

Staffordshire University Academies Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2018



Staffordshire University Academies Trust
(A company limited by guarantee)

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Staffordshire University Academies Trust
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Reference and Administrative Details
For the Year Ended 31 August 2018

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 (appointed 7 December 2017)

Trustees

James Capper¹
Roger Williams¹
Teeranlall Ramgopal (resigned 17 July 2018)¹
Keith Hollins, Chief Executive Officer and Accounting Officer²
Mary Walker, Chair of Trustees²
Martin Jones¹
Jeremy Mellor²
Trudy Pyatt
Denise Gaye Blake-Roberts (appointed 24 March 2018)
Judith Wyman (appointed 24 March 2018)
Ben Dyer (resigned 29 September 2017)²

¹ Member of Audit Committee

² Member of Resources 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)

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Reference and Administrative Details of the Academy trust, its Trustees and Advisers
For the Year Ended 31 August 2018

Advisers (continued)

Independent auditors

Dains LLP, 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

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Trustees' Report
For the Year Ended 31 August 2018

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 2018.

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

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

On 1st September 2017 the Trust had eight academies in the MAT. They were:

- Staffordshire University Academy - an 11-18 secondary school with 619 pupils on roll (opened on 1st September 2011)
- Moorgate Primary Academy – a 4-11 primary school with 315 pupils on roll (opened on 1st July 2014)
- John Wheeldon Primary Academy - a 4-11 primary school with 472 pupils on roll (opened on 1st September 2014)
- Perton Primary Academy – a 3-9 first school with 225 pupils on roll (opened on 1st September 2016)
- Littleton Green Community School - a 4-11 primary school with 514 pupils on roll (opened on 1st January 2017)
- Boney Hay Primary Academy - a 4-11 primary school with 210 pupils on roll (opened on 1st January 2017)
- Tynsel Parkes Primary Academy - a 3-9 first school with 150 pupils on roll (opened on 1st January 2017)
- St Edward's CE Academy Cheddleton - a 3-9 first school with 233 pupils on roll (opened on 1st January 2017)

On 1st April 2018 four additional academies joined the Trust.

- Charnwood Primary Academy – a 4-11 primary school with 197 pupils on roll
- St Peter's CE Academy - a 3-9 first school with 58 pupils on roll
- St Augustine's CE Academy - a 3-9 first school with 55 pupils on roll
- All Saints CE Academy - a 3-9 first school with 82 pupils on roll

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.

The sponsor, Staffordshire University, has a long and proud history of providing high quality, progressive and inclusive Higher Education for people from across Staffordshire, the region, the UK and the rest of the world. They are a Connected University, connected to the needs of their students, to business and to society.

The university is passionate about transforming the lives and aspirations of the individuals and communities it serves. With over 20,000 students and an annual turnover in excess of £120m, Staffordshire University leads the sector on access, partnerships and flexible provision. In addition to campuses in Stoke-on-Trent – (where it is a key partner in the regeneration of the city) – it has campuses in Stafford, Lichfield and Shrewsbury, as well as having a significant international presence. Over 1,700 staff are employed across four academic schools, with outstanding strengths including Education, Psychology, Forensic Science and Technology.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

Building upon their expertise and excellence in educational practice, research and consultancy, the university is a major provider of educational opportunities for children, young adults and mature learners. Through their highly regarded Education Department, they work in partnership locally, nationally and internationally in the development, brokerage and application of learning and learning policy related knowledge. They work in this area in order to explicitly improve the quality of learning for children, young people and adults.

Staffordshire University seeks to inspire, inform and stimulate learners to become autonomous, creative and critical thinkers. It works collaboratively and openly with other professionals, partners and stakeholders in order to support their work in improving outcomes for learners. Key to this approach is the university's aim to value learners' experience and diversity of understandings and values, learning from them in order to improve the effectiveness and the quality of their learning. The university is recognised as a leading, and quality, provider of learning opportunities within the region.

The Teaching Excellence Framework, was recently introduced by Government to help evidence the performance of the UK higher education sector in order to measure excellence in teaching quality, the learning environment and the educational and professional outcomes achieved by students.

Staffordshire University was awarded Silver for delivering high quality teaching, learning and outcomes for its students. This means that it consistently exceeds rigorous national quality requirements for UK higher education. In addition, 78 per cent of the research at the university is world leading or of international importance (Research Excellence Framework 2014).

Structure, governance and management

Constitution

Staffordshire University Academies Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum 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 purpose of company law.

The charitable company is known as Staffordshire University Academies Trust.

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

As Directors / Trustees we have overall responsibility for ensuring that 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.

Trustees' Report (continued)
For the Year Ended 31 August 2018

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the 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 year ended 31 August 2018 was £3,024.

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.

Policies and procedures 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.

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

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

For 2017/18 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.

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.

Trustees' Report (continued)
For the Year Ended 31 August 2018

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

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 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.

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 and Chief Executive Officer 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.

Trustees' Report (continued)
For the Year Ended 31 August 2018

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.

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.

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

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Trustees' Report (continued)
For the Year Ended 31 August 2018

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	-	
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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Connected Organisations

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

The Trust has access to an experienced team of EIPs, many of whom are connected to the University's Education Department. OFSTED has rated the University's School of Education as good or outstanding in every teacher training inspection since 2000. The Education Department is a key strategic partner engaged to support the Trust's educational objectives. Academy Improvement activity is bespoke to the needs of each Academy. In 2017 – 2018 three of the Principals from the SUAT Academies have been seconded to work in the Education Department.

Examples of wider enrichment activity contributed by the sponsor include: university students working as ambassadors, visits by SUAT Academies to the university campus, a professor of paediatric cardiology embarking on a three year longitudinal study with Academy pupils and a local premiership football team to improve health outcomes, provision of media and marketing expertise for the brand identity of the Trust and its Academies, HR support for leadership appointments, support from the sponsor's media team, subsidised places on courses, support for international links.

