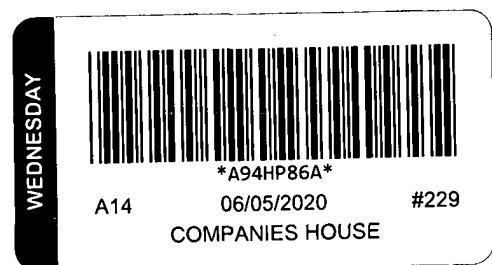


Staffordshire University Academies Trust

Trustees' report and financial statements

For the year ended 31 August 2019



DAINS
ACCOUNTANTS

Staffordshire University Academies Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 32
Governance statement	33 - 38
Statement on regularity, propriety and compliance	39
Statement of Trustees' responsibilities	40
Independent auditors' report on the financial statements	41 - 43
Independent reporting accountant's report on regularity	44 - 45
Statement of financial activities incorporating income and expenditure account	46 - 47
Balance sheet	48 - 49
Statement of cash flows	50
Notes to the financial statements	51 - 84

Staffordshire University Academies Trust
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Staffordshire University represented by Liz Barnes The Church of England Central Education Trust (CECET) represented by John Hart Mary Walker Sara Williams John Dutton
Trustees	James Capper ^{1,3} Roger Williams ¹ Keith Hollins, Chief Executive Officer and Accounting Officer ² Mary Walker, Chair of Trustees ² Martin Jones ^{1,3} Jeremy Mellor ² Trudy Pyatt Denise Gaye Blake-Roberts Judith Wyman Lynsay Jennings (appointed 24 October 2019) ¹ Member of Audit Committee ² Member of Resources Committee ³ Member of Education Committee
Company registered number	07704020
Company name	Staffordshire University Academies Trust
Principal and registered office	Kern House Stone Business Park Brooms Road Stone Staffordshire ST15 0TL
Chief executive officer	Keith Hollins
Senior management team	Keith Hollins, Chief Executive Officer (CEO) Rachel Bailye, Chief Operating Officer (COO)

Staffordshire University Academies Trust
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the year ended 31 August 2019

Independent auditors Dains LLP
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Bankers Lloyds Bank plc
3 Market Place
Cannock
Staffordshire
WS11 1BD

Solicitors Anthony Collins LLP
134 Edmund Street
Birmingham
B3 2ES

Staffordshire University Academies Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2019

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 2019.

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 20 June 2014 the company changed its name from the Staffordshire University Academy Trust to the Staffordshire University Academies Trust.

On 1st September 2018 the Trust had 14 academies in the MAT. They were:

- Staffordshire University Academy - an 11-18 secondary school with 612 pupils on roll
- Moorgate Primary Academy – a 4 -11 primary school with 279 pupils on roll
- John Wheeldon Primary Academy - a 4 – 11 primary school with 519 pupils on roll
- Perton Primary Academy – a 3-9 first school with 235 pupils on roll
- Littleton Green Community School - a 4 -11 primary school with 373 pupils on roll
- Boney Hay Primary Academy - a 4 -11 primary school with 188 pupils on roll
- Tynsel Parkes Primary Academy - a 3 -9 first school with 143 pupils on roll
- St Edward's CE Academy Cheddleton - a 3 -9 first school with 201 pupils on roll
- Charnwood Primary Academy – a 4-11 primary school with 199 pupils on roll
- St Peter's CE Academy - a 3 -9 first school with 48 pupils on roll
- St Augustine's CE Academy - a 3 -9 first school with 48 pupils on roll
- All Saints CE Academy - a 3 -9 first school with 79 pupils on roll
- St Luke's CE Academy – a 4 – 11 primary school with 218 pupils on roll
- Horton St Michael's First School with 64 pupils on roll

There are five schools with an Academy Order that are scheduled to convert into SUAT in 2019/20. They are:

- All Saints Primary School, Bednall
- St Leonard's First School, Dunston
- Dove First School, Rocester (converted 1 October 2019)
- Church Eaton Primary School, Church Eaton (converted 1 October 2019)
- St Paul's First School, Coven (converted 1 October 2019)

The Trust objectives, as set out in its Articles of Association, are:

- (a) To advance the public benefit of education in the UK by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum by providing full time or part time education for children of compulsory school age.
- (b) To promote the benefit of the inhabitants of the area of where the academies are established and its surrounding area. The provision of facilities for recreation for individuals who have needs for such facilities by reason of their socioeconomic characteristics, in the interest of improving their quality of life.

Staffordshire University Academies Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management

a. Constitution

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.

As Directors / Trustees 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 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 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.

b. Members' liability

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

c. Trustees' indemnities

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 2019 was £727.

d. Method of recruitment and appointment or election of Trustees

According to the Articles of Association, Staffordshire University, as sponsor, shall appoint up to 10 sponsor Trustees. It is itself a Member of the company. The Trustees may appoint co-opted Trustees. 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 Trustee shall be four years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

Training is provided by the CEO, the COO and the Clerk to the Board of Trustees, to new Trustees upon appointment. New Trustees are also made aware of the various commercially available training opportunities. The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will include training on educational, legal, property 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, strategic plans, 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.

f. 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 data on pupil outcomes 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 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 pupils and parents and stakeholders and making them more accountable through consultation and reporting
- Setting the Academies' standards of conduct and values
- Assessing and managing risk and ensuring sound management and administration of the Academies, and ensuring that leaders and managers are equipped with relevant skills and guidance
- Staff and pupil well-being

The Staffordshire University Academies Trust has a Board of Directors/Trustees responsible for overseeing the strategic direction 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 SUAT, to support the delivery of the education aims and objectives.

For 2018/19 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 Trustees and reporting back to them.

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

The Accounting Officer is personally responsible to the Trust Board for:

- ensuring regularity and propriety
- prudent and economical administration
- avoidance of waste and extravagance
- efficient and effective use of available resources
- the strategic direction of SUAT and its Academies

Included in the responsibilities of the Accounting Officer is a duty to take appropriate action if the Trust Board, or the Chairman, is contemplating a course of action which he considers would infringe the requirements of propriety or regularity (including the provisions of the Funding Agreement, the SUAT Development Plan, or other documents setting out the financial duties of the Trust Board or of any other rules governing the conduct of the Body), or would not represent prudent or economical administration, or the efficient or effective discharge of the Trust Board's functions.

The LAC is responsible for the authorisation of spending in each Academy, within agreed budgets, and the appointment of staff, though appointment panels may contain a Trustee. 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, senior Business Team staff, Subject Leaders, and Year or Phase Leaders. These managers are responsible for the day to day operation of the Academies, in particular organising the teaching staff, facilities and pupils.

The Chief Operating Officer is responsible, alongside each individual academy's finance staff for:

- the day to day oversight of financial issues
- contributing to the strategic planning of the Academies' finances linked to the SUAT Strategic Development Plan
- the management and strategic development of SUAT's financial position
- the maintenance of effective systems of internal control
- ensuring that the annual accounts are properly presented and adequately supported by the books and records of each of the Academies
- Line management of SUAT's own business team

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

Decisions on pay are managed in a fair, just and transparent way. The aim of the Pay Policy, which is implemented in all Staffordshire University Academies Trust Academies (SUAT), is to:

- Maximise the quality of teaching and learning in the academies
- Support the recruitment and retention of a high quality workforce
- Enable the academies to recognise and reward staff appropriately for their contribution
- Help to ensure that decisions on pay are managed in a fair, just and transparent way

Pay decisions in SUAT are ratified by the Trust Board. The DfE "A guide to the law for School Governors" provides for certain issues to be delegated to committees (rather than be dealt with by the Trust Board), and in the case of pay the Trust Board of Staffordshire University Academies Trust delegates pay decisions on individual staff, in the Academies, to its Local Academy Councils, which are a committee of the Trust Board with fully delegated powers over pay decisions. The Principal will make recommendations to this committee, but the Trust Board will, if necessary, have the final decision on all matters relating to pay. The Trust Board decides the % overall direction of remuneration in relation to the annual cost of living pay rise for all staff. The Trust Board is also responsible for the SUAT Pay Policy, which is revised annually.

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

When taking pay decisions, any LAC will have regard to the SUAT Pay Policy and to the individual's particular post within the staffing structure in their Academy. A copy of the staffing structure is attached to the pay policy in each Academy. The Chief Operating Officer, the Chief Executive Officer and the Finance Director each keep a central record of all of the Academies' staffing and pay structures.

All teachers employed in SUAT Academies are paid in accordance with the statutory provisions of the STPCD as updated from time to time. All support staff employed in SUAT Academies are paid in accordance with the scheme of conditions of service agreed by the National Joint Council for Local Government Services (referred to as the "Green Book").

The Board of SUAT, through the Academy Principals and LACs, consults staff and unions on this policy and review it each year, or when other changes occur to:

- (a) The School Teachers' Pay and Conditions Document, to ensure that it reflects the latest legal position. The pay policy complies with the current School Teachers' Pay and Conditions Document and the accompanying statutory guidance. It is used in conjunction with them, but, in the event of any inadvertent contradictions, the Document and guidance take precedence.
- (b) The scheme of conditions of service agreed by the National Joint Council for Local Government Services (referred to as the "Green Book" in this policy), as adopted and applied by SUAT Academies.

