

Staffordshire University Academies Trust

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2015

Company Registration No 07704020
England and Wales

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Staffordshire University Academies Trust

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Staffordshire University Academies Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Staffordshire University Michael Gunn Allan Howells Paul Richards	Appointed 2 October 2014
Trustees	Mr P H Richards Mr J K Capper Ms C L Heywood* Prof A Howells (Chair) Prof M Lowe Dr T Ramgopal* Dr L A Rollason* Mr K Hollins Mr Ben Dyer	Resigned 31 August 2015 Appointed 16 September 2014 Appointed 02 October 2014 Resigned 31 August 2015 Appointed 6 March 2015 Appointed 21 July 2015
	* members of Audit Committee	
Accounting Officer	Rowena Hillier Keith Hollins	from 1 September 2014 to 20 January 2015 from 21 January 2015
Clerk to the Trustees	Elizabeth Ball	
Registered Office	Staffordshire University Academy Marston Road Cannock Staffordshire WS12 4JH	
Company registration number	07704020	England and Wales
Independent auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) St Philips Point Temple Row Birmingham B2 5AF	
Bankers	Lloyds Bank plc 3 Market Place Cannock Staffordshire WS11 1BD	

Staffordshire University Academies Trust

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ending 31 August 2015

The Trust was established on 1 September 2011 and was originally known as Staffordshire University Academy Trust. During 2013/14 the Trust was encouraged actively by the Department for Education to sponsor schools in an Ofsted Category requiring a sponsor led academy solution.

At the end of June 2014 the company completed agreements with the Department for Education (DfE) to convert to a Multi-Academy Trust (MAT) enabling it to undertake the activities of additional academies. On 20th June 2014 the company changed its name from the Staffordshire University Academy Trust to the Staffordshire University Academies Trust ("SUAT" or the "Trust").

On 31 August 2015 the Trust had three academies in the MAT. They were:

- The Staffordshire University Academy - an 11-18 secondary school with 561 pupils on roll as at January 2015 census date (opened on 1st September 2011)
- The Moorgate Primary Academy - a 4-11 primary school with 220 pupils on roll as at January 2015 census date (opened on 1st July 2014)
- John Wheeldon Primary Academy - a 4-11 primary school with 428 pupils on roll (opened on 1st September 2014) as at January 2015 census date

The Trust objective, as set out in its Articles of Association, is in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum.

Structure, Governance and Management

Constitution

The Staffordshire University Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of Staffordshire University Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Staffordshire University Academies Trust.

Details of the Directors / Trustees who served during the year are included in the Reference and Administrative Details on page 1.

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

The Trust Board has delegated the day-to-day responsibility to the Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Staffordshire University Academies Trust and the Secretary of State for Education. The Accounting Officer is responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

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.

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £890 14.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association state that Staffordshire University, as sponsor, shall appoint up to 10 sponsor Directors. It is itself a member of the company. The Directors may appoint co-opted Directors. The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

The term of office for any Director shall be four years. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training is provided by the clerk to the Board of Trustees to new Trustees upon appointment. The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will include training on educational, legal and financial matters. All new Trustees will be given the opportunity to tour the academies within the Trust and have the chance to meet with staff and pupils.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as trustees.

It is expected that only a very small number of new Directors / Trustees will be appointed each year. Any induction will be carried out informally and will be tailored to the specific individual.

Organisational Structure

The Directors / Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academies within the Multi Academy Trust ("MAT") by the use of budgets and making major decisions about the direction of the Trust and its academies, capital expenditure and staff appointments.

The Trust Board should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the MAT, addressing such matters as:

- Policy development and strategic planning, including target-setting to keep up momentum on school improvement in all academies
- Ensuring sound management and administration of the academies, and ensuring that leaders and managers are equipped with relevant skills and guidance
- Ensuring compliance with legal requirements
- Establishing and maintaining a transparent system of prudent and effective internal controls
- Management of the academies' financial, human and other resources (in particular control over the spending identified in the academies' development plans)
- Monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon
- Helping the academies be responsive to the needs of parents and stakeholders and making them more accountable through consultation and reporting
- Setting the academies' standards of conduct and values
- Assessing and managing risk

The Staffordshire University Academies Trust has a Board of Directors/Trustees responsible for overseeing the strategy and performance of the academies within the Trust. The Senior Leadership Teams in each of the academies are responsible for the implementation of strategy and the day to day operations of the academy and are accountable to the Trust through a Local Governing Body, called a Local Academy Council (LAC). Each academy has a dedicated Education Improvement Partner (EIP), provided by the Staffordshire University School of Education, to support the delivery of the education aims and objectives.

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

For 2014/15 the Board of Trustees delegated the day to day responsibility to the Accounting Officer for ensuring financial controls conform to the requirements of both propriety and good financial management. The Accounting Officer, working with each academy's leaders, controls the academies at an executive level implementing the policies laid down by the Directors and reporting back to them. The LAC is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels usually contain a Director. Some spending control is devolved to members of the Management Team of each individual academy, with limits above which a Senior Leader must countersign.

The Management Team of each academy includes the Senior Leadership Team and Subject Leaders, and Faculty Leaders in the secondary academy. These managers are responsible for the day to day operation of the academies, in particular organising the teaching staff, facilities and pupils.

Connected Organisations including Related Party Relationships

Staffordshire University acts as sponsor to the Staffordshire University Academies Trust. Where feasible and in the interests of both organisations, services and resources will be shared or organised on a joint basis, at cost.

The Trust has access to an experienced team of EIPs, many of whom are based within, or connected to, the University's School of Education. OFSTED has rated the University's School of Education 'Outstanding' in every teacher training inspection since 2000. The School is a key strategic partner engaged to support the Trust's educational objectives. Academy Improvement activity is bespoke to the needs of each academy.

Examples of wider enrichment activity contributed by the sponsor include university students working as ambassadors, a professor of paediatric cardiology embarking on 3 year longitudinal study with academy pupils and a local Premiership football team to improve health outcomes, provision of marketing expertise for the brand identity of the Trust and its academies, HR support for leadership appointments.

The object of this Trust is to enhance the quality of outcomes for the pupils within our academies, and of the wider community, by working together to

- Improve teaching and learning
- Provide better quality training opportunities for all staff
- Improve outcomes for young people, in our communities, by offering a full range of learning opportunities across the 3 – 19 age range, to develop cross – phase curricular developments and address personalisation, to enhance the quality of teaching and learning, for example, work with gifted, talented and more able, pupil premium and special needs pupils
- Address more effectively issues relating to families and communities, for example, work with vulnerable families and inclusion
- Tackle issues relating to attainment more effectively across the family of academies by, for example, reducing underachievement in all groups of pupils
- Examine the potential to offer joint appointments across the MAT
- Achieve economies of scale in purchasing policy, for example, ICT procurement, ICT technical support, administrative supplies and maintenance work
- Achieve savings in planning and administrative time, and developing the potential for MAT administrative staff who can work with each academy
- Enhance strategic planning across all phases
- Seek to develop a shared sense of identity and a common sense of purpose
- Build capacity across all phases
- Join together to access extended services
- Improve further the transition of students between phases

Each academy also collaborates with schools in their District and with other providers if appropriate, for example, Teaching School Alliances.