Trustees' Report (continued)
For the Year Ended 31 August 2018

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

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

Each Academy also collaborates with schools in their District and with other providers if appropriate, for example, Teaching School Alliances and School Direct clusters. The academies in SUAT are themselves a Schools Direct cluster.

Objectives and Activities

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 2018 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

Trustees' Report (continued)
For the Year Ended 31 August 2018

- 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

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

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 2017 - 2018
- to develop effective Due Diligence processes for the admission of new academies into the Trust
- to support those schools converting into the Trust for September 1st 2018
- 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

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 2017/18 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
- Preparation for our academies becoming a School Direct Cluster based at Perton Primary Academy
- Support for the new Principal at Tynsel Parkes Primary Academy
- Support for the appointment of a new Principal at St Edward's CE Academy, Cheddleton
- The development and monitoring of Academy Development Plans aligned to the Trust's objectives
- The support of EIPs, linked to the sponsor's Education Department, in all Academies to audit existing performance against Trust objectives and support the implementation of the Academy Development Plans accordingly
- The introduction of strengthened literacy and numeracy policies and schemes
- Fostering of new community links and greater engagement with outside agencies
- The further development of links with Teaching School Alliances
- The creation of the MAT-wide post of Director of Learning and School Improvement

Trustees' Report (continued)
For the Year Ended 31 August 2018

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

Public benefit

The Trustees have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the 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

Trustees' Report (continued)
For the Year Ended 31 August 2018

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

The Academies of the Staffordshire University Academies Trust teach pupils in the 3 – 19 age range. In 2017 – 2018 pupils are admitted by adhering to the SUAT Admissions Policy. Pupils are 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.

Trustees' Report (continued)
For the Year Ended 31 August 2018

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.

Post Balance Sheet Events

Horton St Michael's CE First School and St Luke's Primary School joined the Trust in 1st September 2018.

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:

KPI for GCSE	2017	2018
Basics 9-4	40%	44%
Basics 9-5	15%	20%
Basics 9-7	2%	5%
9-4 in English	57%	67%
9-5 in English	37%	45%
9-7 in English	7%	18%
9-4 in maths	45%	46%
9-5 in maths	20%	24%
9-7 in maths	7%	7%
Attainment 8	40.47	37.46
Progress 8	-0.4	-0.72
EBacc	3%	1%
EBacc APS	N/A	2.87

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Trustees' Report (continued)
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KPI for Key Stage 5	2017	2018
3 A Level/Applied General qualifications A*E	52.6%	72.7%
3 A Level/Applied General qualifications A*B	10.5%	4.5%
2 A Level/Applied General qualifications A*E	73.7%	95.5%
2 A Level/Applied General qualifications A*B	21.1%	18.2%
Average score per A Level entry	27.9	23.1
Value Added Score (A Level)	-0.17	-0.7
Average score per Applied General entry	30.75	29.89
Value Added Score (Applied General)	-0.02	-1.48
Retention	76.9%	73.3%
Destinations	64% students chose to go to university 14% students to a Russell Group university 7% higher level apprenticeship	86% students chose to go to university 14% students to a Russell Group university 13% of students have chosen to enter work or further training

Key Stage Outcomes in the Primary Sector

Key Performance Indicator	Consolidated MAT Score	National Score
EARLY YEARS		
% at GLD	78	71
PHONICS		
% pass Year 1	78	81
% pass Year 2	91	91
KEY STAGE 1		
% at GD-reading	35	25
% at GD-writing	20	16
% at GD-maths	21	21
% at ARE-reading	83	76
% at ARE-writing	80	68
% at ARE-maths	82	75
KEY STAGE 2		
% at GD-reading	22	25
% at GD-writing	17	18
% at GD-maths	17	23
% at GD-GPS	36	x
% at GD-RMW	11	23
% at ARE-reading	67	75
% at ARE-writing	79	78
% at ARE-maths	73	76
% at ARE-GPS	77	78
% at ARE-RMW	59.4	64

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 the Accounts Direction 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.

Staffordshire University Academies Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2018

Going concern

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

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

For the year ended 31 August 2018 total incoming resources of £18,487,562, of which £3,476,841 related to income on conversion, and total expenditure of £16,124,141 resulted in a surplus of £2,363,421.

At 31 August 2018 the net book value of fixed assets totalled £44,251,589. This included £43,242,873 for the land & buildings, £161,364 for computer equipment and £847,352 for furniture & equipment.

The cash flow statement shows net funds have decreased from £1,980,399 at 31 August 2017 to £1,685,435 at 31 August 2018.

Restricted fixed asset funds are £44,400,106, Restricted income fund at 31st August 2018 is £597,164, pension reserve is £4,927,000 deficit and unrestricted income fund is £1,779,826.

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 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 2018

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 or its Audit 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

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.

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 2018 unrestricted general funds amounted to £1,777,737 (2017: £1,101,728), restricted general funds (excluding pension reserve) amounted to £601,254 (2017: £950,053), resulting in at total surplus carried forward of £2,376,991 (2017: £2,051,781),

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

Investments 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 2018

Principal risks and uncertainties

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

Based on its mission, the Board and each academy's Senior Leadership 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 Officer
8. Finance Support staff
9. The Chairs of the Local Academy Councils (LAC)
10. Estates Coordinator

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2018

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. Principal and CEO ensure delegation for 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	Succession plan for CEO and COO required. Succession Plan in each Academy for Principal.
Failure to ensure that an adequate overall Disaster Recovery Plan is in place	Develop MAT BC Plan. Strengthen link with LA.

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

Trustees' Report (continued)
For the Year Ended 31 August 2018

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.

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.

Trustees' Report (continued)
For the Year Ended 31 August 2018

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 Officer, Liz Collins.