The Trust Board has adopted, wherever practicable, the County Council's Framework of Support Staff Profiles to ensure that the requirements of the Single Status Agreement 1997 are met. The Trust Board has delegated the power to determine the job description and person specifications within the Framework, that match the duties and responsibilities covered by positions within the support staffing structure for an individual Academy, to the LAC of that academy. The pay and grading of support staff, attached to the Framework, is the single status pay and grading structure agreed by Staffordshire County Council from 1 April 2008.

In terms of the remuneration of the Chief Executive, the Trust Board recognises that the removal of a CEO is costly in terms of the instability it engenders in the organisation along with any termination payments and costs associated with hiring a new CEO. While this is often a result of poor recruitment, it could also be caused by the Trust Board not having established clear expectations for the CEO from the outset or regularly evaluating the CEO's performance.

The Trust Board recognise that they have solid business reasons for undertaking an annual CEO evaluation. Apart from helping the Trustees to meet their responsibilities, the regular evaluation of the CEO's performance brings benefits that include:

- Aligning the strategic direction set by the Board with the CEO's capabilities
- Promoting better board and CEO relations to ensure an appropriate and productive collaboration
- Allowing the Board to have greater objectivity about CEO remuneration
- Setting an example of accountability for the MAT as a whole – signaling that performance management is a core culture of the Trust
- Encouraging the CEO's personal development
- Providing an early warning system for possible problems

The Trust Board accepts its responsibility to ensure that a CEO performance review happens, since the Board has the ultimate responsibility for the strategy and performance of the Trust. The Board exercises this responsibility through the CEO, who is entrusted with SUAT's day-to-day management, within the guidelines and direction set by the Board. As such, a unique relationship exists between the CEO and the Board. The evaluation of CEO performance strengthens this relationship. Therefore, SUAT's CEO evaluation process, and the attendant remuneration decision, is built around a number of leading practice principles.

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

These principles are that any CEO evaluation must:

- Align CEO performance with the objectives of the Trust
- Be based on clear expectations developed and agreed in advance with the CEO
- Have a clear, transparent and agreed link between performance outcomes and remuneration
- Encourage the CEO to set developmental goals and plans and provide specific direction as necessary from the outcomes of the evaluation process
- Be conducted in a manner conducive to ongoing good governance
- Be tailored to the specific needs of SUAT
- Comply with relevant standards for accountability and communication of the results for the Trust

Adopting a more formalised, structured approach to the CEO evaluation and remuneration, gives the Board of SUAT a greater likelihood of not only optimising their relationship with the CEO, but also improving the overall performance of the Trust.

The Trust Board believes that it is important that salaries:

- can be justified and are in the best interests of the charity
- reflect the individual's responsibilities
- demonstrate value for money

The Trust Board ensure that its decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. The CEO is not involved in deciding his own remuneration. The Board ensures that it discharges its responsibilities effectively and is confident that its approach to pay is transparent, proportionate and justifiable based on evidence using the following criteria:

- The academic performance in the MATs academies
- The degree of educational challenge across the Academies
- The degree of financial challenge
- Broader factors, for example, MAT growth
- The experience of the individual
- Comparability with other Trusts of similar size, complexity and geographical spread

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	14,272,990
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The key questions for SUAT in relation to connected party transactions are:

- Would it be deemed contentious by the ESFA
- Is it within the market norms
- If details of the transaction were in the public domain would they be newsworthy

The Academies Financial Handbook states, a Trust must pay no more than 'cost' for goods or services provided to it, including from individuals or organisations connected to the Academy Trust. In respect of individuals working for the Trust it is more difficult to determine whether there is an element of profit for those individuals providing services rather than actual products. The Trust has decided that a good way to review whether the charge is acceptable is to assess the cost in respect of what the Trust would pay for that person if the Trust were employing them.

In order to manage conflicts of interest and maintain confidence in the Trust's use of public money the Audit Committee examines a list of the top suppliers annually, on behalf of the Trustees. This also ensures that potential conflicts of interest are adequately managed and that the risk of not observing 'at cost' requirements is identified and mitigated.

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

The Academies Financial Handbook defines 'connected parties' as:

- Any member or Trustee of the Academy Trust
- Any individual or organisation connected to a member of the Academy Trust
- Any individual or organisation that is given the right under SUAT's Articles of Association to appoint a Member or Trustee of the Academy Trust or anybody related to such individual or organisation
- Any individual or organisation that is recognised by the Secretary of State

Objectives and activities

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. There is a whole Trust ethos based on Rights, Respect and Responsibility.

Our commitment is to raising standards. In each of our Academies we are committed to, year on year, improvements in the outcomes for our young people. Our Academies most recent data demonstrates that pupils' achievement and progress is improving because teaching is carefully personalised to meet their needs.

We are committed to providing a stimulating, varied and broad education. Our Academies offer a wide range of extra activities as well as good academic standards. We want our pupils to be genuinely involved in the life of our Academies, participating in decisions, interested in their learning and valuing the opportunities they have had. We are proud of their achievements, the quality of our teaching and the pastoral care we provide. We want our young people to leave our Academies with ambition, an appetite for learning and the confidence to encounter the challenges and changes that will inevitably face them.

Staffordshire University Academies Trust has set itself four core objectives:

- Support our academies, staff and pupils in their journey to sustained outstanding performance through partnership, support and collaboration.
- Understand our communities in order to maximise our potential to raise aspirations and outcomes for our staff and pupils.
- Aspire to a sustainable future for our academies so that outstanding achievement and progress can be secured for generations of pupils.
- Train and support all staff so that they can be inspirational leaders and outstanding practitioners, within a planned framework of support for their well-being.

Our **mission** is to enable our children, young people and their families to report that Staffordshire is a great place to live, play, learn and achieve in; a place where they feel safe and can lead healthy lives and a place that offers them a successful future.

Our **vision** is to achieve better outcomes for all of our children and young people by providing an outstanding inclusive learning experience.

Trustees' report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

At the same time we seek to realise the values upon which SUAT is founded. In order to do this, we will:

- be non-selective and operate a truly comprehensive admissions system
- build our partnership on mutual respect and trust
- encourage a climate of openness and honesty
- seek to engage effectively and inclusively with our local communities
- welcome and support innovation
- have high expectations of all young people and one another
- *recognise that effective partnership working is the responsibility of all to sustain and nurture and is not reliant upon individuals*
- seek to recognise the distinctive ethos and celebrate the traditions of all of the Academies in the MAT

a. Objects and aims

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

The Trustees confirm that 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 year ended 31 August 2019 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 for all groups of pupils
- 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
- Seeking to promote Fundamental British Values
- Adhering to Best Practice in relation to all aspects of Safeguarding

Trustees' report (continued)
For the year ended 31 August 2019

(continued)

b. Objectives, strategies and activities

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
- Support our young people's well-being

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 objectives for the year have been:

- to continue to consolidate the integration of the primary academies that joined SUAT in academic year 2018 - 2019
- to develop effective Due Diligence processes for the admission of new academies into the Trust
- to support those schools converting into the Trust for 1 September 2019
- to strengthen further the link with the sponsor's Education Department
- to further develop teams of staff across the MAT
- to prepare for impending Ofsted inspections at individual Academy and MAT level
- to support the development of SUAT's own business team
- to develop a clear structure within the MAT's central team

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 2018/19 and beyond.

Strategies to effect the objectives during the accounting period included:

- Support for the evolution of leadership structures at all levels at the secondary academy
- Support for the restructure of the support staff at the secondary academy
- Further development of our School Direct Cluster based at Perton Primary Academy
- Support for the new Principal at St Edward's CE Academy
- Support for the appointment of a new Principal at Boney Hay Primary Academy
- The development and monitoring of Academy Development Plans aligned to the Trust's Objectives
- The support of EIPs in all Academies to audit existing performance against Trust objectives and support the implementation of the Academy Development Plans accordingly
- The introduction of strengthened CPD provision across SUAT Academies
- Fostering of new community links and greater engagement with outside agencies
- The further development of links with Teaching School Alliances and with the sponsor
- The development of the MAT-wide post of Director of Learning and School Improvement
- The completion of the restructure of SUAT's central team of staff

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.

Trustees' report (continued)
For the year ended 31 August 2019

(continued)

c. 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 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 Academies in 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 Performing and Expressive 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 educational 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 pupils 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 in our Academies 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
- The Principals meet with relevant District and County Councillors and with the local MPs
- The Academies work closely with the police and Community Police Officers, PCT and religious groups in their catchments
- Our Academies invite theatre groups to visit and they visit multi ethnic events at Staffordshire University
- Trips to art galleries, media events, theatres, music concerts and dance festivals
- We participate in each community's Christmas and Arts Festivals

Trustees' report (continued)
For the year ended 31 August 2019

(continued)

The Academies of the Staffordshire University Academies Trust teach pupils in the 3 – 19 age range. In 2018 – 2019 pupils were admitted by adhering to the SUAT Admissions Policy. Pupils were admitted in the following order:

1. Children in Care and children who ceased to be in care because they were adopted (or became subject to a residence order or special guardianship order).

Children who satisfy both of the following tests:

Test 1: the child is distinguished from the great majority of other applicants either on their own medical grounds or by other exceptional circumstances.

Medical grounds must be supported by a medical report (obtained by the applicant and provided at the point of application). This report must clearly justify, for health reasons only, why it is better for the child's health to attend the preferred SUAT Academy rather than any other school.