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Objects and aims

The Trust, like its University sponsor, is committed to providing an inclusive educational experience where every individual can thrive and reach their true potential

The principal object and activity of the company is the operation of The Staffordshire University Academies Trust to advance, for the public benefit, education for students of different abilities between the ages of 3 and 19

The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives. In accordance with the Articles of Association the company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academies in the Trust, the catchment areas from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Trust during the period ended 31 August 2015 are summarised below. The Trust seeks to ensure that all pupils aim to maximise their attainment by

- Developing a culture based on high expectations for both academic success and behaviour that supports learning and improvements to pupil progress
- Creating a set of values and norms which every member of the academy communities must espouse and uphold
- Maximising the use of teaching time, for example, by cutting out the minutes that are wasted by low level disruption and poor lesson transitions
- Focussing on the basics particularly literacy and numeracy
- Achieving high levels of consistency, our pedagogy, classroom routines and behaviour policies are apparent throughout the academies
- Seeking to reward effort as well as achievement
- Celebrating and developing resilience
- Systematically cultivating aspiration through the use of visits and role models

Objectives, Strategies and Activities, including Public Benefit

With regards to achievement and progress the principal objectives for the year have been to

- Improve teaching and learning and assessment
- Improve levels of progress, achievement and attendance in all groups of pupils
- Review the curriculum in light of national changes to education policy
- Close identified gaps between disadvantaged and other groups of pupils
- Secure effective senior leadership and local governance
- Improve the extent and quality of pupil, parent and community engagement

It is the primary concern of each academy within the Trust to improve the standard of education provided within a safe and supportive environment.

With regards to organisational structures the key objective for the year has been to consolidate the move to multi-academy trust status integrating both a secondary and two primary academies, to give an inclusive 3 to 19 provision across the Trust.

The synergy between the academies, their wider partners and the university sponsor is leading to an increasing range of learning opportunities, improved practices and economies of scale as the Trust developed during 2014/15 and beyond.

Strategies to effect the objectives during the accounting period included

- A change of leadership structure and restructure into faculties at the secondary academy
- Leadership team restructure at the primary academies
- The development and monitoring of Academy Development Plans aligned to the Trust's objectives

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

- The intervention of EIPs, linked to the sponsor's School of Education, in all academies to audit existing performance against Trust objectives and implement and rework the academy Development plans accordingly
- The introduction of strengthened literacy and numeracy policies and schemes
- Education Improvement Partners dedicated to each academy
- Fostering of new community links and greater engagement with outside agencies
- Increased use of the Sponsor's Media Relations teams

The Trust's aspirations are reflected in the culture and ethos of the academies, in the way in which our communities are built upon sensitivity, tolerance and the appreciation of difference, at the heart of our work is the education of the young people in our care

Public Benefit

The Trustees have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Directors / Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to widen educational objectives via a strong community role and links with its university sponsor.

There have been a significant number of activities undertaken by the Trust during the relevant financial period to further its charitable purposes for the public benefit. We feel that we make an outstanding contribution to community cohesion and the promotion of Fundamental British Values. The Trust seeks at all times to involve the academy workforces and pupil bodies in the promotion of community cohesion.

We are using the curriculum teaching and learning techniques as a tool in building community cohesion and promoting and consolidating Fundamental British Values. Within the taught curriculum each academy's pupils learn about national, regional, ethnic and religious cultures, Fundamental British Values, the connections between them and between the UK and the wider world and they explore the concept of community cohesion and the different forces that bring about change in communities over time. Examples of this include:

- Opportunities across the curriculum to promote shared values and help pupils to value difference and challenge prejudice, discrimination and stereotyping
 - Underpinned by strong local partnerships, multicultural elements of the curriculum are delivered through the Arts and by very strong links with other local schools and our global links, enhanced by the sponsor
 - Our Citizenship work addresses the strand "Identity and Diversity: Living Together in the UK"
 - We also have a full programme of fieldwork visits, which increase pupils' understanding of community and diversity, for example, geography students study the different socio-economic characteristics of residential areas. We have links with various and diverse places of worship in each locality. In the specialist subjects students study ethnic art and music, attend dance classes and African drumming workshops
 - We provide support for pupils for whom English is an additional language, we seek to remove barriers to effective learning and enable pupils to be integrated so that they can achieve the highest possible standards. We hold assemblies that involve the local and wider community. We raise significant amounts of money and/or gifts for diverse organisations
 - Our comprehensive use of data enables us to identify and tackle underperformance and we have effective policies and procedures in place to deal with discrimination, bullying and harassment, it is not tolerated
 - We have worked hard to develop good partnership activities with parents and the wider community. The shared use of our facilities provides a means for our pupils to interact, as do the numerous opportunities for meaningful intercultural activities such as sport, drama, music, festivals, volunteering activities and trips
- Examples include:
- A programme of links through our extensive out-of-school learning programmes and work based learning opportunities

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

- The Principals meet with relevant District Councillors and with the local MP
- The academies work closely with the police and Community Police Officers, PCT and religious groups in the towns
- Our academies invite theatre groups to visit
- Trips to art galleries, media events, theatres, music concerts and dance festivals
- We participate in each community's Christmas and Arts Festivals, services of remembrance

The academies of the Staffordshire Universities Multi Academy Trust teach students in the 3 – 19 age range Pupils are admitted by adhering to the MAT's Admissions Policy Pupils are admitted in the following order

- a) Students whose statutory statement of special needs names that as the most appropriate mainstream school
- b) Students living in the catchment area of that academy
- c) Students who have an elder sibling at that academy who will still be attending the academy on the proposed admission date
- d) Students who attend the named catchment schools
- e) Medical/Hardship grounds
- f) Other students are arranged in order of priority according to how near their home addresses are from that academy by the shortest walking route as measured by the Geographical Information Systems

Strategic Report

Achievements and performance

Recent and planned changes to the curriculum, the examination system and the inspection framework present ever greater challenges to performance and achievement

Achievements are assessed in relation to current and last year's performance, examination results, national averages and benchmarks Summary achievements as follows

Staffordshire University Academy

Key Stage 3

The academy is very forward thinking and has adapted a flight path approach to pupils' progress, ensuring pupils know their targets and how to get there A new levels system has been adapted and introduced within the academy following the removal of National Curriculum levels The KS3 model has also changed to a 3 year model to ensure that younger pupils are able to build solid foundation in preparation for their future GCSEs and Post 16 qualifications

The most recent OFSTED inspection (2015), acknowledged that “ progress rates lower down the school are much stronger ”

This is as a result of many new initiatives introduced by the academy Aspirational targets have been set for all pupils and these are regularly reviewed by leaders and teachers in the academy Intervention plans and activities are coordinated to ensure that all pupils are working towards and beyond their expected progress

2015 GCSE examination results

- Actual performance 29% 5A* - C including English and maths
- English achieved 37% A* - C (forecast 37%)
- 3 levels of progress in English was 53% (forecast 45%)
- Maths achieved 33% A* - C (forecast 50%)
- 3 levels of progress in maths was 31% (forecast 50%)
- Overall 5 A* - C was 41%

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Overall target was based on achievement of previous cohort, reflecting a weaker cohort for 2015
Gender gap is 12 %, girls achieving 33% 5 A* - C English and maths vs boys 21%

Several subject areas achieved excellent results

- Product Design A* - C 81%
- RE A* - C 92%
- History A* - C 70%
- Catering A* - C 69%
- English Literature A* - C 87%