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 the Chief Executive Officer, Chief Operating Officer and the Academy Principals
- Setting the terms of reference for the Board, its Committees and the LACs
- Approval for applications for business/credit cards
- Appointment of independent Auditors
- Approval for Bank Account
- Oversight of the Risk Register

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

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

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

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2018

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 annually to the Board.

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

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

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

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

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

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

Trustees' Report (continued)
For the Year Ended 31 August 2018

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.

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 2017/18, 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.

Trustees' Report (continued)
For the Year Ended 31 August 2018

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

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 two of the academies, the CEO is a member of the Local Academy Council in one academy and a Trustee is the Chair of the Local Academy Council of Staffordshire University Academy; 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, through the Trust's link with the Education Department at Staffordshire University. The Trust is a professional learning community
- The allocation of funding to all departments requires them to build this spending into their Development Plans and provide evidence of improved outcomes
- Allocation of capitation follows a set formula
- Teachers staffing expenditure as the highest percentage area of the budget is closely monitored to ensure that provision matches timetabled demand with no over capacity

Trustees' Report (continued)
For the Year Ended 31 August 2018

- 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

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 SUAT'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 2018

Plans for future periods

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

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

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

- Continue to improve progress and achievement for all 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 oversee the removal of Staffordshire University Academy from Special Measures within four school terms

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

Across our family of schools leadership and management are improving and increasingly effective. This has been confirmed in 2017-2018 by Ofsted at Staffordshire University Academy. There is an emphasis on distributed and connected leadership using a robust line management system and staff are given responsibility for identifying issues and providing solutions but are also responsible for outcomes. The Senior Leadership Teams, focus their work on academy improvement and strategic developments. We also have additional capacity created by the MAT leadership arrangement and the work of the Education Improvement Partners. 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

Trustees' Report (continued)
For the Year Ended 31 August 2018

- 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

Staffordshire University Academy were holding funds of £261 which related to monies collected for Birmingham Childrens Charity but not yet paid over (2017: £199 to NUS, £224 Scholastic Book Fair, £88 Sing to Sign and £1,476 Race for Life).

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's 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 was approved by order of the board of trustees, as the company directors, on 7 December 2018 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	3	4
Roger Williams	4	4
Teeranlall Ramgopal (resigned 17 July 2018)	4	4
Keith Hollins, Chief Executive Officer and Accounting Officer	4	4
Mary Walker, Chair of Trustees	4	4
Martin Jones	3	4
Jeremy Mellor	4	4
Trudy Pyatt	3	4
Denise Gaye Blake-Roberts (appointed 24 March 2018)	1	1
Judith Wyman (appointed 24 March 2018)	1	1
Ben Dyer (resigned 29 September 2017)	4	4

The trustees reviewed their performance at a strategy meeting in July 2018.

Additionally, SUAT has three committees which are sub-committees of the Trust Board. Attendance at meetings was as follows:

Audit Committee

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Roger Williams	2	2
James Capper	2	2
Teeranlall Ramgopal	1	2
Martin Jones	2	2

Governance Statement (continued)

Education Committee

	Meetings attended	Out of a possible
James Capper	2	2
Keith Hollins	1	2
Teeranlall Ramogopal	1	2
Martin Jones	2	2
Trudy Pyatt	1	2
Judy Wyman	1	1

Resources Committee

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mary Walker	3	3
Jeremy Mellor	3	3
Keith Hollins	3	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 more able 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

Governance Statement (continued)

- 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
- 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 School of Education 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
- 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 Plan 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 Clerk to the Trust Board, Chief Operating Officer (COO) and the Accounting 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 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)

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 CEO and COO. 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 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 account to maximise interest earning potential.

SUAT has a comprehensive Risk Register in place, which is reviewed annually by the Members, Senior Leadership Team and 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 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 ended 31 August 2018 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2018 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.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Staffordshire Audit Service as internal auditor. This is Staffordshire County Council's Internal Audit team in 2017/2018. 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. In particular, the checks carried out in the current period included:

- health checks completed throughout the year
- petty cash expenses and payroll in February 2018

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 Officer
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment processes within the Trust;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Staffordshire University Academies Trust
(A company limited by guarantee)

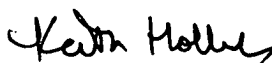
Governance Statement (continued)

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

Approved by order of the members of the board of trustees on 7 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

Except for 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 are seeking retrospective approval for a finance lease arrangement that was entered into in a previous financial year.



Keith Hollins
Accounting Officer

Date: 7 December 2018

Staffordshire University Academies Trust
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 7 December 2018 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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2017 to 2018 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 2018 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 2017 to 2018 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

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. 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 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.

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.

Independent Auditors' Report on the Financial Statements to the Members of Staffordshire University Academies Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, 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
7 December 2018

Staffordshire University Academies Trust
(A company limited by guarantee)

Independent Reporting Accountants' 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 2017 to 2018, 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 2017 to 31 August 2018 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 the 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 the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

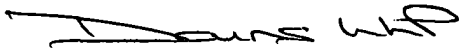
Staffordshire University Academies Trust
(A company limited by guarantee)

Independent Reporting Accountants' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have 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 financial year. The Trust has sought retrospective approval for this arrangement from the Education and Skills Funding Agency but this has not been received at the date of signing this report.