Exceptional circumstances must relate to the choice of school and the individual child, i.e. the circumstances of the child, not the economic or social circumstances of the parent/carer. They should be supported by a professional report (obtained by the applicant and provided at the point of application), e.g. social worker. This report must clearly justify why it is better for the child to attend the preferred SUAT Academy rather than any other school.

Test 2: the child would suffer hardship if they were unable to attend that SUAT Academy.

Hardship means severe suffering of any kind, not merely difficulty or inconvenience, which is likely to be experienced as a result of the child attending a different school. Applicants must provide detailed information about both the type and severity of any likely hardship at the time of application.

2. Children who have an elder sibling in attendance at that SUAT Academy (or in the case of the infant's Academy, the affiliated Junior Academy) and who will still be attending the Academy at the proposed admission date; (For admission purposes, a brother or sister is a child who lives at the same address and either: have one or both natural parents in common; are related by a parents marriage; are adopted or fostered by a common parent or are unrelated children who live at the same address, whose parents live as partners.)
3. Children living within the catchment area of that SUAT Academy
4. Other children arranged in order of priority according to how near their home addresses are to the main gate of the SUAT Academy, determined by a straight-line measurement as calculated by the Local Authority's Geographical Information System

Where it is not possible to accommodate all children applying for places within a particular category then places will be allocated in accordance with the remaining criteria. If for instance, all the catchment area children cannot be accommodated at the Academy, children who are resident within the catchment area will be arranged in order of priority according to the remaining criteria.

Trustees' report (continued)
For the year ended 31 August 2019

(continued)

Strategic report

Achievements and performance

Almost annual changes to the curriculum, the examination system and the Ofsted inspection framework, in all phases, 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 4 Performance Indicators

Basics (English and mathematics)

- Basics (4+) 37% (2018 45%)
- Basics (5+) 17% (2018 20%)
- Basics (7+) 5% (2018 2%)

English (Best grade from either Literature or Language)

- English 4+ (*lang or lit*) 62% (2018 68%)
- English 5+ (*lang or lit*) 39% (2018 45%)
- English 7+ (*lang or lit*) 8% (2018 18%)

Mathematics

- Maths 4+ 41% (2018 47%)
- Maths 5+ 19% (2018 24%)
- Maths 7+ 7% (2018 7%)

Other headlines

- Attainment 8: 35.66 (2018 37.62)
- Progress 8: -0.61 (2018 -0.69)

Key Stage 5 Performance Indicators

Academic (A Level)

- 80% pass rate A* – E (2018 85% pass rate A* – E)
- The average grade that students have achieved (APS score) academic is **22.65** (2018 **22.07**) This is equivalent to an average grade of a D- (2018 D-)

Applied General (BTEC and OCR National)

- 100% pass rate D* - Pass (2018 100%)
- The average grade that students have achieved is equivalent to a Distinction (2018 Merit, 2017 Distinction)

Trustees' report (continued)
For the year ended 31 August 2019

(continued)

Key Stage Outcomes in the Primary Sector

Key Performance Indicator	Consolidated 2019 MAT Score	National Score 2018
EARLY YEARS		
% at GLD	76	72
PHONICS		
% pass Year 1	84	82
% pass Year 2	75	92
KEY STAGE 1		
% at GD-reading	30	26
% at GD-writing	14	16
% at GD-maths	24	22
% at ARE-reading	80	75
% at ARE-writing	75	70
% at ARE-maths	77	76
KEY STAGE 2		2019 National Score
% at GD-reading	27	
% at GD-writing	20	
% at GD-maths	22	
% at GD-GPS	36	
% at GD-RMW	7	
% at ARE-reading	74	73
% at ARE-writing	82	78
% at ARE-maths	82	79
% at ARE-GPS	84	78
% at ARE-RMW	65	65

Strategic report

Achievements and performance

a. Key performance indicators

Financial Key Performance Indicators include comparison of actual v budget, salary cost to income, ability to set a balanced budget. Compliance with SUAT Financial Regulations Manual and internal financial controls. Compliance with SORP and FRS 102. Effectiveness of the structure and function of governance at all levels in the Trust. Accuracy of year end management accounts and annual financial statements for the year. Reviewing cash flow to look for trends and show sustainability.

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Trust Board expects 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.

Financial review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

For the year ended 31 August 2019 total incoming resources of £18,606,738 and total expenditure of £19,372,835 resulted in net expenditure of £766,097.

At 31 August 2019 the net book value of fixed assets totalled £44,120,171. This included £42,869,781 for the land & buildings, £160,848 for computer equipment, £1,082,068 for furniture & equipment and £7,475 for the minibus.

The cash flow statement shows net funds have increased from £1,685,435 at 31 August 2018 to £2,301,645 at 31 August 2019.

Restricted income fund at 31 August 2019 is £496,889 pension reserve is £8,834,000 deficit and unrestricted income fund is £2,326,883.

a. Reserves policy

Purpose

The purpose of the Reserves Policy for Staffordshire University Academies Trust (SUAT) is to ensure the stability of the Trust's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital. In setting its Reserves Policy the Trustees have regard to both the needs of today's pupils as well as the ability of the Trust to implement future strategy.

Definitions and goals

Restricted General Reserves

Restricted reserves are represented by the main income for SUAT which is the General Annual Grant (GAG) and other grant contributions or donations that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donors' instructions.

SUAT's regular review of the level of Restricted General Funds forms an integral part of the review of reserves. There is no restriction on GAG carry forward. These funds can be utilised on the majority of constituent academies costs in future years. The review will encompass the nature of the income and expenditure streams, the need to match income with the commitments and the nature of reserves. The level of reserves will be determined by SUAT annually and can fluctuate depending on operational needs.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

The Trustees have determined that SUAT should aim to have a **minimum of £500,000 held in restricted reserves**. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, to aid cash flow, curriculum investment, expansion, make provision for future uncertainties in income and expenditure and provide a cushion to deal with unexpected emergencies, urgent maintenance and capital projects.

All reserves are reported and reviewed regularly by the Audit Committee. Expenditure from reserves must be approved by the Trust Board or the Chair (to their authorised limit).

Unrestricted Funds

These are made up of SUAT's activities for generating funds, investment income and other donations which are expendable at the discretion of the Trustees in furtherance to achieve the objectives of SUAT.

SUAT is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover pension liability.

These funds are reviewed regularly by SUAT and its Audit Committee. Unrestricted funds are obtained through one off donations and are generally built up over time from fund generating activities and investments. Unrestricted Funds may be considered to cover a future deficit in restricted funds.

The Trustees have determined that SUAT should aim to have a **minimum of £500,000 held in unrestricted reserves**.

Designated Funds

These are unrestricted funds that have been allocated by SUAT for a particular purpose.

These funds are reviewed regularly and approved by SUAT and its Audit Committee; they are obtained by designating funds from the unrestricted funds.

Use of Reserves

1. **Identification of appropriate use of reserves**
SUAT and relevant staff (CEO / COO) will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires the analysis of the reason for any shortfall, the availability of any other sources of funds and an evaluation of the time period that the funds will be required and replenished.
2. **Authorisation of the use of reserves**
Use of reserves of any kind will be authorised by SUAT Trust Board or its Resources Committee at the next available meeting. Approval should be noted in the minutes. The Chair of the Board is authorised to make decisions, in consultation with the CEO and COO, about the use of reserves to a limit of £25,000.
3. **Relationship between constituent academies**
The level of reserves built up from constituent academies will ordinarily be considered to be their reserves. For the purpose of Trust Policy and consolidated financial statements reserves will be considered at an aggregated level.
4. **Reporting and monitoring**
The Trust Board and/or the Chair are responsible for ensuring that the funds are maintained and used only as prescribed in this policy. Upon approval of the use of these funds, the Trust will maintain a record of the use of the funds. The Audit Committee will regularly monitor the progress of reserves.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

Where three year financial forecasts indicate that an academy will fall below the expected level of reserve, the Trust will intervene on a tiered basis in proportion to the scale of the issue in order to regain financial management in line with this policy.

Where academies hold reserves substantially in excess of the target they will be expected to use these reserves in an appropriate and timely manner to enhance the outcome and experiences of pupil in the academy at the time.

At 31 August 2019 unrestricted general funds amounted to £2,326,883 (2018: £1,779,826) and restricted general funds (excluding pension reserve) amounted to £496,889 (2018: £597,164).

No steps have been required as the Trust has maintained at least the minimum level of reserves required throughout the year.

b. Investment policy

The current policy is to only invest in risk free deposit accounts.