2015 Post 16 examination results

A Level Summer 2015 Results

- 45 students on roll at the end of Year 13
- Overall academic achievement is 173 APS (per entry) which expressed as a grade is equal to a D
- 24% A*-B grades across all A Level subjects
- Overall vocational achievement is 253 APS (per entry) which expressed as a grade is equal to a Dist*- (1 grade increase on summer 2014 results) which is an excellent achievement for our students and staff
- Vocational L3VA (target is 0) achieved was +0 51 which indicates a significant positive

57% of Year 13 leavers went on to a place at university, with 8 individuals leaving to study at Staffordshire University Other students left to join apprentices or the work place

Attendance for 2014/15 was 94 4%

Moorgate Primary Academy End of year Key Stage Assessments

Key Stage One

Results of Moderated Teacher Assessment Percentage at each level									
		w	1	2c	2b	2a	3	Age related or better %	%
Speaking and listening	School	0	5		86		9	95%	+6%
	National	2	9		66		24	89%	
Reading	School	0	2	5	35	33	26	94%	+14
	National	2	8	9	23	27	30	80%	%
Writing	School	0	5	9	42	23	21	86%	+17
	National	2	11	16	30	23	16	69%	%
Mathematics	School	0	2	9	33	37	19	89%	+9%
	National	1	6	12	27	29	24	80%	
Science	School	0	7		72		21	93%	+3%
	National	2	8		68		22	90%	

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Key Stage Two

Results Of Teacher Assessments (Writing and Science) and SATs Scores (All other)										
Percentage at each level										
		w	1	2	3	4	5	6	Age related or better	+/-
Grammar, punctuation and spelling	School	0	0	0	37	26	32	5	63%	-16%
	National	0	0	3	18	24	49	4	79%	
Reading	School	0	0	0	5	53	42	0	95%	+10%
	National	0	0	3	6	39	49	0	85%	
Writing	School				16	62	11	11	84%	-1%
	National	1	1	2	11	52	31	2	85%	
Maths	School	0	0	0	0	68	26	5	100%	+14%
	National	0	0	3	10	44	33	9	86%	
Science	School	0	0	0	11	68	21	0	89%	+2%
	National	1	0	2	9	49	38	0	87%	

Attendance in 2014/15 95.1% an increase of 1.7% over last year

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

John Wheeldon Primary School End of year Key Stage Assessments

Key Stage One

Results of Moderated Teacher Assessment										
Percentage at each level										
		W	1	2c	2b	2a	3	Age related (2B+) or better %	+/- Compared to 2014	+/- Compared to National
Speaking and listening L2 or L3 only	School		17		69		14	83%	%	-6%
	National				89		24	89%		
Reading	School		11.5	3	27	43	16	81%	+3%	0%
	National							81%		
Writing	School		14	11	44	23	7	69%	-5%	-1%
	National							70%		
Mathematics	School		3	10	36	39	13	80%	0%	0%
	National							80%		
Science L2 or L3 only	School		13		76		11	87%	%	-4%
	National				91		22	91%		

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Key Stage Two

Results of Teacher Assessments (Writing and Science) and SATs Scores (All other)											
Percentage at each level											
		w	1	2	3	4	5	6	Age related or better	+/- Compared to 2014	+/- Compared to National
Grammar, punctuation and spelling	School			6	27	23	42	2	67%	-7%	-10%
	National			3	18	24	49	4	77%		
Reading	School			7	12	40	44	0	84%	+6%	-2%
	National			4	6	39	49	0	88%		
Writing	School				31	69	19	0	69%	+2%	-16%
	National				-	85	33		85%		
Maths	School			10	19	42	19	12	73%	-3%	-13%
	National			3	10	44	33	9	86%		
Science	School				17	50	33		83%	+3%	-5%
	National				-	88	39		88%		

Attendance in 2014/15 96.2% an increase of 0.2% over last year

Key Performance Indicators

Both the primary academies and the secondary academy are in the OFSTED Requires Improvement category. Leadership changes, staffing restructures and dedicated Education Improvement Partners have been introduced to help address and improve the educational performance indicators and inspection category.

Going concern

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

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Finance Report

Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

For the year ended 31 August 2015 total incoming resources of £9,170,000 and total expenditure of £7,893,000 resulted in a surplus of £1,277,000.

At 31 August 2015 the net book value of fixed assets totalled £17,573,000. This included £17,138,000 for the land & buildings, £397,000 for computer equipment, £31,000 for furniture & equipment and £7,000 for the minibus. At 31 August 2014 the net book value of fixed assets was £15,621,000. This included £15,023,000 for the land & buildings, £566,000 for computer equipment, £19,000 for furniture & equipment and £13,000 for the minibus.

The cashflow statement shows net funds have decreased by £810,000 from £1,793,000 at 1 September 2014 to £983,000 at 31 August 2015, mainly due to use of revenue reserves to support revenue operation and some capital expenditure.

The Trustees confirm that the restricted general funds deficit is due to the LGPS pension liability which the latest actuarial report recalculated to be (£2,319,000). The Trustees accept that the period-end deficit position is not a reflection of the Trust's operational performance, but is due to the pension liability which is a common factor across the sector.

Reserves Policy

The Trustees have determined that the Trust should aim to have a minimum of £250,000 held in reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, to aid cash flows, curriculum investment, expansion, make provisions for future uncertainties in income and expenditure and provide a cushion to deal with unexpected emergencies, urgent maintenance and capital projects. At 31 August 2015 unrestricted general funds amounted to £435,000 (2014 £299,000).

Investment Policy

In essence the Staffordshire University Academies Trust (SUAT) Investment Strategy is

- 1 Regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £300,000 and £500,000 is likely to be maintained.
- 2 SUAT will seek to avoid its current account going overdrawn.
- 3 Identify funds surplus to immediate cash requirements and transfer to a fixed term deposit account or 32 day notice base linked account bearing a higher interest rate. Funds can be invested over a range of terms from 6 weeks up to 3 years, although investments for longer than 12 months are unlikely without specific permission of the Board.
- 4 Develop a layered fund strategy across differing terms to provide a more structured deposit strategy with regular maturities throughout the year.
- 5 Periodically (at least annually) the Audit Committee will review interest rates and compare with other investment opportunities.
- 6 SUAT's current policy is to only invest in risk free deposit accounts.
- 7 Treasury management will be authorised as detailed by the Scheme of Delegation.

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Principal Risks and Uncertainties

The MAT has undertaken further work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation. The Trust has a very comprehensive Finance Manual.

Based on its mission, the Board and each academy's Senior Leadership Teams undertake a termly comprehensive review of the risks to which the academies are exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the academies. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Board and Sponsor will also consider any risks which may arise as a result of any new area of work being undertaken by the MAT.

The purpose of the financial regulation system for SUAT is to ensure that the Trust maintains and develops systems of financial control that will comply with requirements, both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement with the Department for Education.

The Trust complies with the principles of financial control outlined in the Academies Guidance published by the Department for Education. The Financial Regulations will provide detailed information on the Trust's accounting procedures.

The SUAT Board is responsible for ensuring that adequate internal controls are in place. Some of these controls are undertaken by the Trust Board itself. In practice, these are applied through the MAT Executive team, sub-committees to SUAT Board, academy Principals and Local Academy Councils to ensure that the risks of error or fraudulent activity are minimised.

