

Registered number: 10525065

Stephen Sutton Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



**Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)**

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Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Richard Williams Mark Howe (resigned 31 August 2019) Jane Sutton David Crowder (resigned 31 August 2019) Lee Woodward
Trustees	Richard Williams, Chair ¹ Mark Howe, Vice-Chair (resigned 31 August 2019) ¹ Stuart Jones, Executive Director and Accounting Officer ¹ Diane Evans Claire Boliver Ruth Forster ¹ Finance, Audit and Risk Committee
Company registered number	10525065
Company name	Stephen Sutton Multi Academy Trust
Principal and registered office	Bridge Cross Road Burntwood Staffordshire WS7 2DB
Company Secretary	S J Thorp
Executive Director and Accounting Officer	Stuart Jones
Senior management team	Stuart Jones, Executive Director Sharon Thorp, Trust Business Manager Tim Chamberlin, Headteacher – Chase Terrace Technology College
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc Education Client Services Third Floor Queen Square Wolverhampton WV1 1RF
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust came into being on 1 January 2017, and was formed to coincide with conversion of Chase Terrace Technology College to academy status. The Trust is a 'no lead school' model, and so an Executive Director was appointed for the Trust, with a new Headteacher taking up the post at Chase Terrace. The Trust is currently operating with a structure designed for a multi-academy trust but with a single school operating within it.

Chase Terrace Technology College is a large secondary school for students aged 11 to 18, serving the community of Burntwood and the surrounding area. Following the recent expansion of its accommodation, Chase Terrace Technology College has capacity for students of 1,411 with 1,374 students on roll, as of 3 October 2019.

A local primary school, St. James' Primary School in Brownhills (around three miles away from Chase Terrace), was successful in its application to the Department for Education to join the Trust. This decision was preceded by a lengthy process of discussion at Governor / Director level and a consultation process that involved staff and the local community. A rigorous due diligence process was also undertaken and the estimated conversion date was 1 December 2017. However, due to events beyond the Trust's control, the conversion did not take place and St. James' has remained a LA-controlled school. Discussions have taken place with several other local schools, at governor-level, and SSMAT continues to actively seek new partners, whose vision and values match those of the Trust.

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Trustees' indemnities

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

Structure, governance and management (continued)

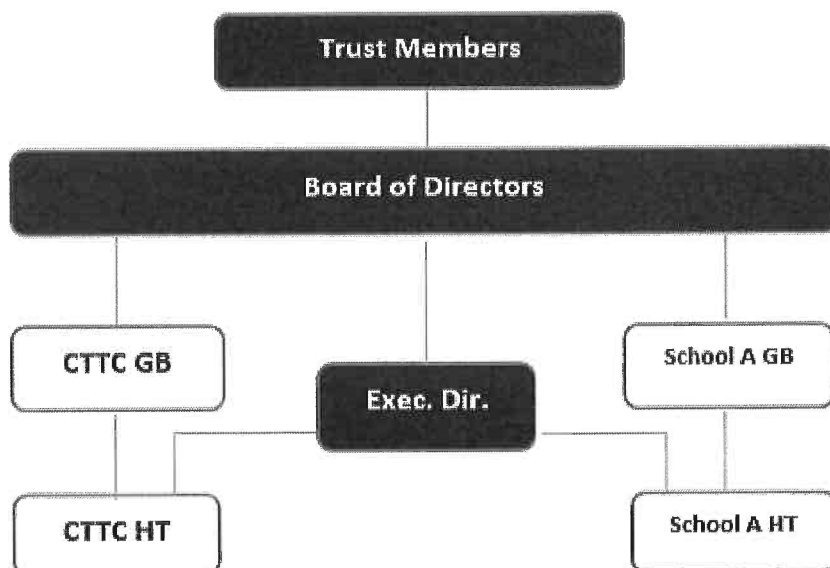
d. Method of recruitment and appointment or election of Trustees

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

e. Policies adopted for the induction and training of Trustees

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

f. Organisational structure



The diagram above shows Chase Terrace Technology College and (arbitrarily) one other school. As schools join, further branches are added (to the new boxes that would represent each school's GB and HT). The Executive Director is (as the name suggests) a member of the Trust Board.

The Trust's Scheme of Delegation outlines, in detail, the powers of authorisation and degree of involvement that apply to a range of actions and policy issues, delineating the respective roles of the Trust Board, Executive Director, Local Governing Body and Headteacher. The role of Accounting Officer is exercised by the Executive Director.