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 around £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.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

c. 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, SUAT's Executive Team and each academy's Senior Leadership Team 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 / Trustees
2. Chief Executive Officer
3. Academy Principals
4. Academy Deputy Principals
5. Academy Assistant Principals
6. Chief Operating Officer
7. Finance Director
8. Finance Support staff
9. The Chairs of the Local Academy Councils (LAC)
10. Operations Manager

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

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

Staffordshire University Academies Trust regularly monitors and reviews the Risk Register which includes the following risks and actions required to manage risk:

Strategic Risk

Risk	Details of Actions Required to Improve Controls
Failure of the individual academies to recruit sufficient learners to make them viable and react accordingly to the requirement of our stakeholders	Marketing campaign.
	Improved Ofsted rating.
	Improved links to providers.
	Improvements to reputation management.
	Link to sponsor's marketing teams.
Failure of the Trust Board to ensure that the MAT has a robust organisational approach in place to deliver governance of each academy	
	Meetings with CEO where appropriate.
	Enhance role of Clerk.
	Development of LAC.
Failure of the Trust Board to have procedures in place to cover the absence of the CEO, COO, Clerk to the Trust Board or the Academy Principal	Principal and CEO ensure delegation for LAC.
Failure to ensure that an adequate overall Disaster Recovery Plan is in place	Succession plan for CEO and COO required.
	Succession Plan in each Academy for Principal.
	Develop MAT BC Plan.
	Strengthen link with LA.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

Operational Risk

Risk	Details of Actions Required to Improve Controls
Failure to ensure that the quality of Management Information produced by each academy is of a high quality and timely and is good enough to aid decision	New finance system installed. Regular meetings of Principals AND/OR Academy finance staff with CEO and COO.
Failure to ensure that the Directors who are recruited to the Trust possess the skills and experience required to run the MAT	Programme of Director induction and training. Potential directors interviewed by CEO and Clerk. Potential Directors submit CV and meet Board prior to commencing their tenure.
Failure to implement an adequate Assurance mechanism	Risk on each Trust Board meeting agenda. Internal audit. External audit. Regular meetings with CEO, COO and EIP. Enhanced role for LAC

Compliance Risk

Risk	Details of Actions Required to Improve Controls
Failure to ensure that the MAT complies with employee legislation	Regular meetings with HR advisers. Complete suite of policies. Schedule risk analyses. Agenda item each term for Audit Committee.
Failure to ensure that the Financial Reporting requirements of the MAT are met	Arrange Internal Audit programme. Regular analysis of Risk by Audit Committee. Action Plan to address issues raised by Internal and External Audit.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

Financial Risk

Risk	Details of Actions Required to Improve Controls
Failure to ensure that the MAT maintains overall financial control in relation to its income and expenditure	Regular review of Academy budgets by Finance Officer and COO.
	Weekly meeting of CEO and COO.
	Termly meeting of CEO and COO with Academy Principals.
	Termly review by Audit Committee.
	Internal Audit review termly
Failure to ensure that the financial systems of the MAT are suitable and maintained	Regular review of Systems by Finance Officer and CFO.
	Weekly meeting of CEO and COO.
	Termly review by Audit Committee.
	Internal Audit review termly.
Failure to ensure that an adequate Disaster Recovery Plan is in place in relation to the MAT's financial systems	Regular review of Disaster Recovery Plan by Audit Committee.
	Weekly meeting of CEO and COO.

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 Trustees and staff. The financial reporting structure is as follows:

The Trust Board

The Trust Board has overall responsibility for the administration of the Trust's finances. The Chief Executive Officer, Keith Hollins, acts as Accounting Officer. The Board of Trustees formally delegates 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 Operating Officer, Rachel Bailye, and the Finance Director, Liz Allen.

The financial responsibilities of The Board include:

- Ensuring the grant from the ESFA is used only for the purposes intended
- Approval of the annual budget for both the Trust and its Academies
- Appointment of SUAT's Central Staff 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
- Strategic planning of resources

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

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 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:

- 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 Operating Officer and the Accounting Officer. A Risk Management Plan is submitted termly to the Board.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

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.

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(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 ESFA. In 2018/19, 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 ESFA

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 102. 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

Trustees' report (continued)
For the year ended 31 August 2019

Strategic report (continued)

(continued)

Strengths of leadership and management in providing value for money include:

- Adherence to DfE financial standards
- Our Chief Operating Officer is a member of the Local Academy Council in three of the academies, the CEO is a member of the Local Academy Council in two academies, the Director of Learning is a member of the LAC in four schools, the Operations Manager is a member of a LAC in one academy and our Finance Director attends the LAC meetings 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 a converter Academy, former Executive Principal of three other High Schools and a former 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
- 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, partly through the Trust's link with the Education Department at Staffordshire University and also in our use of the Apprenticeship Levy. 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.
- Teaching staffing expenditure, as the highest percentage area of the budget, is closely monitored to ensure that provision matches timetabled demand with no overcapacity.
- 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.

Strategic report (continued)

(continued)

Continue of information and training for people who became disabled

At Staffordshire University Academies Trust (SUAT) we are committed to ensuring equality of opportunity for pupils with disabilities in relation to education and associated services, staff with disabilities in relation to employment rights, conditions and opportunities and all parents and members of the local community with disabilities in relation to additional services offered by or at our academies. The Trust is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. By 'employment', we mean all stages from recruitment and selection, terms and conditions of employment, access to training and career development, and, eventually, exit.

We aim to develop a culture of inclusion and diversity in which people feel confident about disclosing their disabilities in the certain knowledge that they will receive a positive and supportive response which facilitates their full participation in the full range of activities offered by our academies.

In particular, the achievement and participation of pupils and pupils with disabilities is monitored and we use this data to raise standards and ensure inclusive teaching.

We make reasonable adjustments in relation to teaching and learning and wider aspects of academy life to make sure that the educational environment is as accessible as possible. Our Academies use their accessibility planning duty to ensure that there is a rolling programme of improvements over time in relation to access to the curriculum, access to information for both pupils and their parents and access to all of our academies buildings, their facilities and amenities for all.

We foster a positive response to disability among all members of our academies' communities and seek to eliminate bullying, harassment or the less favourable treatment of people with disabilities wherever and whenever it is likely to occur. At SUAT, we believe that diversity is a strength, which should be respected and celebrated by all those who learn in, work in, and visit our communities. In making this assertion, we subscribe to the social model of disability.

SUAT recognises that pupils with a disability may face a range of barriers and discrimination. We will, wherever possible, endeavour to remove any barriers to disabled pupils, even if this means treating the student more favourably. We do not tolerate discrimination or bullying on the grounds of disability. This is included in our Anti-bullying and Equal Opportunities Policies.

SUAT encourages positive attitudes towards people with disabilities. Our staff are aware of our disabled pupils' needs and make adjustments to their resources and teaching styles of these pupils wherever required.

Trustees' report (continued)
For the year ended 31 August 2019

Fundraising

The Trustees have overall responsibility and accountability for SUAT's charitable status and this includes its fundraising. They recognise that they have a key role to play in setting the Trust's approach to raising funds, in making sure that it is followed in practice and that it reflects SUAT's values.

The Trustees' oversight of its charitable fundraising is designed to protect the Trust's reputation and to encourage public trust and confidence in the Trust. This includes following the law and recognised standards, protecting the Trust from undue risk, and showing respect for donors, supporters and the public.

The Trust Board has Trustees who possess the appropriate skills and abilities.

The Trust Board delegates day to day activities, and their management, to the Principals of the SUAT academies. They do not delegate their ultimate responsibility. SUAT's systems and processes allow the Trustees:

- to hold the Academy Principals to account for how they carry out their role
- access to the right information and advice, to the appropriate level of detail, and in the best format
- to be assured that fundraising is compliant with the fundraising approach that SUAT has set, meeting the standards required by the Trustee's duties, and wider law and best practice

The Trust has systems in place to oversee the academies' fundraising so that Trustees can be satisfied that it is, and remains, in SUAT's best interests.

The SUAT Finance Team ensures that there is strong management of SUAT's assets and resources so that the Trustees can meet their legal trustee duty to act in the charity's best interests and protect it from undue risk.

The Trustees do not carry out the fundraising themselves. Therefore, they have delegated the day to day management of fundraising to the SUAT academies. Effective systems are in place so that:

- delegation is clearly documented, understood and implemented
- clear reporting procedures are in place
- there are checks that the delegated authority is exercised properly

The work of the fundraising volunteers is overseen by the Academy Principals. This is so that they:

- are clear about what they are supposed to do
- are aware of the rules and boundaries within which they must work
- work safely
- know what to do if there's a problem
- know what they need to report and who they report to

The Trustees recognise that they have a duty to manage and protect the Trust's reputation and other assets from undue risk. There are effective systems in place to identify the reputational risks that the Trust may face in its fundraising and to plan for their management.

Trustees' report (continued)
For the year ended 31 August 2019

Plans for future periods

The Trust will continue striving to improve the levels of progress and attainment of all groups of pupils in all tiers and will continue its efforts to ensure its pupils maximise their progress and attainment. 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 attainment for all groups of pupils
- 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 Education Department
- 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 up to PAN
- Ensure the careful management of the budget to provide value for money
- To develop stimulating curricula in all Academies in order to better prepare pupils for the demands of the fourth industrial revolution

These will be achieved by the rigorous Quality Assurance of the Trust's Strategic Plan and the individual Academy Development Plans.

Trustees' report (continued)
For the year ended 31 August 2019

Plans for future periods (continued)

Across our family of schools, leadership and management are improving and increasingly effective. 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 Director of Learning and School Improvement and the team Education Improvement Partners. 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 twelve Academies, more as the Trust grows
- 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 on behalf of others

Staffordshire University Academy were holding funds of £nil which related to monies collected for charities but not yet paid over (2018: nil).