To ensure this the Trust Board will consider

- Staff expertise
- Segregation of duties
- Documentation
- Register of business interests
- Financial Accounting systems and records

This manual is to be read by all staff involved with financial systems viz

- 1 Directors
- 2 Chief Executive Officer
- 3 Academy Principals
- 4 Academy Deputy Principals
- 5 Academy Assistant Principals
- 6 Chief Finance Officer
- 7 Finance Officer
- 8 Finance Support staff
- 9 The Chairs of the Local Academy Councils (LAC)

The Local Academy Council under the guidance of Trust Board will provide a framework of accountability for within their academy.

Organisation

The Trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for Directors and staff. The financial reporting structure is as follows

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

The Trust Board

The Trust Board has overall responsibility for the administration of the Trust's finances. As at 21st January 2015, Staffordshire University Academies Trust (SUAT) formally appointed the Chief Executive Officer, Keith Hollins, as Accounting Officer. The Board of Directors formally delegated the day to day financial management of the budget and the responsibilities of the Accounting Officer to the Chief Executive Officer of SUAT. The CEO is supported in this task by the Chief Finance Officer, Rachel Bailye.

The financial responsibilities of The Board include

- Ensuring the grant from the Education Funding Agency is used only for the purposes intended
- Approval of the annual budget for both the Trust and its academies
- Appointment of the Chief Executive Officer, Chief Finance Officer and the academy Principals
- Setting the terms of reference for the Board, its Committees and the LACs
- Approval for applications for business/credit cards
- Appointment of independent Auditors
- Approval for Bank Account
- Oversight of the Risk Register

The Risk Management Strategy aims to ensure that the Trust complies with risk management best practice and with the requirements of both the Turnbull Guidance and the HM Treasury guidance contained in publication "Management of Risk – Principles and Concepts". At The Trust risk management is embedded in our on-going risk management processes. This enables us to succeed in our aim which is to achieve an acceptable level of comfort using the available resource and for the Board to be able to report sound arrangements in annual accounts.

The current processes and responsibilities for risk management in The Staffordshire University Academies Trust can be summarised as

- The Board acknowledges responsibility for the system of internal control
- An on-going process is in place for identifying, evaluating and managing all significant risks
- An annual process is in place for reviewing the effectiveness of the system of internal control
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the annual report and accounts

In assessing what constitutes a sound system of internal control the Board gives consideration to

- The nature and extent of the risks facing the Trust
- The extent and categories of risk which it regards as acceptable
- The likelihood of the risks concerned materialising
- The Trust's ability to reduce the incidence and impact of the risks that do materialise

The objectives for managing risk across the academies in The Trust are

- To comply with risk management best practice, including the Turnbull guidelines
- To ensure risks facing the trust are identified and appropriately documented
- To provide assurance to the Board that risks are being adequately controlled, or identify areas for improvement
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks

The Trust's Risk Management strategy aims to

- Outline the roles and responsibilities for risk management
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored
- Ensure appropriate levels of awareness throughout the academies in the Trust

The Accounting Officer has overall responsibility for risk management and has lead responsibility for risk management processes and the Trust-wide Risk Register. This responsibility includes

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Preparation of periodic reports to the Board

The Risk Register is formally reviewed each half term by the Chief Finance Officer and the Accounting Officer. A Risk Management Plan is submitted annually to the Board.

The approach to risk management is linked to the MAT's strategic aims and objectives. These have been set and agreed with the Board and can be summarised, in our context, as

- High achievement and high value added
- Outstanding leadership and management
- Outstanding infrastructure
- Financial efficiency and excellent value for money
- Inspiring and supportive culture
- Strong community and stakeholder partnerships

The structure and organisation of the MAT's Risk Register follows the above structure to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

The SUAT Intervention Strategy is compiled within the compass of the 'risk cycle' as identified within the Risk Register.

The Intervention Strategy is designed to complement our Risk Strategy which is premised around the framework of Risk Management.

- Risk governance – sets the tone and culture
- Risk assessment – to identify new and changing risk landscape
- Risk quantification and aggregation – enables prioritisation
- Monitoring and reporting – of performance
- Risk and control optimisation – framework of controls to optimise cost / benefit

For the purposes of this Intervention Strategy the Trust will define its Operational Risk Appetite (ORA) as "the amount and type of risk that the MAT is prepared to seek, accept or tolerate". The MAT has adopted a robust risk management framework and Intervention Strategy. We are seeking to put in place a holistic risk management approach across the organisation. The challenge is how to make incremental improvements that have high value but low impact.

We recognise that an element of risk (innovation) is good for the further development of the MAT but understand that the risk needs to be properly controlled and regulated. In simple terms, expressing ORA is a question of defining what is acceptable to the Trust and what is not. This will be achieved within both the Risk Management and Intervention Strategies by deciding, for each type of risk, what is acceptable, what is unacceptable, and the parameters of the area between those two i.e. what is tolerable.

In order to ensure effective monitoring and governance, the risk appetite, and attendant intervention strategies, will incorporate a balanced mix of both quantitative and qualitative measures.

Quantitative Measures – income, expenditure, student numbers

Qualitative Measures – reputation, press relations, management effort

This approach will be applied across the full range of operational risk framework components (including risk and control self-assessment and scenario analysis) and will provide us with a clear indication of proportional response to the perceived materiality of the associated risk. Specifying a timeframe for resolution will emphasise the perceived urgency and significance of the underlying issue. This will promote a consistent understanding, of risk, across the MAT.

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

From the perspective of SUAT as a business there are a number of benefits to be accrued by defining ORA and our intervention strategies as this will

- Enable the Board to exercise appropriate oversight and corporate governance by defining the nature and level of risks it considers acceptable (and unacceptable) and thus setting boundaries for future activities and behaviours
- Provide a means of expressing the Senior Leadership Teams' attitude to risk, which can then be communicated throughout the academies as part of promoting a risk aware culture
- Establish a framework for decision making (which risks can be accepted/retained, which risks should be mitigated and by how much) which ensures an appropriate balance between being risk seeking and risk averse
- Improve the allocation of risk management resources by bringing focus to higher priority issues
- Ensure an enhanced view of risk expenditure so that the costs of risk do not exceed the benefits
- Align strategic goals and operational activities through optimising the balance between the development of the Trust and the related risks inherent in pursuing those goals This will enable the strategy to be put into effect
- Encourage more conscious and effective risk management practices

1 Government funding

The Trust has considerable reliance on continued government funding through the EFA In 2014/15, the majority of the Trust's revenue was ultimately public funded and this level of requirement is expected to continue There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms

This risk is mitigated in a number of ways

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Trust is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA

2 Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the Trust's balance sheet in line with the requirements of FRS 17 The details of the deficit and contribution rates for future years have been outlined in the Financial Review

The Trustees believe that resources are deployed efficiently and effectively providing good value for money Evidence to support this belief includes

- Outcomes for groups and individuals generally show a trend of improvement, we are improving our ability to deploy resources to achieve positive outcomes for all groups of pupils
- The good overall condition of the site and buildings
- The programme of buildings refurbishment undertaken as part of a detailed Asset Management Plan
- The increasing level of investment in equipment and resources