Stephen Sutton Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

The Directors are responsible for the formulation of strategic goals and a plan for their achievement, including the development of supporting finance and asset management strategies. The Trust's strategic plans are supported by the improvement plans of the Local Governing Body. Specific key performance indicators are devised for the Trust as a whole and, as appropriate, for individual schools. The latter are incorporated into the schools' improvement plans. Individual schools' budgets are created by each school's Local Governing Body and senior staff, in consultation with the Executive Director and Trust Business Manager. Budgets are approved by the Trust Board.

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

The Executive Director meets on a weekly basis with the Headteacher of Chase Terrace Technology College, attends Senior Leadership Team meetings and works collaboratively with other colleagues in leadership positions. As the Trust expands, the structures for engagement and joint planning will be reviewed. Chase Terrace Technology College has its own senior leadership team and the Headteacher delegates strategic roles, with the school's remit, across the team.

The Trust Board makes appointments to the Core Team (Executive Director, Trust Business Manager and Trust Teaching and Learning Consultant). The Board is also entitled to be represented on any senior leadership appointment to a position in a Trust school. The appointment of a new Headteacher features Director (generally Executive Director) involvement and requires authorisation at Trust Board level.

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

The arrangements for determining the pay of Stephen Sutton Multi-Academy Trust key management personnel are set out in the Trust's Pay Policy, which incorporates the stipulations of the Teachers' Pay and Conditions Document (STPCD) and the Green Book document for support staff. The pay of the Executive Director is determined on an annual basis, by the Trust Board, taking into account appraisal information and consistent with the provisions of the Pay Policy. The pay of each Headteacher in the Trust is determined by the Local Governing Body, in accordance with Trust and school procedures (and linked to appraisal procedures and outcomes). Senior staff pay is determined, within the parameters of the Trust's Pay Policy, by the Headteacher and (for Core Team) Executive Director and reported to the Local Governing Body and Trust Board respectively.

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

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

Total cost of facility time	-
Total pay bill	5,407,105
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

Stephen Sutton Multi-Academy Trust has no structural or commercial affiliation to any other organisation. All business and pecuniary interests of staff and Directors are recorded and reviewed annually.

Stephen Sutton Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2019

Objectives and activities

a. Objects and aims

The Stephen Sutton Multi-Academy Trust was conceived as a developing partnership of primary and secondary schools in the West Midlands, working together to help young people to become effective learners who take their opportunities. Schools across the Trust will work together for continuous improvement with imagination and ambition. The Trust aims to provide an outstandingly inclusive and successful network of schools, where all students thrive and excel.

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

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

b. Objectives, strategies and activities

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

In terms of growth, by 2023 the Trust aims to grow in size to around five schools – a combination of primary and secondary schools, all in broadly the same locality.

Schools joining the Trust will bring their own distinctive strengths and areas where support may be needed. The Core Team, working with key staff in partner schools, will utilise the internal capacity of Trust staff, supplemented (as required) by external expertise to ensure continuous improvement and strong outcomes.

With a strong emphasis on relationships and effective communication, the Trust aims to provide a powerful and authentic model of school improvement, through which schools can enjoy significant degrees of freedom, notwithstanding the broader aims of the Trust.

c. Public benefit

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

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

Strategic report

Achievements and performance

a. Key performance indicators

ACADEMIC OUTCOMES:

The academic profile for Chase Terrace Technology College (the only school in the Trust over the applicable period) featured similar levels of achievement to the previous year, with an Attainment 8 score of 44.8 and 68% of all qualifications being graded 'C'/'4', or above. BTEC outcomes graded 'Level 2 pass' or above (equivalent to Grade 'C' GCSE in the National Framework of Qualifications). In 2019, there was a further significant improvement in the profile of results for science courses, again exceeding national norms. The 'Progress 8' indicator is estimated to be, once again, in the 'Average' range.

At Post-16, for A level the average grade was 'C' (also 'C' in the previous year) and for Level 3 vocational qualifications the average grade was 'Distinction', compared to 'Merit' for 2018.

