auditor;
- the school resource management self-assessment tool;
- 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 accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 1 December 2021 and signed on its behalf by:



R Whitehouse
Chair of Trustees



Wayne Downing
Accounting Officer


**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

**Statement of regularity, propriety and compliance
for the period ended 31 August 2021**

As accounting officer of St Stephen's Church of England 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 Academies Financial Handbook 2020.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of 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 Academies Financial Handbook 2020.

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.

..... Wayne Downing – Accounting Officer

1 December 2021

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

**Statement of Trustees' responsibilities
for the period ended 31 August 2021**

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:

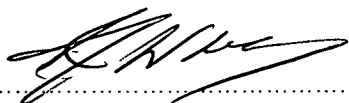
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 1 December 2021 and signed on its behalf by:



..... R Whitehouse – Chair of Trustees

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
St Stephen's Church of England Multi Academy Trust**

Opinion

We have audited the financial statements of St Stephen's Church of England Multi Academy Trust for the year to 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency

Basis for opinion

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

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the multi academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of St Stephen's Church of England Multi Academy Trust
(continued)**

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. 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 matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of St Stephen's Church of England Multi Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 13), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

- We reviewed the multi academy trust's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the multi academy trust's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of St Stephen's Church
of England Multi Academy Trust
(continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the multi academy trust and the multi academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

1 December 2021

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to St Stephen's Church of England Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Stephen's Church of England Multi Academy Trust during the year 1 September 2020 to 31 August 2021 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 St Stephen's Church of England 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 St Stephen's Church of England 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 St Stephen's Church of England Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Stephen's Church of England Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Stephen's Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 May 2017 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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.

The work undertaken to draw our conclusion includes :

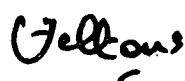
- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St Stephen's Church of England Multi Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

1 December 2021

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

| | Notes | Unrestricted funds £ | Restricted pension fund £ | Restricted general funds £ | Restricted fixed asset funds £ | Total 2020/21 £ | Total 2019/20 £ |
|--|--------|----------------------------|------------------------------------|-------------------------------------|---|-----------------------|-----------------------|
| Income from : | | | | | | | |
| Donations and capital grants | 2 | 2,139 | - | - | 35,136 | 37,275 | 15,228 |
| Charitable activities : | 3 | | | | | | |
| Funding for the academy trust's educational operations | | 67,053 | - | 2,740,869 | - | 2,807,922 | 2,726,356 |
| Investments | 4 | 86 | - | - | - | 86 | 1,206 |
| Total | | 69,278 | - | 2,740,869 | 35,136 | 2,845,283 | 2,742,790 |
| Expenditure on : | | | | | | | |
| Charitable activities: | | | | | | | |
| Academy trust educational operations | 5 | 69,278 | 136,000 | 2,577,299 | 116,498 | 2,899,075 | 2,810,382 |
| Total | | 69,278 | 136,000 | 2,577,299 | 116,498 | 2,899,075 | 2,810,382 |
| Net income/(expenditure) before transfers | | - | (136,000) | 163,570 | (81,362) | (53,792) | (67,592) |
| Transfers between funds | 14 | - | - | (67,359) | 67,359 | - | - |
| Net income/(expenditure) after transfers | | - | (136,000) | 96,211 | (14,003) | (53,792) | (67,592) |
| Other recognised gains/(losses) | | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 14, 22 | - | (232,000) | - | - | (232,000) | (188,000) |
| Net movement in funds | | - | (368,000) | 96,211 | (14,003) | (285,792) | (255,592) |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | 15 | 447,751 | (1,775,000) | 227,487 | 1,816,539 | 716,777 | 972,369 |
| Total funds carried forward | | 447,751 | (2,143,000) | 323,698 | 1,802,536 | 430,985 | 716,777 |