Strengths of leadership and management in providing value for money include

- Adherence to DfE financial standards
- Our Chief Finance Officer is a member of SLT in one of the academies, this provides a link between our financial processes and our ability to ensure that learning resources are sufficient to meet the demands of the curriculum and its organisation The Accounting Officer is a former Head of an Academy, Executive Principal of three other High Schools and a National Leader of Education He is also CEO of the MAT
- Adherence to Best Value principles in contracting

Further evidence of effective leadership of financial activity includes

- Significant investment in learning resources
- The academies have maintained a balanced budget

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

- Favourable Internal and External audit reports
- Documented processes of budget allocation

Our planning for improvement aims to ensure that the human and physical resources of the academies are adequate and able to support our priorities. In procedural and structural terms strengths include

- Significant investment in a programme of staff learning, through the Trust's link with the outstanding School of Education at Staffordshire University. The Trust is a professional learning community
- The allocation of funding to all departments requires them to build this spending into their Development Plans and provide evidence of improved outcomes
- Allocation of capitation follows a set formula
- Teachers staffing expenditure as the highest percentage area of the budget is closely monitored to ensure that provision matches timetabled demand with no over capacity
- Benchmarking exercises show that our overheads on premises and administration are well below the averages allowing staffing resources to be focussed on teaching and education support staff
- Remodelling the workforce went beyond the tasks of the workforce agreement to provide better value and focus more staff on areas of expertise

Plans for Future Periods

The Trust will continue striving to improve the levels of progress of its pupils in both tiers and will continue its efforts to ensure its pupils maximise their progress. The Trust will also attempt to increase its recruitment up to the PAN, accepting transfers from other schools and academies into all years where possible.

The Trust aims in the future to provide the opportunity for all pupils to experience an education that is fit for purpose. To achieve this we draw up a community development plan, based on an identification and analysis of need. The plan's aim is to establish ways to benefit the wider community (from links with mainly local secondary and primary schools) and direct access to our facilities, curricular materials and the expertise of all of our employees.

The key aims and key objectives of the Trust in the immediate short term are

- Continue to improve progress and achievement for all students
- Reduction of in-academy variation in pupils' progress across all groups but paying particular attention to vulnerable groups, SEND students and those with high IDACI scores (Income Deprivation Affecting Children Index)
- To further develop all pupils' capacity to become independent learners
- As part of the Behaviour for Learning System develop a more comprehensive rewards system and ensure consistent application
- To further develop strategies which encourage respect for other people and cultures and which promote community cohesion and Fundamental British Values
- To review and refine pupil support structures
- Develop monitoring and coaching systems to enhance further the role of teachers and mentors to support learning, strengthen further the link with Staffordshire University School of Education
- To continue to develop pedagogy and AFL
- To further develop and embed effective assessment across all subjects in response to assessment without levels agenda
- Further develop the role of staff with regards to improving the progress made by pupils, defining alternative curriculum direction, learning & teaching and behaviour. Further increase the breadth and range of curricular and extra-curricular opportunity to better meet the needs of the total pupil body in order to facilitate participation, progression and high achievement
- Develop community links and marketing strategies to increase the numbers on roll
- Ensure the careful management of the budget to provide value for money

These will be achieved by the rigorous quality assurance of the Trust's strategic plan and the individual academy development plans.

Staffordshire University Academies Trust

TRUSTEES' REPORT (continued)

Leadership and management are improving and increasingly effective. This has been confirmed by Ofsted, at the secondary academy. There is an emphasis on distributed and connected leadership using a robust line management system and staff are given responsibility for identifying issues and providing solutions but are also responsible for outcomes. The Senior Leadership Teams, focus their work on academy improvement and strategic developments. We also have additional capacity created by the MAT leadership arrangement and the work of the Education Improvement Partners, arranged through the School of Education. The MAT leadership structure has benefited the academies in a number of significant ways

- Increased status and influence for the Academies, working in partnership at local, regional and national level
- A strengthened role for the members of the LACs in the strategic planning within the academies
- A strengthened role, and career progression, for key non - teaching staff in the leadership and management of the academies in the Trust
- A powerful learning opportunity for some staff
- Career progression and important professional development with the evolution of a new structure throughout the MAT for both teaching and support staff
- It promotes a broader perspective within our leadership teams giving them the chance to work across three academies
- It has strengthened strategic and operational roles for staff at all levels
- It has increased contact through the tiers and has strengthened collaboration
- Strengthens internal system of self-review driving up standards still further
- Allows us to work with, manage and search out change
- Allows the MAT to distribute leadership and power, and improve teamwork and morale as a way of sharing vision and values
- Allows the CEO to be a 'resource investigator', investigating new initiatives and making use of the resultant funding, resources are a key driver in school improvement
- Creates additional capacity for lesson observation and self-review through the use of the EIPs
- Focus on vision and strategy so that we get strategy and policy right

Funds held as Custodian Trustee on behalf of others

No funds are held as Custodian Trustee on behalf of others

Auditors

In so far as the Trustees are aware

- There is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information

The auditors are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

The Trustees' Report including the Strategic Report was approved by order of the Board of Trustees on Friday 11th December 2015 and signed on their behalf by



A Howells
Chair

Staffordshire University Academies Trust

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Staffordshire University Academies Trust and the Secretary of State for Education. The CEO is 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 full Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Name	Trust Board meetings attended	Out of a Possible	
Mr J Capper	9	9	
Ms C L Heywood	7	8	Appointed 16/9/2014
Mr A Howells	5	8	Appointed 02/10/2014
Ms M Lowe	6	9	Resigned 31/8/15
Dr T Ramgopal	7	9	
Mr P H Richards	9	9	Resigned 31/8/15
Dr L A Rollason	9	9	
Mr K Hollins	4	5	Appointed 06/03/15
Mr B Dyer	1	1	Appointed 21/7/15

Additionally SUAT has an Audit Committee. Attendance at meetings was as follows:

Name	Audit Committee meeting attended	Out of a possible
Ms C L Heywood	4	4
Dr L A Rollason	3	4
Dr T Ramgopal	4	4

Review of Value for Money

As accounting officer, the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Better purchasing

The SUAT academy takes a prudent approach to expenditure. As approximately 80% of budget is spent on staffing, each academy's staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives within the academy's development plan.

Staffordshire University Academies Trust

GOVERNANCE STATEMENT (continued)

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The academies obtain three quotes for all purchases over £1,000 unless there is only a sole supplier available. The tendering process is used for all purchases over £10,000. Budget holders actively look for best value and this is overseen by the MAT's Finance Director who has excellent negotiating skills. The SUAT teams always assess the cost and benefits of various options before making a decision to ensure the right option for the longer term. The SUAT uses compliant frameworks where appropriate, including tender processes to achieve best value for higher value procurement. On smaller value procurement, our Budget Holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other schools and economies of scale. We have a member of the finance team who specifically deals with procurement and is constantly checking for best value.

The academy payroll is maintained by Staffordshire County Council, and detailed monthly reconciliations of payroll by the Finance Director to ensure that payments to staff are correct, all variances are accounted for and recorded.

The SUAT benchmarks financial performance against other multi academy trusts to demonstrate that the Trust provides good value for money.