Trustees' report (continued)
For the year ended 31 August 2019

Disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2019 and signed on its behalf by:



Mary Walker
Chair of Trustees

Staffordshire University Academies Trust
(A company limited by guarantee)

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 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 Staffordshire University Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
James Capper	4	4
Roger Williams	4	4
Keith Hollins, Chief Executive Officer and Accounting Officer	4	4
Mary Walker, Chair of Trustees	4	4
Martin Jones	4	4
Jeremy Mellor	4	4
Trudy Pyatt	3	4
Denise Gaye Blake-Roberts	2	4
Judith Wyman	4	4
Lynsay Jennings	0	0

The governors reviewed their performance at a strategy meeting in July 2019.

The Board of Trustees have maintained effective oversight of funds through the sub-committees of the Trust Board. Additionally, SUAT has three committees which are sub-committees of the Trust Board. Attendance at meetings was as follows:

Audit Committee

Trustee	Meetings attended	Out of a possible
James Capper	3	3
Martin Jones	3	3
Roger Williams	2	3

Education Committee

Trustee	Meetings attended	Out of a possible
James Capper	3	3
Keith Hollins	3	3
Martin Jones	3	3

Governance Statement (continued)

Governance (continued)

Resources Committee

Trustee	Meetings attended	Out of a possible
Jeremy Mellor	3	3
Keith Hollins	3	3
Mary Walker	3	3
Denise Gaye Blake-Roberts	2	3

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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.

During the year the CEO / Accounting Officer has delivered improved Value for Money by ensuring that the Trust delivers:

- Improving educational results for all groups of pupils. SUAT has supported school improvement for our pupils in order to raise their attainment and aspirations. SUAT is committed to supporting our pupils achieving their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for higher education, further training or work
- A robust tracking system for monitoring achievement
- Continual examination of how looking at how data can inform staff in order for them to support and extend the learning of the students
- A system where all our teams are focusing on the pupils learning needs and encourage innovation and creativity to meet those needs
- A differentiated curriculum in order to make the most appropriate use of resources to meet pupils' needs
- A comprehensive pupil support service and specialist learning provision. Pupils benefit from one to one mentoring, small group work, external educational provision, where appropriate, and our experienced teams work with pupils to support their individual needs
- Rewards for excellence and encouragement for positive behaviour through our rewards schemes. We celebrate achievement and encourage pupils to try new activities to develop their confidence and leadership skills
- Ensuring that where possible additional needs of individual pupils are met and appropriate resources (staff and equipment) are made available such as one to one support or stretch and challenge for the HPA pupils
- By recognising the fact that Pupil Premium pupils are not a homogeneous group and cover a wide range of needs. As such the strategies we use to raise attainment take these groups and individual needs fully into account
- We use high quality teaching and learning as the preferred way to narrow the gaps in attainment in the first instance. We also use high quality interventions with proven evidence of impact to assist our pupils who need additional support in a time limited way
- We use the Pupil Premium for all year groups, not just those taking examinations at the end of the year
- Our key principles are that achievement for all pupils, including those from disadvantaged backgrounds, is best fostered in schools with an ethos of high expectations, where high quality teaching and learning is at the heart of all we do. To this end our curricula are designed and regularly reviewed to ensure that they meet the needs of all groups of pupils so that teaching and learning in the classroom is the main focus for raising achievement for all pupils
- Allocating well trained staff to teach intervention groups to improve numeracy and literacy

Governance Statement (continued)

Review of value for money (continued)

- Using achievement data frequently to check whether interventions or techniques are working and making adjustments accordingly, rather than just using the data retrospectively to see if something has worked
- Making sure that our support staff, particularly Teaching Assistants, are highly trained and understand their role in helping pupils to achieve systematically focusing on giving pupils clear, useful feedback about their work, and ways that they can improve
- We ensure that class and subject teachers know which pupils are eligible for the Pupil Premium so that they can take responsibility for accelerating their progress
- We have a clear policy on spending the Pupil Premium, agreed by governors and publicised on each academy's website, to provide well-targeted support to improve attendance, behaviour or links with families where these are barriers to a pupil's learning
- We have adopted a clear and robust performance management system for all staff, which included discussions about pupils eligible for the Pupil Premium in performance management meetings
- Our senior staff, education Improvement Partners, Academy Council Members and governors are thoroughly involved in the decision making and evaluation process
- We are able, through careful monitoring and evaluation, to demonstrate the impact of each aspect of our spending on the outcomes for our pupils, across the SUAT
- The Partnership arrangement with the Education Department at Staffordshire University provides Value for Money by enhancing the quality of outcomes for the pupils within our academies by working together to improve teaching and learning and providing better quality training opportunities for all staff

In addition, we are seeking to effect Value for Money by:

- Examining the potential to offer joint appointments across the MAT
- Achieving economies of scale in purchasing policy, for example, ICT procurement, ICT technical support, administrative supplies, maintenance work, cleaning and catering
- Achieving savings in planning and administrative time, and developing the potential for MAT administrative staff who can work with each academy
- Enhancing strategic planning across all phases and academies
- Joining together to access extended services
- Providing ICT back up through a service level agreement between providers and SUAT

SUAT has dedicated Audit and Resources Committees, who are responsible for determining SUAT's financial priorities linking this to the long term vision, the Trust's Strategic Development and Business Plans and directions given by the Board. Advised by the Accounting Officer the Board have a strong oversight of the financial management of SUAT; and robust internal systems and controls are in place.

The Board are committed to their roles and understand their responsibilities; the terms of reference for all committees are reviewed and approved annually. All new Board Members or Local Governors receive a comprehensive induction from the CEO and the Chief Operating Officer.

The budget(s) is approved annually by the Board. All relevant staff involved in the preparation of the budget, and all financial reports, are mindful of the need to balance the budget against income to ensure the academies and SUAT remain 'going concerns'. The committees meet termly to review our financial position, to receive reports from the COO, the Finance Director and the Accounting Officer, and to challenge decisions. The Finance controls are reviewed annually. SUAT'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.

Governance Statement (continued)

Review of value for money (continued)

SUAT academies takes a prudent approach to expenditure. As approximately 70 - 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.

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 Operations Manager and the Finance Director. 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. 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 MAT team, the Operations Manager, who specifically deals with procurement and is constantly checking for best value.

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 Academies, 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.

A proactive approach is taken towards preparing funding bids and generating revenue streams in order to maximise income generation. The academies explore every opportunity to generate income through hire of the academy facilities.

A monthly cash flow forecast ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

SUAT has a comprehensive Risk Register in place, which is reviewed annually by the Members, Senior Leadership Team and termly by the Audit Committee. Risk Reports are presently termly to the Board. The SUAT academies have Business Continuity and Disaster Recovery Management procedures in place and also have procedures covering the recovery of the financial accounting system. SUAT tests these procedures at regular intervals and records areas where the procedures are not sufficiently robust.

Monthly budget monitoring reports are produced by the finance team. These reports are reviewed by the CEO, COO, Finance Director and the Principal / Headteacher of each academy. Remedial action is taken to address any significant variances that may have an impact on the budget out-turn.

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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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

From January 2019 the Board of Trustees has considered the options for the internal audit function and has decided to no longer outsource this work to Staffordshire County Council's Internal Audit team and to carry out the internal audits in house by the trust Finance Director and COO. 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. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

The internal auditors ensured that we were carrying out processes in line with our policies. Their reports were delivered on time and included their audit opinion of adequate assurance for all of the checks carried out; this was then reported to the Audit Committee.

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 Operating Officer and SUAT's Finance Director and the Operations Manager;
- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment processes with 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 by the and a plan to address weaknesses and ensure continuous improvement of the system is in place.

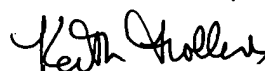
Staffordshire University Academies Trust
(A company limited by guarantee)

Governance Statement (continued)

Approved by order of the members of the Board of Trustees on 6 December 2019 and signed on their behalf by:



Mary Walker
Chair of Trustees



Keith Hollins
Accounting Officer

Staffordshire University Academies Trust
(A company limited by guarantee)

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 and Skills Funding Agency of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregularity 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 2018.

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

I confirm that the Trust have obtained acknowledgement from the Education and Skills Funding Agency for a finance lease arrangement that was entered into in a previous financial year.



Keith Hollins
Accounting Officer
Date: 6 December 2019

Staffordshire University Academies Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2019

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 Direction 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 of the Charities SORP and the Academies Accounts Direction 2018 to 2019;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 6 December 2019 and signed on its behalf by:



Mary Walker
Chair of Trustees

Independent auditors' Report on the financial statements to the Members of Staffordshire University Academies Trust

Opinion

We have audited the financial statements of Staffordshire University Academies Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' Report on the financial statements to the Members of Staffordshire University Academies Trust (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Staffordshire University Academies Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Staffordshire University Academies Trust (continued)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Jonathan Dudley (Senior statutory auditor)
for and on behalf of
Dains LLP

Chartered Accountants
Statutory Auditor

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

6 December 2019

Staffordshire University Academies Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Staffordshire University Academies Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 year 1 September 2018 to 31 August 2019 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Staffordshire University Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Staffordshire University Academies Trust and ESFA, 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 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Staffordshire University Academies Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Staffordshire University Academies Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Trust had entered into a finance lease arrangement in a previous year. On 6 June 2019, the Trust received a letter acknowledging this arrangement from the Education and Skills Funding Agency.