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

PROGRESSION INTO FURTHER EDUCATION AND EMPLOYMENT WITH STRUCTURED TRAINING:

Chase Terrace Technology College has earned a strong reputation for the quality of its careers information and guidance and for its links with the local community. This works contributes significantly to outstanding progression statistics at age 16. By virtue of the methodology employed, progression statistics for the cohort of students who completed Key Stage 4 in summer 2018 are not yet available, but the most recent progression data indicates that there were no students who left in '18 and were Not in Employment, Education or Training (NEET) (compared to 3% nationally – i.e. six students, for a cohort of CTTC's size). CTTC has now achieved seven out of the eight Gatsby benchmarks (of good careers guidance), one of the highest scores in the UK and has achieved the Quality in Careers Standard, as recommended by the DfE.

STUDENT RECRUITMENT

Chase Terrace has been over-subscribed in recent years and raised the school's Planned Admission Number (PAN) from 232 to 252 and then, from 2018, to 270, responding to the increased demand for places and providing the foundation for strengthened financial projections.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Multi-Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Financial review

a. Reserves policy

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

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

The Trust held fund balances as at 31 August 2019 of £21,871,346 (2018 - £22,644,536), comprising an amount of £20,842 (2018 - £17,366 deficit) of unrestricted general funds, £24,014,195 (2018 - £24,330,108) in respect of restricted fixed asset funds, and £141,309 (2018 - £122,206 deficit) in respect of restricted general funds (excluding pension reserve).

b. Investment policy

The Trust has an Investment Policy, as the basis for the strategic use of any surplus funds, although there has not yet been any practical need to employ the policy and there is no need to do so in the foreseeable future.

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

The Trust reviews levels of reserves annually and takes into account the nature of income and expenditure streams and the need to match commitments with income. At the point where bank reserves exceeded £400,000, the Trust Board would regularly monitor cash flow and current account balances, to ensure that immediate financial commitments could be met (including payroll and other payments runs) and that the current account had adequate balances to meet forthcoming commitments. It would then identify funds surplus to immediate cash requirements and transfer those reserves to a high interest deposit account. The Trust's policy is to only invest funds in risk-free and short-term interest-bearing accessible deposit accounts and/or risk-free investment accounts authorised by the Financial Services Authority. In these circumstances, the Board would periodically (at least annually), review interest rates and make comparisons with other investment opportunities, considering alternative secure investments.

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Stephen Sutton Multi-Academy Trust's Risk Management Policy aims to ensure that the Trust complies with the best practice in risk management that is appropriate to the context in which the Trust operates.

The Trust has developed a Risk Register, which is reviewed twice a year by the Audit and Risk Committee, and more frequently, as required. Risks are categorised as 'External', 'Strategic/Operational' and 'Change' and are assessed in relation to impact and likelihood. The Risk Register also records actions taken (including cases where control measures have failed to have the desired effect) to address risks.

The Risk Register identifies the controls that have been put in place in order to mitigate the risk. The effectiveness of this mitigation is reviewed on a continuous basis.

d. Overview

Over the year 1 September 2018 to 31 August 2019, the Trust received revenue income of £6,934,249 (2018 - £6,382,939) in government and local authority grants and £434,414 (2018 - £277,035) of other revenue income, i.e. £7,368,663 (2018 - £6,659,974) in total. Total revenue expenditure amounted to £7,202,397 (2018 - £6,828,085). Capital income of £97,515 (2018 - £27,247) was received over the same period and this was matched by capital expenditure.

In the context of continued restricted public sector funding, the application of the National Funding Formula from 2018/19 strengthened the Trust's 5-year financial projections, as does the increase in the Planned Admission Number (PAN) for Chase Terrace Technology College. Trust Directors believe that the expansion of the Trust to five schools by 2023 would create further flexibility to develop an even stronger presence in the community and achieve greater cost-effectiveness, with a positive impact on student outcomes.

Fundraising

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

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Plans for future periods

The Trust Board has put in place a detailed strategic plan to provide a clear framework for prioritisation and collective action. Key areas include the following actions that for Chase Terrace Technology College:

1. **IMPROVE ACHIEVEMENT AND PROGRESSION**, throughout school, including:
 - In English (including reading ability) and Maths
 - For disadvantaged students, students with Special Educational Needs and Disabilities and the most able
 - Through high expectations and high quality teaching across A level courses
 - Through ambitious, appropriate transition at 16 and 18
2. **IMPROVE ATTENDANCE AND BEHAVIOUR**, including:
 - Through reducing persistent absenteeism
 - For disadvantaged students and students with Special Educational Needs and Disabilities.
 - Through effective proactive approaches that reduce exclusions
3. **IMPROVE PERSONAL DEVELOPMENT**, including students':
 - Mental health
 - Understanding of diversity, equality and British values
 - Development of confidence through engagement in extra-curricular activities
4. **IMPROVE LEADERSHIP**, including:
 - Through increased coaching capacity
 - Through succession planning, with linked leadership development programmes
 - Through generating extra income and making cost efficiencies.