The SUAT has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Staffordshire University Academies Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

Staffordshire University Academies Trust

GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor, this is Staffordshire County Council's Internal Audit team. Their role includes giving advice on financial matters and performing a range of checks on SUAT's financial systems. On a termly basis they report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer 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 Chief Finance Officer
- the work of the Internal Auditor
- the work of the External Auditor
- the financial management and governance self-assessment processes within the Trust
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 11th December 2015 and signed on its behalf by:



A Howells
Chair



K Hollins
Accounting Officer

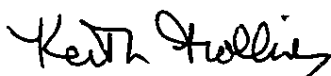
Staffordshire University Academies Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Staffordshire University Academies Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 Board of Trustees and EFA.



K Hollins
Accounting Officer

Date 11th December 2015

Staffordshire University Academies Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as trustees for charitable activities of Staffordshire University Academies Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the trustees' report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements issued by the Education 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,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 11th December 2015 and signed on its behalf by

Signed



A Howells
Chair

Staffordshire University Academies Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAFFORDSHIRE UNIVERSITY ACADEMIES TRUST

We have audited the financial statements of Staffordshire University Academies Trust for the year ended 31 August 2015 on pages 26 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities set out on page 23, the trustees (who act as trustees for the charitable activities of the charitable company, and 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Staffordshire University Academies Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAFFORDSHIRE UNIVERSITY ACADEMIES TRUST (continued)

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

RSM UK Audit LLP

PHILIP COLEMAN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP),

Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

18 Dec 2015

Staffordshire University Academies Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
for the year ended 31 August 2015

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
		£000	£000	£000	£000	£000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	5	-	2,410	2,415	15,996
Transfer from local authority on conversion	27	129	(481)	-	(352)	(252)
Activities for generating funds	3	311	-	-	311	67
Investment income	4	2	-	-	2	2
<i>Incoming resources from charitable activities</i>						
Funding for the academy's educational operations	5	-	6,794	-	6,794	4,319
Total incoming resources		<u>447</u>	<u>6,313</u>	<u>2,410</u>	<u>9,170</u>	<u>20,132</u>
Resources expended						
<i>Charitable activities</i>						
- Academy's educational operations	7	(273)	(7,047)	(496)	(7,816)	(4,706)
Governance costs	8	-	(77)	-	(77)	(145)
Total resources expended	6	<u>(273)</u>	<u>(7,124)</u>	<u>(496)</u>	<u>(7,893)</u>	<u>(4,851)</u>
Net incoming/ (outgoing) resources before interest and transfers		174	(811)	1,914	1,277	15,281
Gross transfers between funds	15	<u>(38)</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		136	(811)	1,952	1,277	15,281
<i>Other recognised gains and losses</i>						
Actuarial gains/(losses) on defined benefit pension schemes		-	32	-	32	(406)
Net movement in funds		<u>136</u>	<u>(779)</u>	<u>1,952</u>	<u>1,309</u>	<u>14,875</u>
Reconciliation of funds						
Total funds brought forward at 1 September 2014	15	299	(193)	15,621	15,727	852
Total funds carried forward at 31 August 2015		<u>435</u>	<u>(972)</u>	<u>17,573</u>	<u>17,036</u>	<u>15,727</u>

All of the academy's activities derive from continuing operations during the above two financial years
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 29 to 45 form part of these financial statements

Staffordshire University Academies Trust

BALANCE SHEET

31 August 2015

Company Registration No. 07704020

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	12		17,573		15,621
Current assets					
Debtors	13	204		655	
Investments – short term deposits		1,250		-	
Cash at bank and in hand		983		1,793	
		<u>2,437</u>		<u>2,448</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(655)</u>		<u>(623)</u>	
Net current assets			<u>1,782</u>		<u>1,825</u>
Total assets less current liabilities and net assets excluding pension liability			<u>19,355</u>		<u>17,446</u>
Pension scheme liability	25		<u>(2,319)</u>		<u>(1,719)</u>
Net Assets including pension liability			<u>17,036</u>		<u>15,727</u>
Funds of the academy trust:					
Restricted income funds					
– Fixed asset fund	15	17,573		15,621	
– General fund	15	1,347		1,526	
– Pension reserve	15	<u>(2,319)</u>		<u>(1,719)</u>	
Total restricted income funds			16,601		15,428
Unrestricted income funds					
– General fund	15		435		299
Total unrestricted funds			<u>435</u>		<u>299</u>
Total funds			<u>17,036</u>		<u>15,727</u>

The financial statements on pages 26 to 45 were approved by the trustees and authorised for issue on 11 December 2015 and are signed on their behalf by:

A Howells

A Howells
Chair

Staffordshire University Academies Trust

CASH FLOW STATEMENT

for the year ended 31 August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	19	325	533
Cash transferred on conversion to an academy trust	27	129	213
Return on investments and servicing of finance	20	2	2
Capital expenditure	21	(16)	(762)
Management of liquid resources			
Cash placed on short term deposit		(1,250)	-
(Decrease) in cash in the year	22	<u>(810)</u>	<u>(14)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		1,793	1,807
Decrease in cash in year		<u>(810)</u>	<u>(14)</u>
Net funds at 31 August 2015		<u>983</u>	<u>1,793</u>

Staffordshire University Academies Trust

ACCOUNTING POLICIES

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Interest Receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and it is measurable.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated Services and gifts in kind**

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

Staffordshire University Academies Trust

ACCOUNTING POLICIES (continued)

1. Statement of Accounting Policies (continued)

Resources Expended

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Motor Vehicles	4 years
Land and buildings	50 years
Furniture and equipment	4 years
Computer equipment	4 years

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

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

Staffordshire University Academies Trust

ACCOUNTING POLICIES (continued)

1. Statement of Accounting Policies (continued)

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency or the Department for Education.

Liquid Resources

Liquid resources detailed in the cash flow statement comprise short term investments which can be readily converted into cash.

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

2. Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Donation from local authority of land and buildings	-	2,410	2,410	15,275
Donation – capital	5	-	5	721
	<u>5</u>	<u>2,410</u>	<u>2,415</u>	<u>15,996</u>

3. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Lettings Income	79	-	79	27
Trip Income	60	-	60	10
Other Income	172	-	172	30
	<u>311</u>	<u>-</u>	<u>311</u>	<u>67</u>

4. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Bank interest income	2	-	2	2

5. Funding for academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE/EFA capital grants				
– Devolved capital grant	-	22	22	13
DfE/EFA revenue grants				
– General Annual Grants (GAG)	-	5,838	5,838	3,725
– Start Up Grants	-	224	224	237
– Other DfE/EFA grants	-	651	651	344
	<u>-</u>	<u>6,735</u>	<u>6,735</u>	<u>4,306</u>
Other Government grants				
– Local authority grant	-	59	59	-
	<u>-</u>	<u>6,794</u>	<u>6,794</u>	<u>4,319</u>

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

6 Resources Expended

	Staff Costs £000	Non pay expenditure Premises £000	Other costs £000	Total 2015 £000	Total 2014 £000
Academy's educational operations					
– Direct costs	4,495	-	439	4,934	3,172
– Allocated support costs	1,018	434	1,430	2,882	1,534
	<u>5,513</u>	<u>434</u>	<u>1,869</u>	<u>7,816</u>	<u>4,706</u>
Governance costs	-	-	77	77	145
	<u>5,513</u>	<u>434</u>	<u>1,946</u>	<u>7,893</u>	<u>4,851</u>
Incoming/outgoing resources for the year include:				Total 2015 £000	Total 2014 £000
Operating leases				-	-
Fees payable to auditor					
– Audit				11	11
– Other				3	-
Depreciation of fixed assets				<u>496</u>	<u>448</u>