Dains LLP

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 6 December 2019

Staffordshire University Academies Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		132,933	(536,602)	486,290	82,621	3,476,841
Other donations and capital grants		57,867	-	559,358	617,225	447,884
Charitable activities	4	171,051	16,558,736	-	16,729,788	13,788,715
Other trading activities	5	1,163,767	-	-	1,163,767	761,854
Investments	6	13,338	-	-	13,338	12,267
Total income		1,538,956	16,022,134	1,045,648	18,606,738	18,487,561
Expenditure on:						
Raising funds	7	527,590	-	-	527,590	234,797
Charitable activities	8	293,011	17,332,396	1,219,838	18,845,245	15,889,344
Total expenditure		820,601	17,332,396	1,219,838	19,372,835	16,124,141
Net income/ (expenditure)		718,355	(1,310,262)	(174,190)	(766,097)	2,363,420
Transfers between funds	19	(171,300)	18,987	152,313	-	-
Net movement in funds before other recognised gains/(losses)		547,055	(1,291,275)	(21,877)	(766,097)	2,363,420
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(2,716,000)	-	(2,716,000)	1,467,000
Net movement in funds		547,055	(4,007,275)	(21,877)	(3,482,097)	3,830,420

Staffordshire University Academies Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Reconciliation of funds:					
Total funds brought forward	1,779,826	(4,329,836)	44,400,106	41,850,096	38,019,676
Net movement in funds	547,055	(4,007,275)	(21,877)	(3,482,097)	3,830,420
Total funds carried forward	2,326,881	(8,337,111)	44,378,229	38,367,999	41,850,096

The notes on pages 51 to 84 form part of these financial statements.

Staffordshire University Academies Trust

(A company limited by guarantee)

Registered number: 07704020

Balance sheet

As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	44,120,171	44,251,589
		<u>44,120,171</u>	<u>44,251,589</u>
Current assets			
Debtors	15	819,893	1,260,759
Investments	16	1,500,000	1,250,000
Cash at bank and in hand		2,301,645	1,685,435
		<u>4,621,538</u>	<u>4,196,194</u>
Creditors: amounts falling due within one year	17	(1,520,710)	(1,652,060)
Net current assets		<u>3,100,828</u>	<u>2,544,134</u>
Total assets less current liabilities		<u>47,220,999</u>	<u>46,795,723</u>
Creditors: amounts falling due after more than one year	18	(18,998)	(18,627)
Net assets excluding pension liability		<u>47,202,001</u>	<u>46,777,096</u>
Defined benefit pension scheme liability	26	(8,834,000)	(4,927,000)
Total net assets		<u><u>38,368,001</u></u>	<u><u>41,850,096</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	44,378,229	44,400,106
Restricted income funds	19	496,889	597,164
		<u>44,875,118</u>	<u>44,997,270</u>
Restricted funds excluding pension asset	19	44,875,118	44,997,270
Pension reserve	19	(8,834,000)	(4,927,000)
Total restricted funds	19	<u>36,041,118</u>	<u>40,070,270</u>
Unrestricted income funds	19	<u>2,326,883</u>	<u>1,779,826</u>
Total funds		<u><u>38,368,001</u></u>	<u><u>41,850,096</u></u>

Staffordshire University Academies Trust
(A company limited by guarantee)
Registered number: 07704020

Balance sheet (continued)
As at 31 August 2019

The financial statements on pages 46 to 84 were approved by the Trustees, and authorised for issue on 06 December 2019 and are signed on their behalf, by:



Mary Walker
Chair of Trustees

The notes on pages 51 to 84 form part of these financial statements.

Staffordshire University Academies Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	445,646	445,729
Cash flows from investing activities	22	(29,436)	(740,693)
Change in cash and cash equivalents in the year		416,210	(294,964)
Cash and cash equivalents at the beginning of the year		1,685,435	1,980,399
Cash and cash equivalents at the end of the year	23	2,101,645	1,685,435

The notes on pages 51 to 84 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Staffordshire University Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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

Notes to the financial statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following basis:

Long term leasehold property	- 2% straight line
Long term leasehold land	- 0.8% straight line
Furniture and equipment	- 15% & 25% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 33.3% straight line

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

1.6 Debtors

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

Notes to the financial statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1. Accounting policies (continued)

1.11 Pensions

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. Accounting policies (continued)

1.12 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Luke's CE Academy and Horton St Michael's First School & Nursery to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Leasehold land and buildings

On the transfer date of 1 September 2018, playing fields and land have been transferred on conversion for two schools on a 125 year lease from Staffordshire County Council. The value is based upon the valuation provided by FHP Property Consultants under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard 102 (section 17). The school site has been credited as a donation in the Restricted Fixed Asset Fund column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

Local Government Pension Scheme (LGPS) deficit

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained schools were transferred to Staffordshire University Academies Trust on 1 September 2018. The deficit on the Local Government Pension Scheme has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within the LGPS liability on the balance sheet.

Cash

Cash balances at 1 September 2018 in respect of the maintained schools and school funds were transferred to Staffordshire University Academies Trust. These cash balances have been credited as a donation in the Statement of Financial Activities under the Unrestricted Fund column and included within the cash and bank balances on the balance sheet.

Further details of the transaction are set out in note 24.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balanced held are disclosed in note 31.

1. Accounting policies (continued)

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Leasehold land and buildings:

Under 125 year lease:

The long term leasehold land and buildings within the accounts relates to the academy premises which were donated to the academy on conversion on a 125 year lease from Staffordshire County Council. The leasehold land and buildings were valued using FHP Property Consultants valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market rate.

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

2. Critical accounting estimates and areas of judgment (continued)

2 year licence:

The academy trust company occupies:

- (a) land provided to it by the Local Authority under a 125-year lease (as detailed above);
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of;

- (a) a figure is entered that reflects advice taken on the value of the lease;
- (b) Having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations				
Transfer from local authority on conversion	132,933	(50,312)	82,621	3,478,841
Subtotal detailed disclosure	132,933	(50,312)	82,621	3,478,841
Donations	57,867	-	57,867	39,937
Capital Grants	-	559,358	559,358	405,947
Subtotal	57,867	559,358	617,225	445,884
	190,800	509,046	699,846	3,924,725
Total 2018	332,798	3,591,927	3,924,725	

Included within restricted funds is £486,290 (2018: £3,864,980) relating to restricted fixed assets and a deficit of £536,602 (2018: deficit £679,000) relating to pension liability and LA loan balance transferred on conversion.

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

4. Funding for Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General annual grant	-	13,678,260	13,678,260	11,372,443
Other DfE/ESFA grants	-	1,728,439	1,728,439	1,360,930
Start Up Grants	-	56,840	56,840	107,410
	-	15,463,539	15,463,539	12,840,783
Other government grants				
LAC Income	-	52,483	52,483	17,549
SEN Funding	-	380,354	380,354	266,857
Other government grant	-	35,345	35,345	1,115
	-	468,182	468,182	285,521
Other funding				
Catering income	-	598,448	598,448	542,212
Sponsor income	-	28,567	28,567	25,622
Trip income	171,051	-	171,051	94,577
	171,051	16,558,736	16,729,787	13,788,715
Total 2018	94,577	13,694,138	13,788,715	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Nursery and school clubs income	753,637	753,637	493,170
Hire of facilities	105,182	105,182	83,328
Other income	171,616	171,616	87,629
Staff insurance	133,332	133,332	97,727
	1,163,767	1,163,767	761,854

In 2018, income from other trading activities of £761,854 relates to unrestricted funds.

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment income	13,338	13,338	12,267

In 2018, investment income of £12,267 relates to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Expenditure on fundraising trading activities:					
Direct costs	456,572	-	71,018	527,590	234,797
Educational Operations:					
Direct costs	11,705,197	867,871	1,161,777	13,734,845	11,631,388
Support costs	2,111,221	1,184,156	1,815,023	5,110,400	4,257,956
	<u>14,272,990</u>	<u>2,052,027</u>	<u>3,047,818</u>	<u>19,372,835</u>	<u>16,124,141</u>
<i>Total 2018</i>	<u><i>11,961,507</i></u>	<u><i>1,524,817</i></u>	<u><i>2,637,817</i></u>	<u><i>16,124,141</i></u>	

Notes to the financial statements
For the year ended 31 August 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational operations	13,734,845	5,110,400	18,845,245	15,889,344
<i>Total 2018</i>	<u>11,631,388</u>	<u>4,257,956</u>	<u>15,889,344</u>	

Analysis of direct costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	11,705,197	9,880,495
Depreciation	980,877	897,333
Educational supplies	514,099	407,639
Examination fees	69,193	52,583
Staff development	110,638	98,302
Technology costs	18,612	40,532
Educational consultancy	56,991	76,774
Travel and subsistence	196,829	108,949
Other direct costs	29,987	30,184
Maintenance of premises	52,423	38,597
	<u>13,734,845</u>	<u>11,631,388</u>

Notes to the financial statements
For the year ended 31 August 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
LGPS finance cost	158,000	138,000
Staff costs	2,111,221	1,876,954
Depreciation	238,961	146,466
Staff development	8,952	8,383
Technology costs	232,719	208,767
Education consultancy	25,026	51,966
Travel and subsistence	21,188	17,329
Maintenance of premises	253,570	149,513
Maintenance of equipment	42,580	54,396
Cleaning	348,125	249,054
Rates	109,232	87,682
Energy	282,507	191,595
Insurance	190,721	136,076
Other support costs	355,936	265,485
Other occupancy costs	157,090	136,322
Catering costs	574,572	539,968
	5,110,400	4,257,956

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	<i>2018 £</i>
Operating lease rentals	26,105	31,210
Depreciation of tangible fixed assets	1,219,838	1,043,799
Fees paid to auditors for:		
- audit	26,500	24,850
- other services	4,250	4,000

Notes to the financial statements
For the year ended 31 August 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	10,512,973	8,735,093
Social security costs	956,228	808,275
Pension costs	2,377,884	2,124,813
	13,847,085	11,668,181
Supply teacher costs	258,952	203,443
Staff restructuring costs	166,953	89,883
	14,272,990	11,961,507

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £136,217 (2018: £55,500). Individually the payments were £49,500, £30,000, £17,500, £14,253, £10,040, £5,797, £3,888, £1,970, £1,710, £1,152 and £407.