Dains LLP

Chartered Accountants
Statutory Auditor

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

Date: 7 December 2018

Staffordshire University Academies Trust
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	290,861	(679,000)	3,864,980	3,476,841	14,205,357
Other donations and capital grants	2	41,937	-	405,947	447,884	575,790
Charitable activities:	3					
Funding for the academy trust's educational operations		94,577	13,694,138	-	13,788,715	11,078,940
Other trading activities	4	761,854	-	-	761,854	400,292
Investments	5	12,267	-	-	12,267	15,003
Total income		1,201,496	13,015,138	4,270,927	18,487,561	26,275,382
Expenditure on:						
Raising funds		234,797	-	-	234,797	192,545
Charitable activities:						
Other charitable activities		286,170	14,559,375	1,043,799	15,889,344	12,467,400
Total expenditure	6	520,967	14,559,375	1,043,799	16,124,141	12,659,945
Net income before transfers		680,529	(1,544,237)	3,227,128	2,363,420	13,615,437
Transfers between Funds	19	(2,431)	(277,652)	280,083	-	-
Net income / (expenditure) before other recognised gains and losses		678,098	(1,821,889)	3,507,211	2,363,420	13,615,437
Actuarial gains on defined benefit pension schemes	25	-	1,467,000	-	1,467,000	196,000
Net movement in funds		678,098	(354,889)	3,507,211	3,830,420	13,811,437
Reconciliation of funds:						
Total funds brought forward		1,101,728	(3,974,947)	40,892,895	38,019,676	24,208,239
Total funds carried forward		1,779,826	(4,329,836)	44,400,106	41,850,096	38,019,676


The notes on pages 45 to 77 form part of these financial statements.

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

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		44,251,589		40,462,021
Current assets					
Debtors	15	1,260,759		750,045	
Investments	16	1,250,000		1,250,000	
Cash at bank and in hand		1,685,435		1,980,399	
		<u>4,196,194</u>		<u>3,980,444</u>	
Creditors: amounts falling due within one year	17	(1,652,060)		(1,457,431)	
Net current assets			<u>2,544,134</u>		<u>2,523,013</u>
Total assets less current liabilities			<u>46,795,723</u>		<u>42,985,034</u>
Creditors: amounts falling due after more than one year	18		(18,627)		(40,358)
Net assets excluding pension scheme liabilities			<u>46,777,096</u>		<u>42,944,676</u>
Defined benefit pension scheme liability	25	(4,927,000)		(4,925,000)	
Net assets including pension scheme liabilities			<u>41,850,096</u>		<u>38,019,676</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	597,164		950,053	
Restricted restricted fixed assets funds	19	44,400,106		40,892,895	
Restricted income funds excluding pension liability		<u>44,997,270</u>		<u>41,842,948</u>	
Pension reserve		(4,927,000)		(4,925,000)	
Total restricted income funds			<u>40,070,270</u>		<u>36,917,948</u>
Unrestricted income funds	19		1,779,826		1,101,728
Total funds			<u>41,850,096</u>		<u>38,019,676</u>

The financial statements on pages 42 to 77 were approved by the Trustees, and authorised for issue, on 7 December 2018 and are signed on their behalf, by:



Mary Walker
Chair of Trustees

The notes on pages 45 to 77 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	445,729	617,971
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,267	15,003
Purchase of tangible fixed assets		(968,387)	(394,003)
Capital grants from DfE Group		215,427	555,534
Net cash (used in)/provided by investing activities		(740,693)	176,534
Change in cash and cash equivalents in the year		(294,964)	794,505
Cash and cash equivalents brought forward		1,980,399	1,185,894
Cash and cash equivalents carried forward	22	1,685,435	1,980,399

The notes on pages 45 to 77 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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Staffordshire University Academies Trust constitutes a public benefit entity as defined by 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 income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Where assets are received by the 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 risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

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 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 expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 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 bases:

Leasehold property	-	2% straight line
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 2018

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 and provisions

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

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 basis 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 costs 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 Governments 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 incorporating income and expenditure account 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 All Saints CofE First School, Charnwood Primary School, St Augustine's CofE First School and St Peter CofE First School to an 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 Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Leasehold land and buildings

On the transfer date of 1 April 2018, the Trust was gifted the school sites by Staffordshire County Council on a 125 year lease. For one school, the school sites', 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 Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

In addition, playing fields and land have also been transferred on conversion for three of the 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). These assets have been credited as a donation in the Restricted Fixed Asset Funds 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 April 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 April 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 Funds column and included within the cash and bank balances on the balance sheet.

Further details of the transaction are set out in note 23.

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 balances held are disclosed in note 29.

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 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.

1. Accounting Policies (continued)

1.15 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the 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 2018. 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.

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.

Staffordshire University Academies Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	290,861	(679,000)	3,864,980	3,476,841	14,205,357
Donations	41,937	-	-	41,937	20,255
Capital Grants	-	-	405,947	405,947	555,535
Subtotal	41,937	-	405,947	447,884	575,790
	332,798	(679,000)	4,270,927	3,924,725	14,781,147
Total 2017	388,624	(1,909,881)	16,302,404	14,781,147	

Notes to the Financial Statements
For the Year Ended 31 August 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant	-	11,372,443	11,372,443	9,293,815
Other DfE/ESFA grants	-	1,360,930	1,360,930	991,703
Start Up Grants	-	107,410	107,410	133,170
	-	12,840,783	12,840,783	10,418,688
Other government grants				
LAC Income	-	17,549	17,549	23,657
SEN Funding	-	266,857	266,857	132,251
Other government grant	-	1,115	1,115	51,198
	-	285,521	285,521	207,106
Other funding				
Catering income	-	542,212	542,212	356,200
Sponsor income	-	25,622	25,622	23,234
Trip income	94,577	-	94,577	73,712
	94,577	567,834	662,411	453,146
	94,577	13,694,138	13,788,715	11,078,940
Total 2017	73,712	11,005,228	11,078,940	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Nursery and school clubs income	493,170	-	493,170	188,696
Hire of facilities	83,328	-	83,328	79,963
Other income	87,629	-	87,629	104,899
Staff insurance	97,727	-	97,727	26,734
	761,854	-	761,854	400,292
Total 2017	400,292	-	400,292	