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

7. Charitable Activities - Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<i>Direct costs</i>				
Teaching and educational support staff costs	-	4,495	4,495	2,938
Educational supplies	-	187	187	102
Educational visits	58	-	58	43
Examination fees	-	63	63	52
Staff development	-	60	60	35
Other direct costs	-	71	71	2
	<u>58</u>	<u>4,876</u>	<u>4,934</u>	<u>3,172</u>

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<i>Allocated support costs</i>				
Support staff costs	-	1,018	1,018	524
Depreciation	-	496	496	448
Recruitment and support	-	10	10	24
Maintenance of premises and equipment	-	215	215	67
Cleaning	-	162	162	62
Rent & rates	-	57	57	151
Insurance	-	57	57	25
Security and transport	-	11	11	2
Catering	215	-	215	47
Other occupancy costs	-	148	148	26
Other support costs	-	493	493	158
	<u>215</u>	<u>2,667</u>	<u>2,882</u>	<u>1,534</u>
	<u>273</u>	<u>7,543</u>	<u>7,816</u>	<u>4,706</u>

8. Governance costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	43	43	48
Auditor's remuneration				
- Audit of financial statements	-	11	11	11
- Other audit fees	-	3	3	-
Support staff costs	-	20	20	86
	<u>-</u>	<u>77</u>	<u>77</u>	<u>145</u>

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

9. Staff costs

	2015 £000	2014 £000
Wages and salaries	4,601	2,766
Social security costs	288	201
Pension Costs	594	372
	<u>5,483</u>	<u>3,339</u>
Supply teacher costs	30	123
	<u>5,513</u>	<u>3,462</u>

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows

	2015 No.	2014 No
Charitable activities		
Teachers	59	34
Administration and other	97	64
Management	12	8
	<u>168</u>	<u>106</u>

The number of employees whose emoluments fell within the following bands was

	2015	2014
£60,000 - £70,000	2	2
£70,000 - £80,000	1	-
£90,000 - £100,000	-	1
£100,000 - £110,000	-	-
£110,000 - £120,000	-	-

The above employees participated in the Teachers Pension Scheme During the year ended 31 August 2015, pension contributions for these members of staff amounted to £29,013 (2014 £32,715)

10. Related Party Transactions – Trustees' Remuneration & Expenses

Head teacher and staff trustees only receive remuneration in respect of services they provide under the roles of Head teacher and staff members and not in respect of services as trustees Other trustees' did not receive any payments, other than expenses from the academy trust in respect of their roles as trustees The value of trustees' remuneration was as follows

D Evans (principal and trustee)	£nil (2014 £115,274)
H Holyhead (staff trustee)	£nil (2014 £39,323)
S Turner (staff trustee)	£nil (2014 £20,895)
K Hollins (accounting officer and trustee)	£21,350 (2014 £nil)

During the year ended 31 August 2015, travel expenses totalling £nil (2014 £384) were reimbursed to one trustee

Other related party transactions involving the trustees are set out in note 26

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

11. 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 (2014 £5,000,000) on any one claim and the cost for the year ended 31 August 2015 was £890 (2014 £1,254)

The cost of this insurance is included in the total insurance cost

12 Tangible Fixed Assets

	Motor Vehicles £000	Long Leasehold Land and buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2014	22	15,329	20	701	16,072
Additions	-	13	17	8	38
Assets on conversion	-	2,410	-	-	2,410
At 31 August 2015	<u>22</u>	<u>17,752</u>	<u>37</u>	<u>709</u>	<u>18,520</u>
Depreciation					
At 1 September 2014	9	306	1	135	451
Charged in the year	<u>6</u>	<u>308</u>	<u>5</u>	<u>177</u>	<u>496</u>
At 31 August 2015	<u>15</u>	<u>614</u>	<u>6</u>	<u>312</u>	<u>947</u>
Net book values					
At 1 September 2014	<u>13</u>	<u>15,023</u>	<u>19</u>	<u>566</u>	<u>15,621</u>
At 31 August 2015	<u>7</u>	<u>17,138</u>	<u>31</u>	<u>397</u>	<u>17,573</u>

On 4 September 2015 the Moorgate Primary Academy property was transferred to the trust with an estimated cost of £2.9m

13. Debtors

	Total 2015 £000	Total 2014 £000
Trade debtors	6	171
Other debtors	65	418
Prepayments and accrued income	<u>133</u>	<u>66</u>
	<u>204</u>	<u>655</u>

All amounts shown within debtors fall due for repayment within one year

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

14. Creditors: amounts falling due within one year

	Total 2015 £000	Total 2014 £000
Trade creditors	246	328
Other taxation and social security	87	105
Other creditors	76	-
Accruals and deferred income	246	190
	655	623
Deferred Income		
Deferred income at 1 September 2014	-	15
Resources deferred in the year	102	-
Amounts released from previous years	-	(15)
Deferred income at 31 August 2015	102	-

Deferred income at the year-end is in relation to a month's deferral of pupil premium received in advance for the period July – September

15. Funds

	Balance at 1 September 2014 £000	Incoming Resources £000	Resources expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General Annual Grant	628	5,838	(5,119)	-	1,347
Start-up Grant	739	224	(963)	-	-
Other DfE/EFA grants	159	651	(810)	-	-
Local authority grants	-	59	(59)	-	-
Devolved capital grants	-	22	(22)	-	-
	1,526	6,794	(6,973)	-	1,347
Pension reserve	(1,719)	(481)	(151)	32	(2,319)
	(193)	6,313	(7,124)	32	(972)
Restricted fixed asset funds					
DfE/EFA capital grants	15,621	2,410	(496)	38	17,573
	15,621	2,410	(496)	38	17,573
Total restricted funds	15,428	8,723	(7,620)	70	16,601
Unrestricted funds					
General fund	299	447	(273)	(38)	435
Total funds	15,727	9,170	(7,893)	32	17,036

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

15. Funds (continued)

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

General annual grant

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

Start Up Grant

This grant is to support any additional temporary costs the school incurs for a period after the academy opens. This covers both staff resource management and training costs along with learning materials for teaching.

Pupil Premium Grant

This applies to free school meals for pupils whose parents are on reduced levels of income.

Devolved Capital Grant

The purpose of this grant is to fund capital expenditure within the school.

Special Educational Needs (SEN) Grant

Teaching assistant resource is supplied from this in order to accommodate any SEN students.

Teacher Grant

The fund provided helps to provide any supply cover for the school along with helping implement the graduate teacher program and masters in teaching and learning.

16-19 Bursary

This is a bursary to supply discretionary payments to low income families.