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	161	143
Administration and support	368	327
Management	38	37
	567	507

Notes to the financial statements
For the year ended 31 August 2019

10. Staff costs (continued)

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	1	1
	=====	=====

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £234,147 (2018: £234,027).

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

11. Central services

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

- Human Resources
- Financial Services
- Legal Services
- Education Support Services
- Purchasing & Procurement Services
- Facilities
- Audit Services
- Insurance
- Communication Services
- ICT Technical Support & Helpdesk
- Marketing Services
- Health & Safety

The academy trust charges for these services on the following basis:

The trust charges for these services based on 5% of GAG income.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Staffordshire University Academy	177,655	175,920
Moorgate Primary Academy	52,151	49,524
John Wheeldon Primary Academy	89,661	85,920
Littleton Green Community School	67,963	66,972
Boney Hay Primary Academy	36,795	35,628
Tynsel Parkes Primary Academy	29,681	29,016
St Edward's CE Academy Cheddleton	38,681	39,336
Perton Primary Academy	41,843	39,684
All Saints CE Academy	15,537	6,513
Charnwood Primary Academy	37,735	15,818
St Augustine's CE Academy	12,542	5,257
St Peter's CE Academy	13,553	5,681
St Luke's CE Academy	38,538	-
Horton St. Michael's First School & Nursery	17,280	-
Total	669,615	555,269

Notes to the financial statements
For the year ended 31 August 2019

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Keith Hollins	Remuneration	115,000 -	110,000 -
		120,000	115,000
	Pension contributions paid	N/A	N/A

During the year ended 31 August 2019, expenses totalling £2,391 were reimbursed or paid directly to 1 Trustee (2018 - £2,395 to 1 Trustee).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £727 (2018 - £3,024). The cost of this insurance is included in the total insurance cost.

Notes to the financial statements
For the year ended 31 August 2019

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	45,996,211	1,137,354	22,381	994,244	48,150,190
Additions	8,492	472,651	8,501	112,488	602,132
Transfers on conversion	486,290	-	-	-	486,290
At 31 August 2019	46,490,993	1,610,005	30,882	1,106,732	49,238,612
Depreciation					
At 1 September 2018	2,753,338	290,002	22,381	832,880	3,898,601
Charge for the year	867,874	237,935	1,026	113,004	1,219,839
At 31 August 2019	3,621,212	527,937	23,407	945,884	5,118,440
Net book value					
At 31 August 2019	42,869,781	1,082,068	7,475	160,848	44,120,172
At 31 August 2018	43,242,872	847,352	-	161,364	44,251,588

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	30,036	21,030
Other debtors	924	-
Prepayments and accrued income	608,763	1,053,539
Tax recoverable	180,170	186,190
	819,893	1,260,759

16. Current asset investments

	2019 £	2018 £
Unlisted investments	1,500,000	1,250,000

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	52,107	21,731
Trade creditors	435,659	650,927
Other taxation and social security	220,585	209,424
Other creditors	226,512	194,016
Accruals and deferred income	585,847	575,962
	1,520,710	1,652,060
	2019	2018
	£	£
Deferred income at 1 September 2018	414,850	328,740
Resources deferred during the year	495,800	414,850
Amounts released from previous periods	(414,850)	(328,740)
	495,800	414,850

Amounts deferred relate to grant and trip income for the 2019/20 academy year.

Other loans represent 2 loans held with the ESFA that relates to the deficit local authority balance of Littleton Green Community School and St Luke's CE Acaemy on conversion. Other loans are not subject to interest and will be fully repaid by October 2020.

18. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Other loans	18,998	18,627

Other loans represent a loan held with the ESFA that relates to the deficit local authority balance of Littleton Green Community School on conversion. Other loans are not subject to interest and will be fully repaid by October 2020

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted Funds	1,779,826	1,538,957	(820,600)	(171,300)	-	2,326,883
Restricted general funds						
General Annual Grant (GAG)	575,591	13,678,260	(13,766,920)	(11,615)	-	475,316
Start Up Grant	-	56,840	(56,840)	-	-	-
Other Dfe/ESFA Grants	21,573	1,728,439	(1,728,439)	-	-	21,573
Government Grant	-	468,182	(468,182)	-	-	-
Other Income	-	627,015	(627,015)	-	-	-
LA deficit on conversion	-	(30,602)	-	30,602	-	-
Pension reserve	(4,927,000)	(506,000)	(685,000)	-	(2,716,000)	(8,834,000)
	<u>(4,329,836)</u>	<u>16,022,134</u>	<u>(17,332,396)</u>	<u>18,987</u>	<u>(2,716,000)</u>	<u>(8,337,111)</u>

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
DfE/ESFA Grants	24,843,586	559,358	(212,657)	-	-	25,190,287
Assets transferred from LA on conversion	19,115,089	486,290	(842,546)	-	-	18,758,833
Assets funded from other income	441,431	-	(164,635)	152,313	-	429,109
	<u>44,400,106</u>	<u>1,045,648</u>	<u>(1,219,838)</u>	<u>152,313</u>	<u>-</u>	<u>44,378,229</u>
Total Restricted funds	<u>40,070,270</u>	<u>17,067,782</u>	<u>(18,552,234)</u>	<u>171,300</u>	<u>(2,716,000)</u>	<u>36,041,118</u>
Total funds	<u>41,850,096</u>	<u>18,606,739</u>	<u>(19,372,834)</u>	<u>-</u>	<u>(2,716,000)</u>	<u>38,368,001</u>

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

Restricted General Funds

This fund represents grants received for the academy trust's operational activities and development.

Pension reserve

This fund represents the academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received by the ESFA to carry out works of a capital nature and also the donation of leasehold land, buildings and playing fields from the local authority on a 125 year lease and a small amount of capital expenditure from GAG and other sources of income.

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Staffordshire University Academy	712,714	835,022
Moorgate Primary Academy	208,412	245,173
John Wheeldon Primary Academy	353,476	473,999
Perton Primary Academy	178,280	158,234
St. Edward's CE Academy Cheddleton	136,780	43,109
Tynsel Parkes CE Primary Academy	181,593	116,929
Littleton Green Community School	277,048	125,190
Boney Hay Primary Academy	134,801	60,396
All Saint's CE Academy	39,410	40,670
Charnwood Primary Academy	268,171	179,310
St Augustine's CE Academy	69,786	58,310
St Peter's CE Academy	81,755	69,775
St Luke's CE Academy	145,710	-
Horton St. Michael's First School & Nursery	22,657	-
Central Services	13,179	(29,127)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,823,772	2,376,990
Restricted fixed asset fund	44,378,229	44,400,106
Pension reserve	(8,834,000)	(4,927,000)
	<hr/>	<hr/>
Total	38,368,001	41,850,096
	<hr/> <hr/>	<hr/> <hr/>

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Staffordshire University Academy	2,597,289	830,841	81,731	740,008	4,249,869	4,218,933
Moorgate Primary Academy	884,881	104,731	48,284	191,763	1,229,659	1,151,866
John Wheeldon Primary Academy	1,684,613	144,103	83,815	397,462	2,309,993	2,024,820
Perton Primary Academy	870,168	131,552	33,543	226,923	1,262,186	1,132,165
St. Edward's CE Academy Cheddleton	649,300	70,139	19,636	174,601	913,676	1,003,232
Tynsel Parkes CE Primary Academy	467,563	70,396	33,097	143,863	714,919	698,102
Littleton Green Community School	1,337,584	218,480	33,296	310,276	1,899,636	1,742,245
Boney Hay Primary Academy	570,775	81,229	32,043	172,730	856,777	865,739
All Saint's CE Academy	245,430	38,716	15,962	98,090	398,198	164,922
Charnwood Primary Academy	646,785	81,459	71,025	158,674	957,943	410,028
St Augustine's CE Academy	197,553	25,579	9,716	61,613	294,461	126,752
St Peter's CE Academy	200,891	34,002	13,449	61,308	309,650	156,410
St Luke's CE Academy	681,045	84,331	15,748	159,903	941,027	-
Horton St. Michael's First School & Nursery	312,409	34,839	15,670	95,604	458,522	-
Central Services	288,483	160,824	7,084	215,090	671,481	595,128
Academy trust	11,634,769	2,111,221	514,099	3,207,908	17,467,997	14,290,342