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

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Company number : 10773530

Balance sheet as at 31 August 2021

| | Notes | 2021 | | 2020 | |
|--|-------|--------------------|-----------------------|--------------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 1,802,536 | | 1,816,539 |
| Current assets | | | | | |
| Debtors | 12 | 140,603 | | 151,081 | |
| Cash at bank and in hand | | <u>853,916</u> | | <u>806,634</u> | |
| | | 994,519 | | 957,715 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | <u>223,070</u> | | <u>282,477</u> | |
| Net current assets | | | 771,449 | | 675,238 |
| Net assets excluding pension liability | | | <u>2,573,985</u> | | <u>2,491,777</u> |
| Defined benefit pension scheme liability | 22 | | (2,143,000) | | (1,775,000) |
| Total net assets | | | <u><u>430,985</u></u> | | <u><u>716,777</u></u> |
| Funds of the academy trust : | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 14 | 1,802,536 | | 1,816,539 | |
| Restricted income fund | 14 | 323,698 | | 227,487 | |
| Pension reserve | 14 | <u>(2,143,000)</u> | | <u>(1,775,000)</u> | |
| Total restricted funds | | | (16,766) | | 269,026 |
| Unrestricted income funds | 14 | | 447,751 | | 447,751 |
| Total funds | | | <u><u>430,985</u></u> | | <u><u>716,777</u></u> |

The financial statements on pages 20 to 41 were approved by the trustees, and authorised for issue on 1 December 2021 and are signed on their behalf by:



R Whitehouse - Chair of Trustees

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

| | Notes | 2020/21 £ | 2019/20 £ |
|--|--------------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 18 | 114,555 | 160,222 |
| Cash flows from investing activities | 19 | (67,273) | (81,945) |
| | | <u>47,282</u> | <u>78,277</u> |
| Cash and cash equivalents at 1 September 2020 | | 806,634 | 728,357 |
| Cash and cash equivalents at 31 August 2021 | 20 | <u>853,916</u> | <u>806,634</u> |

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021

1. Accounting policies

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

Basis of preparation

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

Going concern

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

Income

All incoming resources are recognised when the 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 year 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.

- **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.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Income (continued)

- **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 goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the 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.

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.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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 over its expected useful life as follows:

| | |
|------------------------------|-------------------------------|
| Leasehold land and buildings | - straight line over 50 years |
| Fittings and equipment | - 20% straight line |
| Computer hardware | - 25% straight line |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

In addition to the leasehold land and buildings the Academy Trust also occupies a property held under a church supplemental agreement which permits occupancy of the premises with a notice period of two years. The Academy Trust is not able to exercise control over this property and therefore no fixed asset has been recognised in the financial statements.

Liabilities

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

Financial instruments

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

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

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

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

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Leased assets

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

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.

Pension benefits

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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 net income/(expenditure) 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 year 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.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

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 funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

| | Unrestricted funds £ | Restricted general fund £ | Restricted fixed asset funds £ | 2020/21 Total £ | 2019/20 Total £ |
|----------------------|----------------------------|------------------------------------|---|-----------------------|-----------------------|
| Capital grants | - | - | 13,014 | 13,014 | 13,040 |
| Donated fixed assets | - | - | 22,122 | 22,122 | - |
| Other donations | 2,139 | - | - | 2,139 | 2,188 |
| | <u>2,139</u> | <u>-</u> | <u>35,136</u> | <u>37,275</u> | <u>15,228</u> |
| 2020 total | <u>2,188</u> | <u>-</u> | <u>13,040</u> | <u>15,228</u> | |

3. Funding for the multi academy trust's educational operations

| | Unrestricted funds £ | Restricted general fund £ | Restricted fixed asset funds £ | 2020/21 Total £ | 2019/20 Total £ |
|---|----------------------------|------------------------------------|---|-----------------------|-----------------------|
| DfE/ESFA grants | | | | | |
| General Annual Grant (GAG) | - | 2,073,401 | - | 2,073,401 | 2,034,030 |
| Other DfE Group grants | | | | | |
| UFSM | - | 24,009 | - | 24,009 | 29,498 |
| Pupil premium | - | 294,219 | - | 294,219 | 289,890 |
| Teachers pension | - | 61,216 | - | 61,216 | 61,615 |
| Teachers pay | - | 21,664 | - | 21,664 | 25,251 |
| Others | - | 49,120 | - | 49,120 | 46,630 |
| | <u>-</u> | <u>2,523,629</u> | <u>-</u> | <u>2,523,629</u> | <u>2,486,914</u> |
| Other government grants | | | | | |
| Local authority grants | - | 184,040 | - | 184,040 | 156,603 |
| Other government funding | - | - | - | - | 4,700 |
| Other income from the academy trust's educational operations | 67,053 | - | - | 67,053 | 73,191 |
| Covid-19 additional funding (DfE/ESFA) | | | | | |
| Catch-up premium | - | 33,200 | - | 33,200 | - |
| Other DfE/ESFA Covid-19 funding | - | - | - | - | 4,948 |
| | <u>67,053</u> | <u>217,240</u> | <u>-</u> | <u>284,293</u> | <u>239,442</u> |
| | <u>67,053</u> | <u>2,740,869</u> | <u>-</u> | <u>2,807,922</u> | <u>2,726,356</u> |
| 2020 total | <u>73,191</u> | <u>2,653,165</u> | <u>-</u> | <u>2,726,356</u> | |