Analysis of Academies by Fund balance

	Balance at 31 August 2015 £000
The Staffordshire University Academy Trust	-
The Staffordshire University Academy	1,123
The Moorgate Primary Academy	215
The John Wheeldon Primary Academy	444
Total before fixed assets and pension reserve	1,782
Restricted fixed asset fund	17,573
Pension reserve	(2,319)
Total	17,036

16. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Balance at 31 August 2015 £000
Tangible fixed assets	-	-	17,573	17,573
Current assets	435	2,002	-	2,437
Current liabilities	-	(655)	-	(655)
Pension Scheme Liability	-	(2,319)	-	(2,319)
Total net assets	435	(972)	17,573	17,036

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

17. Capital commitments

	Total 2015 £000	Total 2014 £000
Contracted for, but not provided in the financial statements	-	-

18. Financial commitments

Operating leases

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows

	Total 2015 £000	Total 2014 £000
Other		
Expiring within one year	-	-
Between 2 and 5 years	4	4

19. Reconciliation of net income to net cash inflow from operating activities

	Total 2015 £000	Total 2014 £000
Net income	1,277	15,281
Depreciation (note 12)	496	448
Capital grants from DfE and other capital income	(22)	(13)
Interest receivable (note 4)	(2)	(2)
FRS 17 pension cost less contributions payable (note 25)	91	137
FRS 17 pension finance income (note 25)	60	30
Decrease/(increase) in debtors	451	(622)
Increase in creditors	32	297
Transfer from local authority of land & buildings	(2,410)	(15,275)
Transfer from local authority on conversion	352	252
Net cash inflow from operating activities	<u>325</u>	<u>533</u>

20. Returns on investments and servicing of finance

	Total 2015 £000	Total 2014 £000
Interest received	2	2
Net cash inflow from returns on investment and servicing of finance	<u>2</u>	<u>2</u>

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

21. Capital expenditure and financial investment

	Total 2015 £000	Total 2014 £000
Purchase of tangible fixed assets	(38)	(775)
Capital grants from DfE/EFA	22	13
Net cash outflow from capital expenditure and financial investment	<u>(16)</u>	<u>(762)</u>

22. Analysis of changes in net funds

	At 1 September 2014 £000	Cash Flows £000	At 31 August 2015 £000
Cash in hand	<u>1,793</u>	<u>(810)</u>	<u>983</u>

23. Contingent Liabilities

As at 31 August 2015, the trust had no contingent liabilities (2014 £nil)

24. Members Liability

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

25. Pension and similar obligations

The 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 defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2012 and the LGPS was 31 March 2013

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

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014 The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS 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

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

The latest actuarial valuation was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £590,089 (2014: £388,839)

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £334,000 (2014: £155,000), of which employer's contributions totalled £256,000 (2014: £119,000) and employees' contributions totalled £78,000 (2014: £36,000). The agreed contribution rates for future years are 20.4% for the school and on a variable scale, depending on salary for employees (which ranges from 5.5% to 8.5%).

	Total 2015	Total 2014
Rate of increase in salaries	4.6%	4.5%
Rate of increase for pension payments/inflation	2.7%	2.7%
Discount rate	3.8%	3.7%
Expected Return on Assets	3.8%	5.6%

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

	Total 2015	Total 2014
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.3	24.3
Females	26.6	26.6

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected rate of return at 31 August 2015 £000	Fair value at 31 August 2015 £000	Expected rate of return at 31 August 2014 £000	Fair value at 31 August 2014 £000
Equities	N/A	1,059	6.3%	638
Government bonds	N/A	158	3.4%	109
Property	N/A	129	4.5%	67
Cash/liquidity	N/A	86	3.3%	25
Total market value of assets		<u>1,432</u>		<u>839</u>
Present value of scheme liabilities		<u>(3,751)</u>		<u>(2,558)</u>
Deficit in the scheme		<u>(2,319)</u>		<u>(1,719)</u>

The prior year expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

The actual return on scheme assets was £35,000 (2014: £103,000)

Amounts recognised in the statement of financial activities

	Expected return at 31 August 2015 £000	Expected return at 31 August 2014 £000
Current service cost (net of employee contribution)	<u>91</u>	<u>137</u>
Total operating charge/(income)	<u>91</u>	<u>137</u>
Analysis of pension finance (costs)/income		
Expected return on pension assets	<u>69</u>	<u>46</u>
Interest on pension liabilities	<u>(129)</u>	<u>(76)</u>
Pension finance costs	<u>(60)</u>	<u>(30)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £374,000 loss (2014: £406,000 loss).

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2015 £000	2014 £000
At 1 September 2014	2,558	1,440
Current service cost	347	137
Interest cost	129	76
Employee contributions	78	36
Actuarial (gain)/loss	(66)	105
Liabilities Assumed in a Business Combination	717	773
Estimated Benefits Paid	(12)	(9)
At 31 August 2015	3,751	2,558

Movements in the fair value of academy's share of scheme assets

	2015 £000	2014 £000
At 1 September 2014	839	640
Expected return on assets	69	46
Employee contributions	78	36
Actuarial loss	(34)	(301)
Employer contributions	256	119
Assets Acquired in a Business Combination	236	308
Estimated Benefits Paid	(12)	(9)
At 31 August 2015	1,432	839

The estimated value of employer contributions for the year ended 31 August 2016 is £256,000 (2015 £168,000)

The three-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(3,751)	(2,558)	(1,440)
Fair value of share of scheme assets	1,432	839	640
Deficit in the scheme	<u>(2,319)</u>	<u>(1,719)</u>	<u>(800)</u>

Experience adjustments on share of scheme assets

Amount £'000	<u>34</u>	<u>301</u>	<u>(48)</u>
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Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

26. Related Party Transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year the Trust purchased tuition and education improvement services, learning resources and governance reviews from Staffordshire University totalling £115,753 (2014: £95,283). The University has confirmed that these services were provided at cost in accordance with the EFA guidance. The University also provided ad hoc guidance and advice, in its role as sponsor, for which it has not been possible to estimate a value. The Trustees are grateful for this continued support.

27. Conversion to an Academy Trust

On 1 September 2014 The John Wheeldon Primary Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Staffordshire University Academies Trust for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net income/resources expended in the Statement of Financial Activities as voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

The John Wheeldon Academy

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
Voluntary income	-	-	2,410	2,410
Budget surplus on LA funds	129	-	-	129
LGPS pension deficit	-	(481)	-	(481)
Net assets/(liabilities)	129	(481)	2,410	2,058

Staffordshire University Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

28. Central Services

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

Human resources,	Financial services,	ICT Technical support and helpdesk,
Educational support services,	Audit services,	Purchasing and procurement services,
Insurance,	Communication services,	Marketing services

The trust charges for these services based on 5% of GAG income together with an element of certain staff salaries

	2015 £000
The actual amounts charged during the year were as follows	
The Staffordshire University Academy Trust	169
The Moorgate Primary Academy	48
The John Wheeldon Primary Academy	80
	<hr/> 297 <hr/>

Staffordshire University Academies Trust

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STAFFORDSHIRE UNIVERSITY ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Staffordshire University Academies Trust during the period 1 September 2014 to 31 August 2015 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 Staffordshire University Academies Trust and the EFA in accordance with the terms of our engagement letter dated 15 September 2014. Our work has been undertaken so that we might state to the Staffordshire University Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Staffordshire University Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Staffordshire University Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Staffordshire University Academies Trust's funding agreement with the Secretary of State for Education dated 30 June 2014 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion

Staffordshire University Academies Trust

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
STAFFORDSHIRE UNIVERSITY ACADEMIES TRUST AND THE EDUCATION 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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

RSM UK Audit LLP

RSM UK AUDIT LLP (formerly BAKER TILLY UK Audit LLP)

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

18 December 2015