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	1,101,728	1,201,496	(520,967)	(2,431)	-	1,779,826
Restricted general funds						
General Annual Grant (GAG)	950,053	11,372,443	(11,471,493)	(275,412)	-	575,591
Start Up Grant	-	107,410	(105,170)	(2,240)	-	-
Other Dfe/ESFA Grants	-	1,360,930	(1,339,357)	-	-	21,573
Government Grant	-	285,520	(285,520)	-	-	-
Other Income	-	567,835	(567,835)	-	-	-
Pension reserve	(4,925,000)	(679,000)	(790,000)	-	1,467,000	(4,927,000)
	<u>(3,974,947)</u>	<u>13,015,138</u>	<u>(14,559,375)</u>	<u>(277,652)</u>	<u>1,467,000</u>	<u>(4,329,836)</u>
Restricted fixed asset funds						
DfE/ESFA Grants	25,075,951	405,947	(638,312)	-	-	24,843,586
Assets transferred from LA on conversion	15,547,603	3,864,980	(297,494)	-	-	19,115,089
Assets funded from other income	269,341	-	(107,993)	280,083	-	441,431
	<u>40,892,895</u>	<u>4,270,927</u>	<u>(1,043,799)</u>	<u>280,083</u>	<u>-</u>	<u>44,400,106</u>

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

19. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Total Restricted funds	<u>36,917,948</u>	<u>17,286,065</u>	<u>(15,603,174)</u>	<u>2,431</u>	<u>1,467,000</u>	<u>40,070,270</u>
Total funds	<u>38,019,676</u>	<u>18,487,561</u>	<u>(16,124,141)</u>	<u>-</u>	<u>1,467,000</u>	<u>41,850,096</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	44,120,171	44,120,171
Current assets	2,326,883	2,036,598	258,058	4,621,539
Creditors due within one year	-	(1,520,711)	-	(1,520,711)
Creditors due in more than one year	-	(18,998)	-	(18,998)
Provisions for liabilities and charges	-	(8,834,000)	-	(8,834,000)
Total	<u>2,326,883</u>	<u>(8,337,111)</u>	<u>44,378,229</u>	<u>38,368,001</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	44,251,588	44,251,588
Current assets	1,787,536	2,260,141	148,517	4,196,194
Creditors due within one year	-	(1,652,060)	-	(1,652,060)
Creditors due in more than one year	-	(18,627)	-	(18,627)
Provisions for liabilities and charges	-	(4,927,000)	-	(4,927,000)
Total	<u>1,787,536</u>	<u>(4,337,546)</u>	<u>44,400,105</u>	<u>41,850,095</u>

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(766,097)	2,363,420
Adjustments for:		
Depreciation	1,219,839	1,043,799
Capital grants from DfE and other capital income	(759,118)	(405,947)
Interest receivable	(13,338)	(12,267)
Defined benefit pension scheme obligation inherited	506,000	679,000
Defined benefit pension scheme cost less contributions payable	527,000	652,000
Defined benefit pension scheme finance cost	158,000	138,000
Decrease/(increase) in debtors	420,807	(320,195)
(Decrease)/increase in creditors	(130,979)	172,899
Net surplus on assets and liabilities from local authority on conversion	(716,468)	(3,864,980)
Net cash provided by operating activities	445,646	445,729

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	13,338	12,267
Purchase of tangible fixed assets	(602,132)	(968,387)
Capital grants from DfE Group	559,358	215,427
Net cash used in investing activities	(29,436)	(740,693)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,101,645	1,685,435
Total cash and cash equivalents	2,101,645	1,685,435

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

24. Conversion to an academy trust

On 1 September 2018 St Luke's CE Primary School and Horton St Michael's First School & Nursery 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 from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	486,290	486,290
Current assets				
Cash - representing budget surplus/ (deficit) on LA funds	122,347	(30,602)	-	91,745
Cash - representing budget surplus on other school funds	10,586	-	-	10,586
LGPS pension (deficit)	-	(506,000)	-	(506,000)
Net assets/(liabilities)	132,933	(536,602)	486,290	82,621

The above net assets include £132,933 that were transferred as cash.

The local authority deficit of £30,602 for St Luke's CE Primary is allocated to restricted funds because restricted funds will be used to repay the deficit.

St Luke's CE Primary and Horton St Michael's First School & Nursery leasehold rights to the school's playing fields were transferred to Staffordshire University Academies Trust from Staffordshire County Council for £nil consideration. The basis for this valuation is detailed in the accounting policies note 1.

The LGPS pension deficit represents the deficit at 1 September 2018 in respect of employees of maintained schools and have transferred to the multi academy trust. The basis for this valuation is detailed in note 1 and note 26.

The LGPS pension deficit is not included in the table below as the amount transferred on conversion is shown above for the Trust as a whole.

24. Conversion to an academy trust (continued)

On 1 September 2018 St Luke's CE 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 from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	251,915	251,915
Current assets				
Cash - representing budget surplus/ (deficit) on LA funds	102,112	(30,602)	-	71,510
Cash - representing budget surplus on other school funds	8,438	-	-	8,438
Net assets/(liabilities)	110,550	(30,602)	251,915	331,863

Staffordshire University Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2019

24. Conversion to an academy trust (continued)

The above net assets included £110,550 that were transferred as cash.

The local authority deficit of £30,602 is allocated to restricted funds because restricted funds will be used to repay the deficit.

Included in leasehold land and buildings are playing fields which have been transferred on a 125 year lease from Staffordshire County Council.

On 1 September 2018 Horton St Michael's First School and Nursery 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 from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Freehold land and buildings	-	234,375	234,375
Current assets			
Cash - representing budget surplus on LA funds	20,235	-	20,235
Cash - representing budget surplus on other school funds	2,148	-	2,148
Net assets	22,383	234,375	256,758

The above net assets included £22,383 that were transferred as cash.

Included in leasehold land and buildings are playing fields which have been transferred on a 125 year lease from Staffordshire County Council.

25. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	320,823	138,840

Notes to the financial statements
For the year ended 31 August 2019

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £217,733 were payable to the schemes at 31 August 2019 (2018 - £115,537) and are included within creditors.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation accounts

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,036,964 (2018 - £844,039).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,027,000 (2018 - £803,000), of which employer's contributions totalled £821,000 (2018 - £636,000) and employees' contributions totalled £ 206,000 (2018 - £167,000). The agreed contribution rates for future years are 23.6 per cent for employers and 5.5-12.5% per cent for employees.

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

Notes to the financial statements
For the year ended 31 August 2019

26. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.70
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.30	2.30
Commutation of pensions to lump sums - pre April 2008	50.00	50.00
Commutation of pensions to lump sums - post April 2008	75.00	75.00

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.1
<i>Retiring in 20 years</i>		
Males	22.2	24.1
Females	24.8	26.4

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate -0.5%	2,517	1,577
Salary rate +0.5%	419	306
Pension rates +0.5%	2,043	1,249

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	5,377,000	4,038,000
Debt instruments	1,740,000	1,096,000
Property	632,000	461,000
Cash and other liquid assets	158,000	173,000
Total market value of assets	7,907,000	5,768,000

Notes to the financial statements
For the year ended 31 August 2019

26. Pension commitments (continued)

The actual return on scheme assets was £245,000 (2018 - £328,000).

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

	2019 £	2018 £
Current service cost	(1,259,000)	(1,179,000)
Past service cost	(91,000)	(109,000)
Interest income	195,000	119,000
Interest cost	(353,000)	(257,000)
Total amount recognised in the Statement of financial activities	(1,508,000)	(1,426,000)

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

	2019 £	2018 £
At 1 September	10,695,000	9,128,000
Transfer in of schools joining the trust	1,237,000	1,143,000
Interest cost	353,000	257,000
Employee contributions	206,000	167,000
Actuarial losses/(gains)	2,959,000	(1,244,000)
Benefits paid	(59,000)	(44,000)
Current service cost	1,259,000	1,179,000
Past service costs	91,000	109,000
At 31 August	16,741,000	10,695,000

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

	2019 £	2018 £
At 1 September	5,768,000	4,203,000
Transfer in of schools joining the trust	731,000	464,000
Interest income	195,000	119,000
Actuarial gains	243,000	223,000
Employer contributions	823,000	636,000
Employee contributions	206,000	167,000
Benefits paid	(59,000)	(44,000)
At 31 August	7,907,000	5,768,000

Notes to the financial statements
For the year ended 31 August 2019

27. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	43,839	26,105
Later than 1 year and not later than 5 years	90,778	69,963
Later than 5 years	-	929
	<u>134,617</u>	<u>96,997</u>

28. Members' liability

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

29. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust purchased tuition and education improvement services, learning resources and governance reviews from Staffordshire University totalling £19,506 (2018: £41,860), the amount outstanding in creditors at the year end was £1,625. The trust also made sales during the year to Staffordshire University totalling £4,000 (2018: £Nil), the amount outstanding in debtors at the year end was £120 (2018: £Nil). In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2018.

T Ward, spouse of K Hollins, a trustee, is employed by the academy trust as a Director of learning and school improvement. T Ward is paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a trustee.

30. Post balance sheet events

Dove First School, Church Eaton Primary School and St Paul's Primary School joined the Trust on 1 October 2019.

31. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year end 31 August 2019 the trust received £5,386 and disbursed £5,102 from the fund. An amount of £3,049 is included in other creditors relating to undistributed funds that is being carried forward for distribution in 2019/20