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Notes to the Financial Statements
For the Year Ended 31 August 2018

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	12,267	-	12,267	15,003
Total 2017	15,003	-	15,003	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on direct fundraising trading	204,058	-	30,739	234,797	192,545
Educational Operations:					
Direct costs	9,880,495	811,196	939,697	11,631,388	9,234,619
Support costs	1,876,954	713,621	1,667,381	4,257,956	3,232,781
	11,961,507	1,524,817	2,637,817	16,124,141	12,659,945
Total 2017	8,943,923	1,247,438	2,468,584	12,659,945	

Notes to the Financial Statements
For the Year Ended 31 August 2018

7. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	7,358,140	5,833,184
National insurance	692,492	534,705
Pension cost	1,829,863	1,203,632
Depreciation	897,333	920,095
Educational supplies	407,639	284,757
Examination fees	52,583	66,690
Staff development	98,302	90,978
Technology costs	40,532	14,460
Educational consultancy	76,774	134,444
Travel and subsistence	108,949	92,870
Other direct costs	30,184	33,756
Maintenance of premises	38,597	25,048
	<u>11,631,388</u>	<u>9,234,619</u>
Support costs - educational operations		
Wages and salaries	1,503,942	1,036,420
National insurance	106,767	54,547
Pension net finance cost	266,245	141,809
Depreciation	146,466	83,383
Pension income	138,000	91,000
Staff development	8,383	11,372
Technology costs	208,767	185,683
Education consultancy	51,966	103,346
Travel and subsistence	17,329	13,823
Maintenance of premises	149,513	179,053
Maintenance of equipment	54,396	32,087
Cleaning	249,054	242,152
Rates	87,682	92,499
Energy	191,595	169,778
Insurance	136,076	102,311
Other support costs	265,485	191,139
Other occupancy costs	136,322	96,710
Catering costs	539,968	405,669
	<u>4,257,956</u>	<u>3,232,781</u>
	<u><u>15,889,344</u></u>	<u><u>12,467,400</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2018

8. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,043,799	1,003,478
Auditors' remuneration - audit	24,850	19,750
Auditors' remuneration - other services	4,000	3,900
Operating lease rentals	31,210	31,210
	<u>1,103,859</u>	<u>1,058,338</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2018

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	8,735,093	6,664,974
Social security costs	808,275	595,158
Operating costs of defined benefit pension schemes	2,124,813	1,369,417
	<u>11,668,181</u>	<u>8,629,549</u>
Staff restructuring costs	89,883	59,251
Supply teacher costs	203,443	255,123
	<u>11,961,507</u>	<u>8,943,923</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £55,500 (2017: £59,251). Individually the payments were £20,000, £8,000 and £27,500. These were paid in March and August 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	143	100
Administration and support	327	212
Management	37	21
	<u>507</u>	<u>333</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1
In the band £110,001 - £120,000	1	0

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 £234,027 (2017: £136,189).

Notes to the Financial Statements
For the Year Ended 31 August 2018

10. Central services

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

- Human resources
- Financial services
- Legal services
- Educational Support Services
- Purchasing & Procurement Services
- Facilities
- Audit Services
- Insurance
- Communication Services
- ICT Technical Support & Helpdesk
- Marketing Services
- Health & Safety

The 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:

	2018	2017
	£	£
Staffordshire University Academy	175,920	169,806
Moorgate Primary Academy	49,524	51,588
John Wheeldon Primary Academy	85,920	85,764
Littleton Green Community School	66,972	42,083
Boney Hay Primary Academy	35,628	23,688
Tynsel Parkes Primary Academy	29,016	19,788
St Edward's CE Academy Cheddleton	39,336	27,002
Perton Primary Academy	39,684	38,487
All Saints CE Academy	6,513	-
Charnwood Primary Academy	15,818	-
St Augustine's CE Academy	5,257	-
St Peter's CE Academy	5,681	-
	555,269	458,206
Total		

Notes to the Financial Statements
For the Year Ended 31 August 2018

11. 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 Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
Keith Hollins	Remuneration	110,000-115,000	70,000-75,000
	Pension contributions paid	N/A	N/A

During the year ended 31 August 2018, expenses totalling £2,395 (2017 - £304) were reimbursed to 1 Trustee (2017 - 1).

12. 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 2018 was £3,024 (2017 - £525).

13. Other finance income

	2018	2017
	£	£
Interest income on pension scheme assets	119,000	63,000
Interest on pension scheme liabilities	(257,000)	(154,000)
	<u>(138,000)</u>	<u>(91,000)</u>

Notes to the Financial Statements
For the Year Ended 31 August 2018

14. Tangible fixed assets

	Leasehold property £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	42,026,090	374,301	22,381	894,051	43,316,823
Additions	105,141	763,053	-	100,193	968,387
Transfer on conversion	3,864,980	-	-	-	3,864,980
At 31 August 2018	45,996,211	1,137,354	22,381	994,244	48,150,190
Depreciation					
At 1 September 2017	1,942,986	142,692	22,381	746,743	2,854,802
Charge for the year	810,352	147,310	-	86,137	1,043,799
At 31 August 2018	2,753,338	290,002	22,381	832,880	3,898,601
Net book value					
At 31 August 2018	43,242,873	847,352	-	161,364	44,251,589
At 31 August 2017	40,083,104	231,609	-	147,308	40,462,021

15. Debtors

	2018 £	2017 £
Trade debtors	21,030	23,629
Prepayments and accrued income	1,053,539	578,622
VAT recoverable	186,190	147,794
	<u>1,260,759</u>	<u>750,045</u>

16. Current asset investments

	2018 £	2017 £
Unlisted investments	<u>1,250,000</u>	<u>1,250,000</u>

Notes to the Financial Statements
For the Year Ended 31 August 2018

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	21,731	15,522
Trade creditors	650,927	671,701
Other taxation and social security	209,424	176,327
Other creditors	194,016	155,364
Accruals and deferred income	575,962	438,517
	<u>1,652,060</u>	<u>1,457,431</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	328,740	144,000
Resources deferred during the year	414,850	328,740
Amounts released from previous years	(328,740)	(144,000)
Deferred income at 31 August 2018	<u>414,850</u>	<u>328,740</u>

Amounts deferred relates to grant and trip income for the 2018/19 academy year.