The academy trust received £33,200 of funding for catch-up premium and costs incurred in respect of this funding totalled £33,200.

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

4. Investment income

| | Unrestricted funds £ | Restricted funds £ | 2020/21 Total £ | 2019/20 Total £ |
|---------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Short term deposits | 86 | - | 86 | 1,206 |
| 2020 total | 1,206 | - | 1,206 | |

5. Expenditure

| | Staff costs £ | Non pay expenditure | | 2020/21 Total £ | 2019/20 Total £ |
|----------------------------------|---------------------|---------------------|----------------|-----------------------|-----------------------|
| | | Premises £ | Other £ | | |
| Academy's educational operations | | | | | |
| Direct costs | 1,694,762 | 83,733 | 180,759 | 1,959,254 | 1,979,637 |
| Allocated support costs | 383,060 | 264,001 | 292,760 | 939,821 | 830,745 |
| | <u>2,077,822</u> | <u>347,734</u> | <u>473,519</u> | <u>2,899,075</u> | <u>2,810,382</u> |
| 2020 total | 2,057,294 | 270,320 | 482,768 | 2,810,382 | |

Net income/(expenditure) for the period includes :

| | | 2020/21 £ | 2019/20 £ |
|-------------------------|-----------------------|--------------|--------------|
| Operating leases | - plant and machinery | 1,975 | 1,975 |
| Depreciation | | 116,498 | 88,041 |
| Fees payable to auditor | - audit | 11,250 | 10,900 |
| | - other services | <u>480</u> | <u>-</u> |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

6. Charitable activities

| | Unrestricted funds £ | Restricted pension fund £ | Other restricted funds £ | 2020/21 Total £ | 2019/20 Total £ |
|--------------------------------------|----------------------------|------------------------------------|-----------------------------------|-----------------------|-----------------------|
| Educational operations | | | | | |
| Direct costs | 11,400 | - | 1,947,854 | 1,959,254 | 1,979,637 |
| Support costs | 57,878 | 136,000 | 745,943 | 939,821 | 830,745 |
| | <u>69,278</u> | <u>136,000</u> | <u>2,693,797</u> | <u>2,899,075</u> | <u>2,810,382</u> |
| 2020 total | <u>76,585</u> | <u>79,000</u> | <u>2,654,797</u> | <u>2,810,382</u> | |
| Analysis of support costs | | | | | |
| Support staff costs | - | 136,000 | 247,060 | 383,060 | 310,554 |
| Depreciation | - | - | 32,765 | 32,765 | 42,443 |
| Technology costs | - | - | 22,301 | 22,301 | 32,097 |
| Premises costs | 31,360 | - | 210,450 | 241,810 | 190,934 |
| Legal costs | - | - | 51,573 | 51,573 | 27,615 |
| Other support costs | 26,518 | - | 166,257 | 192,775 | 208,726 |
| Governance costs | - | - | 15,537 | 15,537 | 18,376 |
| | <u>57,878</u> | <u>136,000</u> | <u>745,943</u> | <u>939,821</u> | <u>830,745</u> |
| Total support costs | <u>57,878</u> | <u>136,000</u> | <u>745,943</u> | <u>939,821</u> | <u>830,745</u> |
| 2020 total | <u>56,463</u> | <u>79,000</u> | <u>695,282</u> | <u>830,745</u> | |

7. Staff

a) Staff costs

| | | |
|-----------------------------------|------------------|------------------|
| Staff costs during the year were: | 2020/21 £ | 2019/20 £ |
| Wages and salaries | 1,404,278 | 1,456,698 |
| Social security costs | 123,300 | 131,719 |
| Pension costs | <u>488,080</u> | <u>443,459</u> |
| | 2,015,658 | 2,031,876 |
| Agency staff costs | 62,164 | 25,418 |
| | <u>2,077,822</u> | <u>2,057,294</u> |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