The Trust also aims to continue to develop a strong presence in the local business community, with the Trust using its agency and resources to help local people to maximise their employment prospects through brokering guidance and training. A Training Room has been set up and variety of courses for adults are being provided, during school hours, in the evenings and in school break periods. The Trust plans to expand this provision further.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 28 November 2019 and signed on its behalf by:



Richard Williams
Chair of Trustees

Stephen Sutton Multi Academy Trust
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Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Executive Director, 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 Stephen Sutton Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 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
Richard Williams, Chair	4	4
Mark Howe, Vice-Chair	2	4
Stuart Jones, Executive Director	4	4
Diane Evans	4	4
Claire Boliver	1	4
Ruth Foster	3	4

The Trust Board comprises six Directors but the size of the Board will increase as new schools join the Trust. The current board has a mix of senior-level business experience, including finance, data management and human resources expertise. There is also considerable knowledge of governance and leadership in public sector educational contexts. As the Trust expands, the Board has identified that it intends to strengthen its expertise in commercial legal affairs and in primary sector education.

Finance, Audit and Risk Committee

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mark Howe	4	4
Richard Williams	3	4
Stuart Jones	4	4
Jane Sutton	0	4
Sharon Thorp	4	4

Governance Statement (continued)

Review of value for money

As accounting officer, the Executive Director has responsibility for ensuring that the Multi-Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Multi-Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi-Academy Trust has delivered improved value for money during the year by:

- paid consultancy work for the Education and Skills Funding Agency (ESFA) (as a Schools Resource Management Advisor) undertaken by the Trust Business Manager, supporting other schools and Trusts to maximise their use of resources through effective planning, bringing in extra revenue into the Trust;
- recruitment of three Apprentices (at different levels) to support staff positions, utilising the Apprenticeship Levy in a cost-effective way;
- the purchase of competitively priced laptops, offsetting the need to replace some depreciating fixed station stock, allowing portability and addressing GDPR data security issues;
- a new, more cost-effective three-year printing contract; and
- an extra cover supervisor appointment, reducing supply cover costs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stephen Sutton Multi Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Trust Board, Finance, Audit and Risk Committee and Local Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- 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

With regard to financial risk and control, the Trust Board considered the need for a specific internal audit function and has decided to appoint RB Chartered Accountant as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. They report to the Finance, Audit and Risk Committee. The checks carried out in the current period included focused upon internal control procedures. This included: staff recruitment and personnel files; expenses; charge card purchases, petty cash and procurement processes.

The internal auditors have carried out their schedule of work as planned and reported on their findings in a clear and useful form to the Finance, Audit and Risk Committee.

Two further compliance audits were commissioned by the Trust during this period: a safeguarding audit and a review of payroll provision.

The safeguarding audit was conducted by the Staffordshire Safeguarding Team and had a broad brief. The audit found that there was a strong safeguarding culture in the school and a strong working knowledge of important safeguarding themes. Some recommendations were made in relation to the recording and level of training for particular staff.

The review of payroll provision was carried out by the Trust Business Manager and accountant in response to concerns that there were errors and recording inconsistencies (by the Trust's payroll provider) in relation to the HMRC online accounts analysis, the Apprenticeship Levy accounts, the monthly payroll reports and the Teachers' Pensions Scheme analysis. The review provided clarification on the nature of the issues and, although some problems persist, checking mechanisms and remedial measures have been put in place.

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Governance Statement (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the board of Trustees on 28 November 2019 and signed on their behalf by:



Richard Williams
Chair of Trustees



Stuart Jones
Accounting Officer

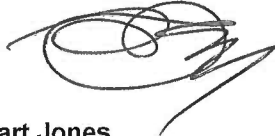
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Statement on Regularity, Propriety and Compliance

As accounting officer of Stephen Sutton Multi Academy Trust I have considered my responsibility to notify the Multi-Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi-Academy Trust, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Multi-Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi-Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.



Stuart Jones
Accounting Officer

Date: 28 November 2019

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 28 November 2019 and signed on its behalf by:



Richard Williams
Chair of Trustees

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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 Multi-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.