Other loans represent a loan held with the ESFA that relates to the deficit local authority balance of Little Green Community School 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

	2018 £	2017 £
Other loans	<u>18,627</u>	<u>40,358</u>

Other loans represents 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.

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Notes to the Financial Statements
For the Year Ended 31 August 2018

19. Statement of funds

	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 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>
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 of funds	<u><u>38,019,676</u></u>	<u><u>18,487,561</u></u>	<u><u>(16,124,141)</u></u>	<u><u>-</u></u>	<u><u>1,467,000</u></u>	<u><u>41,850,096</u></u>

Notes to the Financial Statements
For the Year Ended 31 August 2018

19. Statement of funds (continued)

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 from the ESFA to carry out works of a capital nature and also the donation of the 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.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Staffordshire University Academy	835,022	1,010,921
Moorgate Primary Academy	245,173	256,661
John Wheeldon Primary Academy	473,999	459,784
Perton Primary Academy	158,234	227,286
St. Edward's CE Academy Cheddleton	43,109	37,844
Tynsel Parkes CE Primary Academy	116,929	48,802
Littleton Green Community School	125,190	23,509
Boney Hay Primary Academy	60,396	69,891
All Saint's CE Academy	40,670	-
Charnwood Primary Academy	179,310	-
St Augustine's CE Academy	58,310	-
St Peter's CE Academy	69,775	-
Central Services	(29,127)	(82,917)
Total before fixed asset fund and pension reserve	2,376,990	2,051,781
Restricted fixed asset fund	44,400,106	40,892,895
Pension reserve	(4,927,000)	(4,925,000)
Total	41,850,096	38,019,676

19. Statement of funds (continued)

Central Services carrying net deficit on their portion of the funds as follows:

Name of academy	Amount of deficit £
Central services	(29,127)

The academy trust is taking the following action to return the central services to surplus:

In 2017-2018 SUAT had a deficit in its own income versus expenditure of £29,127. This represents a reduction in this deficit from £82,917 in 2016-2017 to £29,127 in 2017-2018. Income grew to £651,394 and will continue to grow as pupil numbers increase and the number of schools also increases. SUAT total pupil numbers were 2889 in 2016-2017 and we start the 2018-2019 academic year with 3194 pupils.

Central staffing costs increased to £348,002 in 2017-2018 as SUAT added to its capacity to support its academies. During 2017-2018 SUAT grew by four additional academies with two more joining in September 2018 and with more applications in the pipeline. The number of hours of Education Improvement Partner time had to increase in line with the increase in the number of academies as did support for Property SLAs. From 2016-2017 we also incurred the whole year costs of the salary of our Estates Coordinator who moved to a full time SUAT contract.

With just two or three academies we could get by with central co-ordination and support provided by a small central team but by investing in the further development of these central roles we will have the resource to chart a route map to integrating key functions and realising economies of scale. Increased central capacity allows us to prioritise the integration of business planning and financial management; it will be much easier for us to control and audit spending, compare costs, adopt a three year rolling budget, consider our growth strategy and plan capital projects now that we have a fully staffed central team.

In addition, we will continue to focus on freeing up our Principals to concentrate on leading teaching and learning – we wish to consolidate our development of the role of the Principal to move it further away from them having to spend large amounts of their time managing a lot of day-to-day administrative, personnel and property issues. They can focus on their core business of improving rates of progress and attainment.

SUAT also continued to pay back its loan on costs incurred in moving its offices from Stafford to Stone.

Notes to the Financial Statements
For the Year Ended 31 August 2018

19. Statement of funds (continued)

Analysis of academies by cost

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 depreciat- ion £	Total 2018 £	Total 2017 £
Staffordshire University Academy	2,872,336	645,615	73,048	627,934	4,218,933	4,278,081
Moorgate Primary Academy	812,502	104,287	36,759	198,318	1,151,866	1,103,187
John Wheeldon Primary Academy	1,435,909	132,309	100,140	356,462	2,024,820	1,741,938
Perton Primary Academy	753,330	123,850	35,740	219,245	1,132,165	982,110
St Edward's C.E. Academy						
Cheddleton	696,724	82,258	23,452	200,798	1,003,232	681,144
Tynsel Parkes C.E. Primary Academy	469,927	86,034	18,373	123,768	698,102	573,269
Littleton Green Community School	1,278,865	200,748	30,931	231,701	1,742,245	1,154,658
Boney Hay Primary Academy	568,213	82,910	37,904	176,712	865,739	557,234
All Saint's CE Academy	96,239	15,011	6,771	46,901	164,922	-
Charnwood Primary Academy	282,070	35,528	16,189	76,241	410,028	-
St Augustine's CE Academy	74,471	6,702	6,076	39,503	126,752	-
St Peter's CE Academy	90,936	14,729	9,336	41,409	156,410	-
Central Services	1,031	346,973	12,920	234,204	595,128	584,847
	<u>9,432,553</u>	<u>1,876,954</u>	<u>407,639</u>	<u>2,573,196</u>	<u>14,290,342</u>	<u>11,656,468</u>