7. Staff (continued)

b) Staff numbers

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

| | 2020/21 Number | 2019/20 Number |
|----------------------------|-------------------|-------------------|
| Teachers | 15 | 17 |
| Administration and support | 34 | 39 |
| Management | 7 | 8 |
| | <u>56</u> | <u>64</u> |

c) Higher paid staff

| | 2020/21 Number | 2019/20 Number |
|---|-------------------|-------------------|
| The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was : | | |
| £80,001 - £90,000 | <u>1</u> | <u>1</u> |

d) 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 was £536,988 (2020 : £556,868)

8. Central services

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

| Category | Basis |
|--------------------------|---|
| Central support services | Equal allocation of costs across each school in trust |

The actual amounts charged during the year were as follows :

| | 2020/21 £ | 2019/20 £ |
|------------------------------------|----------------|----------------|
| St Stephen's C of E Primary School | 91,224 | 84,555 |
| Parkfield Primary School | 91,224 | 84,555 |
| | <u>182,448</u> | <u>169,110</u> |

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 :

| | |
|---------------------------------------|--|
| Wayne Downing (principal and trustee) | |
| Remuneration | £85,000 - £90,000 (2020 : £85,000 - £90,000) |
| Employer's pension contributions paid | £20,000 - £25,000 (2020 : £20,000 - £25,000) |

There were no travel and subsistence expenses paid to any trustee during current or previous year. Other related party transactions involving the trustees are set out in note 23.

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

11. Tangible fixed assets

| | Leasehold land and buildings £ | Fittings and equipment £ | Computer hardware £ | Total £ |
|--------------------------|---|-----------------------------------|---------------------------|------------------|
| Cost or valuation | | | | |
| At 1 September 2020 | 1,718,712 | 246,767 | 92,388 | 2,057,867 |
| Additions | - | 18,180 | 84,315 | 102,495 |
| At 31 August 2021 | <u>1,718,712</u> | <u>264,947</u> | <u>176,703</u> | <u>2,160,362</u> |
| Depreciation | | | | |
| At 1 September 2020 | 111,716 | 77,028 | 52,584 | 241,328 |
| Charge for the year | 34,374 | 50,728 | 31,396 | 116,498 |
| At 31 August 2021 | <u>146,090</u> | <u>127,756</u> | <u>83,980</u> | <u>357,826</u> |
| Net book values | | | | |
| At 31 August 2021 | <u>1,572,622</u> | <u>137,191</u> | <u>92,723</u> | <u>1,802,536</u> |
| At 31 August 2020 | <u>1,606,996</u> | <u>169,739</u> | <u>39,804</u> | <u>1,816,539</u> |

Leasehold property was valued at 13 September 2017 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued on 1 June 2017 by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31
August 2021 is
represented by :

| | Leasehold land and buildings £ | Fittings and equipment £ | Computer hardware £ | Total £ |
|-------------------|---|-----------------------------------|---------------------------|------------------|
| Valuation in 2017 | 1,718,712 | 110,575 | 38,643 | 1,867,930 |
| Cost | - | 154,372 | 138,060 | 292,432 |
| | <u>1,718,712</u> | <u>264,947</u> | <u>176,703</u> | <u>2,160,362</u> |

12. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Debtors from operations | 435 | 435 |
| VAT recoverable | 21,756 | 43,576 |
| Prepayments and accrued income | <u>118,412</u> | <u>107,070</u> |
| | <u>140,603</u> | <u>151,081</u> |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

13. Creditors

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Amounts falling due within one year : | | |
| Creditors from operations | 128,380 | 204,059 |
| Accruals and deferred income | 94,690 | 78,418 |
| | <u>223,070</u> | <u>282,477</u> |
| Deferred income | | |
| Deferred income at 1 September 2020 | 17,507 | 26,898 |
| Resources deferred in the year | 16,657 | 17,507 |
| Amounts released from previous years | (17,507) | (26,898) |
| Deferred income at 31 August 2021 | <u>16,657</u> | <u>17,507</u> |

At the balance sheet date the multi academy trust was holding funds received in advance for universal infant free school meals.

14. Funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|---|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 227,487 | 2,073,401 | (1,909,831) | (67,359) | 323,698 |
| UIFSM | - | 24,009 | (24,009) | - | - |
| Pupil premium | - | 294,219 | (294,219) | - | - |
| Catch-up premium | - | 33,200 | (33,200) | - | - |
| Other grants | - | 316,040 | (316,040) | - | - |
| | <u>227,487</u> | <u>2,740,869</u> | <u>(2,577,299)</u> | <u>(67,359)</u> | <u>323,698</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 1,662,970 | - | (65,015) | - | 1,597,955 |
| DfE Group capital grants | 44,904 | 13,014 | (11,769) | - | 46,149 |
| Capital expenditure from GAG | 108,665 | - | (35,269) | 67,359 | 140,755 |
| Donations | - | 22,122 | (4,445) | - | 17,677 |
| | <u>1,816,539</u> | <u>35,136</u> | <u>(116,498)</u> | <u>67,359</u> | <u>1,802,536</u> |
| Pension reserve | <u>(1,775,000)</u> | - | <u>(136,000)</u> | <u>(232,000)</u> | <u>(2,143,000)</u> |
| Total restricted funds | <u>269,026</u> | <u>2,776,005</u> | <u>(2,829,797)</u> | <u>(232,000)</u> | <u>(16,766)</u> |
| Unrestricted funds | | | | | |
| Other income | 447,751 | 69,278 | (69,278) | - | 447,751 |
| Total unrestricted funds | <u>447,751</u> | <u>69,278</u> | <u>(69,278)</u> | <u>-</u> | <u>447,751</u> |
| Total funds | <u>716,777</u> | <u>2,845,283</u> | <u>(2,899,075)</u> | <u>(232,000)</u> | <u>430,985</u> |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds (continued)

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Wolverhampton City Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Unrestricted funds

These comprise resources that 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

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Wolverhampton City Council where the asset acquired or created is held for a specific

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

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2020 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 224,229 | 2,034,030 | (1,947,621) | (83,151) | 227,487 |
| UIFSM | - | 29,498 | (29,498) | - | - |
| Pupil premium | - | 289,890 | (289,890) | - | - |
| Other DfE/ESFA Covid-19 funding | - | 4,948 | (4,948) | - | - |
| Other grants | - | 294,799 | (294,799) | - | - |
| | <u>224,229</u> | <u>2,653,165</u> | <u>(2,566,756)</u> | <u>(83,151)</u> | <u>227,487</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 1,729,120 | - | (66,150) | - | 1,662,970 |
| DfE Group capital grants | 38,895 | 13,040 | (7,031) | - | 44,904 |
| Capital expenditure from GAG | 40,374 | - | (14,860) | 83,151 | 108,665 |
| | <u>1,808,389</u> | <u>13,040</u> | <u>(88,041)</u> | <u>83,151</u> | <u>1,816,539</u> |
| Pension reserve | <u>(1,508,000)</u> | <u>-</u> | <u>(79,000)</u> | <u>(188,000)</u> | <u>(1,775,000)</u> |
| Total restricted funds | <u>524,618</u> | <u>2,666,205</u> | <u>(2,733,797)</u> | <u>(188,000)</u> | <u>269,026</u> |
| Unrestricted funds | | | | | |
| Other income | 447,751 | 76,585 | (76,585) | - | 447,751 |
| Total unrestricted funds | <u>447,751</u> | <u>76,585</u> | <u>(76,585)</u> | <u>-</u> | <u>447,751</u> |
| Total funds | <u>972,369</u> | <u>2,742,790</u> | <u>(2,810,382)</u> | <u>(188,000)</u> | <u>716,777</u> |

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows :

| | 2020/21 Total £ | 2019/20 Total £ |
|---|-----------------------|-----------------------|
| St Stephen's C of E Primary School | 464,524 | 389,690 |
| Parkfield Primary School | 293,336 | 275,722 |
| Trust | 13,589 | 9,826 |
| Total before fixed assets and pension reserve | 771,449 | 675,238 |
| Restricted fixed asset fund | 1,802,536 | 1,816,539 |
| Pension reserve | (2,143,000) | (1,775,000) |
| Total funds | 430,985 | 716,777 |