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	570,959	877,631	(285,194)	(61,668)	-	1,101,728
Restricted funds						
General Annual Grant (GAG)	1,189,652	9,293,815	(9,269,860)	(263,554)	-	950,053
Start up Grant	-	133,170	(133,170)	-	-	-
Other DfE/ESFA grants	-	991,703	(991,703)	-	-	-
Government Grants	-	207,106	(207,106)	-	-	-
LA deficit on conversion	-	(55,881)	-	55,881	-	-
Other income	-	379,434	(379,434)	-	-	-
Pension reserve	(2,877,000)	(1,854,000)	(390,000)	-	196,000	(4,925,000)
	<u>(1,687,348)</u>	<u>9,095,347</u>	<u>(11,371,273)</u>	<u>(207,673)</u>	<u>196,000</u>	<u>(3,974,947)</u>
Restricted Fixed Asset Funds						
DfE/ESFA capital grants	25,324,628	555,535	(804,212)	-	-	25,075,951
Assets transferred from LA on conversion	-	15,746,869	(199,266)	-	-	15,547,603
Assets funded from other income	-	-	-	269,341	-	269,341
	<u>25,324,628</u>	<u>16,302,404</u>	<u>(1,003,478)</u>	<u>269,341</u>	<u>-</u>	<u>40,892,895</u>
Total restricted funds	<u>23,637,280</u>	<u>25,397,751</u>	<u>(12,374,751)</u>	<u>61,668</u>	<u>196,000</u>	<u>36,917,948</u>
Total of funds	<u>24,208,239</u>	<u>26,275,382</u>	<u>(12,659,945)</u>	<u>-</u>	<u>196,000</u>	<u>38,019,676</u>

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Notes to the Financial Statements
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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	570,959	2,079,127	(806,161)	(64,099)	-	1,779,826
Restricted funds						
General Annual Grant (GAG)	1,189,652	20,666,258	(20,741,353)	(538,966)	-	575,591
Start up Grant	-	240,580	(238,340)	(2,240)	-	-
Other DfE/ESFA grants	-	2,352,633	(2,331,060)	-	-	21,573
Government Grants	-	492,626	(492,626)	-	-	-
LA deficit on conversion	-	(55,881)	-	55,881	-	-
Other income	-	947,269	(947,269)	-	-	-
Pension reserve	(2,877,000)	(2,533,000)	(1,180,000)	-	1,663,000	(4,927,000)
	<u>(1,687,348)</u>	<u>22,110,485</u>	<u>(25,930,648)</u>	<u>(485,325)</u>	<u>1,663,000</u>	<u>(4,329,836)</u>
Restricted Fixed Asset Funds						
DfE/ESFA capital grants	25,324,628	961,482	(1,442,524)	-	-	24,843,586
Assets transferred from LA on conversion	-	19,611,849	(496,760)	-	-	19,115,089
Assets funded from other income	-	-	(107,993)	549,424	-	441,431
	<u>25,324,628</u>	<u>20,573,331</u>	<u>(2,047,277)</u>	<u>549,424</u>	<u>-</u>	<u>44,400,106</u>
	<u>23,637,280</u>	<u>42,683,816</u>	<u>(27,977,925)</u>	<u>64,099</u>	<u>1,663,000</u>	<u>40,070,270</u>
Total of funds	<u>24,208,239</u>	<u>44,762,943</u>	<u>(28,784,086)</u>	<u>-</u>	<u>1,663,000</u>	<u>41,850,096</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2018

20. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset Funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	44,251,589	44,251,589
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)
	<u>1,779,826</u>	<u>(4,329,836)</u>	<u>44,400,106</u>	<u>41,850,096</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted Fixed Asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	40,462,021	40,462,021
Current assets	1,101,728	2,447,841	430,875	3,980,444
Creditors due within one year	-	(1,457,431)	-	(1,457,431)
Creditors due in more than one year	-	(40,358)	-	(40,358)
Provisions for liabilities and charges	-	(4,925,000)	-	(4,925,000)
	<u>1,101,728</u>	<u>(3,974,948)</u>	<u>40,892,896</u>	<u>38,019,676</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,363,420	13,615,437
Adjustment for:		
Depreciation charges	1,043,799	1,003,477
Dividends, interest and rents from investments	(12,267)	(15,003)
Increase in debtors	(320,195)	(492,832)
Increase in creditors	172,899	565,295
Capital grants from DfE and other capital income	(405,947)	(555,535)
Defined benefit pension scheme obligation inherited	679,000	1,854,000
FRS 102 Section 28 pension adjustment	652,000	299,000
Defined benefit pension scheme finance cost	138,000	91,000
Net surplus on assets and liabilities from local authority on conversion	(3,864,980)	(15,746,868)
Net cash provided by operating activities	<u>445,729</u>	<u>617,971</u>

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Notes to the Financial Statements
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22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,685,435	1,980,399
Total	<u>1,685,435</u>	<u>1,980,399</u>

23. Conversion to an academy trust

On 1 April 2018 All Saint's CofE First School, Charnwood Primary School, St Augustine's CofE First School and St Peter's CofE First School 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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
Leasehold land and buildings	-	-	3,864,980	3,864,980
Budget surplus on LA funds	277,001	-	-	277,001
Budget surplus on other school funds	13,860	-	-	13,860
LGPS pension (deficit)	-	(679,000)	-	(679,000)
Net assets/(liabilities)	<u>290,861</u>	<u>(679,000)</u>	<u>3,864,980</u>	<u>3,476,841</u>

The above net assets include £290,861 that were transferred as cash.

All Saints CofE First School, St Augustine's CofE First School and St Peter's CofE First School 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.

Charnwood Primary School leasehold land and buildings being the school land, building and playing fields have been transferred on a 125 year lease from Staffordshire County Council. The basis for this valuation is detailed in the accounting policies note 1.

The LGPS pension deficit represents the deficit at 1 April 2018 for All Saints CofE First School, Charnwood Primary School, St Augustine's CofE First School and St Peter's CofE First School in respect of employees of maintained schools that have transferred to the multi academy trust. The basis of this valuation is detailed in note 1 and note 24.