Total cost analysis by academy

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

| | Teaching & educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs (excluding depreciation) £ | 2020/21 Total £ |
|------------------------------------|---|--------------------------------|---------------------------|---|--------------------|
| St Stephen's C of E Primary School | 819,470 | 183,250 | 16,523 | 324,715 | 1,343,958 |
| Parkfield Primary School | 754,189 | 151,590 | 15,071 | 332,662 | 1,253,512 |
| Trust | 121,103 | 48,220 | - | 15,784 | 185,107 |
| Academy trust | 1,694,762 | 383,060 | 31,594 | 673,161 | 2,782,577 |
| 2020 total | 1,746,740 | 310,554 | 32,668 | 632,379 | 2,722,341 |

15. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

| | Unrestricted funds £ | Restricted pension funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|-------------------------|-------------------------------|-------------------------------|-----------------------------------|------------------|
| Tangible fixed assets | - | - | - | 1,802,536 | 1,802,536 |
| Current assets | 447,751 | - | 546,768 | - | 994,519 |
| Current liabilities | - | - | (223,070) | - | (223,070) |
| | 447,751 | - | 323,698 | 1,802,536 | 2,573,985 |
| Pension scheme liability | - | (2,143,000) | - | - | (2,143,000) |
| Total net assets | 447,751 | (2,143,000) | 323,698 | 1,802,536 | 430,985 |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

15. Analysis of net assets between funds (continued)

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

| | Unrestricted funds | Restricted pension funds | Restricted general funds | Restricted fixed asset funds | Total funds |
|--------------------------|-----------------------|--------------------------------|--------------------------------|------------------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | - | - | - | 1,816,539 | 1,816,539 |
| Current assets | 447,751 | - | 509,964 | - | 957,715 |
| Current liabilities | - | - | (282,477) | - | (282,477) |
| | <u>447,751</u> | <u>-</u> | <u>227,487</u> | <u>1,816,539</u> | <u>2,491,777</u> |
| Pension scheme liability | - | (1,775,000) | - | - | (1,775,000) |
| Total net assets | <u>447,751</u> | <u>(1,775,000)</u> | <u>227,487</u> | <u>1,816,539</u> | <u>716,777</u> |

16. Capital commitments

There were no capital commitments at 31 August 2021 nor at 31 August 2020.

17. Commitments under operating leases

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

| | Other | |
|--|---------------|---------------|
| | Total 2021 | Total 2020 |
| | £ | £ |
| Amounts due within one year | 1,729 | 1,975 |
| Amounts due between one and five years | <u>3,321</u> | <u>1,541</u> |
| | <u>5,050</u> | <u>3,516</u> |

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

| | 2020/21 | 2019/20 |
|--|-----------------|----------------|
| | Total | Total |
| | £ | £ |
| Net expenditure for reporting year (as per the SoFA) | (53,792) | (67,592) |
| Adjusted for : | | |
| Depreciation (note 11) | 116,498 | 88,041 |
| Capital grants from DfE and other capital income | (13,014) | (13,040) |
| Donated fixed assets | (22,122) | - |
| Interest receivable (note 4) | (86) | (1,206) |
| Defined benefit pension scheme cost less contributions payable (note 22) | 107,000 | 51,000 |
| Defined benefit pension scheme finance cost (note 22) | 29,000 | 28,000 |
| Decrease in debtors | 10,478 | 20,046 |
| (Decrease) / increase in creditors | <u>(59,407)</u> | <u>54,973</u> |
| Net cash provided by operating activities | <u>114,555</u> | <u>160,222</u> |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

19. Cash flows from investing activities

| | 2020/21 Total £ | 2019/20 Total £ |
|--|-----------------------|-----------------------|
| Interest received | 86 | 1,206 |
| Purchase of tangible fixed assets | (80,373) | (96,191) |
| Capital grants from DfE Group | 13,014 | 13,040 |
| Net cash used in investing activities | <u>(67,273)</u> | <u>(81,945)</u> |

20. Analysis of cash and cash equivalents

| | At 31 August 2021 £ | At 31 August 2020 £ |
|--------------------------|------------------------------|------------------------------|
| Cash at bank and in hand | 853,916 | 806,634 |
| | <u>853,916</u> | <u>806,634</u> |

21. 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.

22. Pension and similar obligations

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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the year 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.

**St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in 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 four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial 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% employer administration charge)
- 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 is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £229,482 (2020 : £233,983).

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

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

**St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £137,000 (2020 : £161,000), of which employer's contributions totalled £114,000 (2020 : £138,000) and employees' contributions totalled £23,000 (2020 : £23,000). The agreed contribution rates for future years are 19.2% for employers and between 5.5% and 6.8% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 29 years.

Principal actuarial assumptions

| | At 31 August 2021 | At 31 August 2020 |
|--|----------------------|----------------------|
| Rate of increase in salaries | 3.85% | 3.25% |
| Rate of increase for pensions in payment / inflation | 2.85% | 2.25% |
| Discount rate for scheme liabilities | 1.70% | 1.65% |
| Inflation assumption (CPI) | 2.85% | 2.25% |
| Commutation of pensions to lump sums | 50.00% | 50.00% |

Sensitivity analysis

| | As disclosed | Discount rate | CPI rate | In life expectancy |
|-----------------------------------|-----------------|---------------------|---------------------|-----------------------|
| | £'000s | + 0.1% pa £'000s | + 0.1% pa £'000s | + 1 year £'000s |
| Present value of total obligation | 3,042 | 2,957 | 3,119 | 3,168 |
| Projected service cost | 264 | 255 | 274 | 277 |
| | £'000s | - 0.1% pa £'000s | - 0.1% pa £'000s | - 1 year £'000s |
| Present value of total obligation | 3,042 | 3,130 | 2,967 | 2,921 |
| Projected service cost | 264 | 274 | 255 | 253 |

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

| | At 31 August 2021 | At 31 August 2020 |
|----------------------|----------------------|----------------------|
| Retiring today | | |
| Males | 21.6 | 21.9 |
| Females | 24.0 | 24.1 |
| Retiring in 20 years | | |
| Males | 23.4 | 23.8 |
| Females | 25.8 | 26.0 |

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme was :

| | 31 August 2021 | 31 August 2020 |
|-------------------------------------|---------------------------|---------------------------|
| | £ | £ |
| Equities | 549,000 | 359,000 |
| Government bonds | 74,000 | 69,000 |
| Other bonds | 55,000 | 25,000 |
| Property | 63,000 | 48,000 |
| Cash/liquidity | 33,000 | 42,000 |
| Other | 125,000 | 95,000 |
| Total market value of assets | 899,000 | 638,000 |

The actual return on scheme assets was £124,000 (2020 : £50,000).

| | 2020/21 | 2019/20 |
|---|----------------|----------------|
| | £ | £ |
| Amount recognised in the statement of financial activities | | |
| Current service cost | 221,000 | 189,000 |
| Net interest cost | 29,000 | 28,000 |
| Total amount recognised in the SOFA | 250,000 | 217,000 |

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

| | 2020/21 | 2019/20 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| At 1 September 2020 | 2,413,000 | 1,931,000 |
| Current service cost | 221,000 | 189,000 |
| Interest cost | 40,000 | 37,000 |
| Employee contributions | 23,000 | 23,000 |
| Changes in financial assumptions | 419,000 | 188,000 |
| Changes in demographic assumptions | (36,000) | 53,000 |
| Experience gains/losses | (38,000) | (8,000) |
| At 31 August 2021 | 3,042,000 | 2,413,000 |

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

| | 2020/21 | 2019/20 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| At 1 September 2020 | 638,000 | 423,000 |
| Interest income | 11,000 | 9,000 |
| Actuarial gain | - | 4,000 |
| Employer contributions | 114,000 | 138,000 |
| Employee contributions | 23,000 | 23,000 |
| Return on assets less interest | 113,000 | 41,000 |
| At 31 August 2021 | 899,000 | 638,000 |

| | | |
|-------------------------------------|--------------------|--------------------|
| Net pension scheme liability | (2,143,000) | (1,775,000) |
|-------------------------------------|--------------------|--------------------|

**St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

23. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

The following related party transaction(s) took place during the year:

Expenditure related party transaction

Squirrel Learning Limited

Company in which Gavin Hawkins, a member, is a director

Services provided by related company during the period

**2021
£**

**2020
£**

8,087

2,880

The Centre for Digital & Online Behaviours Limited

Company in which Patrick Flynn, a trustee, is a director

Services provided by related company during the period

**2021
£**

**2020
£**

5,585

-

The academy trust made the purchases at arm's length. In entering into the transactions, the academy trust has complied with the requirements of the Academies Financial Handbook. The elements above £2,500 has been provided at no more than cost and Gavin Hawkins and Patrick Flynn provided statements of assurance confirming this.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.