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.

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Conversion to an academy trust (continued)

All Saints CofE First School

On 1 April 2018 All Saints CofE School 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	371,480	371,480
Budget surplus on LA Funds	22,106	-	-	22,106
Budget surplus on other school funds	6,606	-	-	6,606
Net assets (excluding LPGS deficit)	<u>28,712</u>	<u>-</u>	<u>371,480</u>	<u>400,192</u>

The above net assets included £28,712 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.

Charnwood Primary School

On 1 April 2018 Charnwood Primary School 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	3,006,560	3,006,560
Budget surplus on LA Funds	157,311	-	-	157,311
Budget surplus on other school funds	4,655	-	-	4,655
Net assets (excluding LPGS deficit)	<u>161,966</u>	<u>-</u>	<u>3,006,560</u>	<u>3,168,526</u>

The above net assets include £161,966 that were transferred as cash.

The leasehold land and buildings have been transferred on a 125 year lease from Staffordshire County Council.

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Conversion to an academy trust (continued)

St Augustine's CofE First School

On 1 April 2018 St Augustine's CofE First School 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	316,260	316,260
Other tangible fixed assets	-	-	-	-
Budget surplus on LA Funds	38,947	-	-	38,947
Budget surplus on other school funds	2,599	-	-	2,599
	<u>41,546</u>	<u>-</u>	<u>316,260</u>	<u>357,806</u>
Net assets (excluding LPGS deficit)	<u>41,546</u>	<u>-</u>	<u>316,260</u>	<u>357,806</u>

The above net assets include £41,546 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.

St Peter's CofE First School

On 1 April 2018 St Peter's CofE First School 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	170,680	170,680
Budget surplus on LA Funds	58,637	-	-	58,637
Budget surplus on other school funds	-	-	-	-
	<u>58,637</u>	<u>-</u>	<u>170,680</u>	<u>229,317</u>
Net assets (excluding LPGS deficit)	<u>58,637</u>	<u>-</u>	<u>170,680</u>	<u>229,317</u>

The above net assets include £58,637 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.

Notes to the Financial Statements
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24. Capital commitments

At 31 August 2018 the academy trust had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	138,840	389,399

25. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teacher's 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 pension 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 £115,537 were payable to the schemes at 31 August 2018 (2017 - £46,826) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Notes to the Financial Statements
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25. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £844,039 (2017 - £650,140).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £803,000 (2017 - £569,000), of which employer's contributions totalled £636,000 (2017 - £447,000) and employees' contributions totalled £167,000 (2017 - £122,000). The agreed contribution rates for future years are 22.2% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
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:

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.1	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	1,577,000	1,331,000
Salary rate +0.5%	306,000	293,000
Pension rates +0.5%	1,249,000	1,011,000

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25. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,038,000	3,195,000
Property	461,000	336,000
Cash and other liquid assets	173,000	168,000
Debt instruments	1,096,000	504,000
Total market value of assets	<u>5,768,000</u>	<u>4,203,000</u>

The actual return on scheme assets was £328,000 (2017 - £598,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(1,179,000)	(746,000)
Past service cost	(109,000)	-
Interest income	119,000	63,000
Interest cost	(257,000)	(154,000)
Total	<u>(1,426,000)</u>	<u>(837,000)</u>
Actual return on scheme assets	<u>328,000</u>	<u>598,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	9,128,000	4,937,000
Transferred in on schools joining the trust	1,143,000	2,807,000
Current service cost	1,179,000	746,000
Interest cost	257,000	154,000
Employee contributions	167,000	122,000
Actuarial (gains)/losses	(1,244,000)	402,000
Benefits paid	(44,000)	(40,000)
Past service costs	109,000	-
Closing defined benefit obligation	<u>10,695,000</u>	<u>9,128,000</u>

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25. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	4,203,000	2,060,000
Transferred in on schools joining the trust	464,000	953,000
Interest income	119,000	63,000
Actuarial gains	223,000	598,000
Employer contributions	636,000	447,000
Employee contributions	167,000	122,000
Benefits paid	(44,000)	(40,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	5,768,000	4,203,000
	<hr/>	<hr/>

26. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	26,105	31,210
Between 1 and 5 years	69,963	98,380
After more than 5 years	929	-
	<hr/>	<hr/>
Total	96,997	129,590
	<hr/>	<hr/>

27. 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.

28. 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.

Staffordshire University - a member of Staffordshire University Academy Trust:

During the year the Trust purchased tuition and education improvement services, learning resources and governance reviews from Staffordshire University totalling £41,860 (2017: £73,370), the amount outstanding in creditors at the year end was £6,166 (2017: £4,410). In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.

Youth Enterprise CIC - a company in which Ben Dyer (a trustee of the trust until 29 September 2017) has a majority interest:

During the year, Staffordshire University Academies Trust transacted with Youth Enterprise CIC with purchases totalling £Nil (2017: £430). There were no amounts outstanding at 31 August 2018 (2017: £nil). The trust made the purchase at arm's length in accordance with its financial regulations, which Ben Dyer neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.

KT Education Consultants Limited - a company in which Mr K Hollins (a trustee of the trust) has a majority interest:

During the year, Staffordshire University Academies Trust transacted with KT Education Consultants Limited with purchases totalling £Nil (2017: £16,480). There were no amounts outstanding at 31 August 2018 (2017: £nil). The trust made the purchase at arm's length in accordance with its financial regulations, which Mr K Hollins neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.

29. Post balance sheet events

Horton St Michael's CE First School and St Luke's Primary School joined the Trust on 1 September 2018.

30. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ended 31 August 2018 the trust received £3,555 and disbursed £3,585 from the fund. An amount of £2,765 is included in other creditors relating to undistributed funds that is being carried forward for distribution in 2018/19.