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

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

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



Julian Townsend ACA FCCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

28 November 2019

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 15 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stephen Sutton Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Stephen Sutton Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stephen Sutton Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stephen Sutton Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Stephen Sutton Multi Academy Trust's funding agreement with the Secretary of State for Education dated 21 December 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

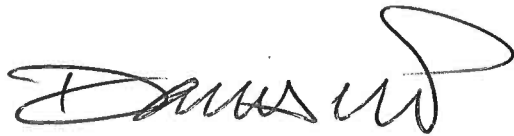
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Multi-Academy Trust's income and expenditure.

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

Conclusion

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

A handwritten signature in black ink, appearing to read 'Dains LLP', with a large, stylized flourish at the end.

Dains LLP

Date: 28 November 2019

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	49,145	-	97,515	146,660	31,486
Charitable activities:	5					
Funding for the academy trust's educational operations		-	7,181,821	-	7,181,821	6,482,103
Other trading activities	6	135,889	-	-	135,889	173,440
Investments	7	1,808	-	-	1,808	192
Total income		186,842	7,181,821	97,515	7,466,178	6,687,221
Expenditure on:						
Raising funds		1,214	-	-	1,214	-
Charitable activities:	8					
Academy trust educational operations		80,925	7,120,258	446,971	7,648,154	7,276,460
Total expenditure		82,139	7,120,258	446,971	7,649,368	7,276,460
Net income/(expenditure)		104,703	61,563	(349,456)	(183,190)	(589,239)
Transfers between funds	20	(66,495)	32,952	33,543	-	-
Net movement in funds before other recognised gains/(losses)		38,208	94,515	(315,913)	(183,190)	(589,239)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(590,000)	-	(590,000)	372,000
Net movement in funds		38,208	(495,485)	(315,913)	(773,190)	(217,239)

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Reconciliation of funds:					
Total funds brought forward	(17,366)	(1,668,206)	24,330,108	22,644,536	22,861,775
Net movement in funds	38,208	(495,485)	(315,913)	(773,190)	(217,239)
Total funds carried forward	20,842	(2,163,691)	24,014,195	21,871,346	22,644,536

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 52 form part of these financial statements.

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)
Registered number: 10525065

Balance Sheet
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	15	4,630	6,910
Tangible assets	16	23,992,567	24,323,198
		<u>23,997,197</u>	<u>24,330,108</u>
Current assets			
Debtors	17	216,585	192,077
Cash at bank and in hand	25	439,949	103,548
		<u>656,534</u>	<u>295,625</u>
Creditors: amounts falling due within one year	18	(444,014)	(336,273)
		<u>212,520</u>	<u>(40,648)</u>
Net current assets / liabilities		<u>24,209,717</u>	<u>24,289,460</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(33,371)	(98,924)
		<u>24,176,346</u>	<u>24,190,536</u>
Net assets excluding pension liability		<u>24,176,346</u>	<u>24,190,536</u>
Defined benefit pension scheme liability	27	(2,305,000)	(1,546,000)
		<u>21,871,346</u>	<u>22,644,536</u>
Total net assets		<u><u>21,871,346</u></u>	<u><u>22,644,536</u></u>
Funds of the Multi-Academy Trust			
Restricted funds:			
Fixed asset funds	20	24,014,195	24,330,108
Restricted income funds	20	141,309	(122,206)
		<u>24,155,504</u>	<u>24,207,902</u>
Restricted funds excluding pension asset	20	24,155,504	24,207,902
Pension reserve	20	(2,305,000)	(1,546,000)
		<u>21,850,504</u>	<u>22,661,902</u>
Total restricted funds	20	<u>21,850,504</u>	<u>22,661,902</u>
Unrestricted income funds	20	<u>20,842</u>	<u>(17,366)</u>
Total funds		<u><u>21,871,346</u></u>	<u><u>22,644,536</u></u>

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue on 28 November 2019 and are signed on their behalf, by:


Richard Williams
Chair of Trustees

The notes on pages 26 to 52 form part of these financial statements.

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	416,692	(97,596)
Cash flows from investing activities	24	(14,737)	(6,715)
Cash flows from financing activities	23	(65,554)	(60,286)
Change in cash and cash equivalents in the year		336,401	(164,597)
Cash and cash equivalents at the beginning of the year		103,548	268,145
Cash and cash equivalents at the end of the year	25	439,949	103,548

The notes on pages 26 to 52 form part of these financial statements

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. General information

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

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

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

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Multi-Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Multi-Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Multi-Academy Trust has provided the goods or services.

2.4 Expenditure

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

- **Expenditure on raising funds**

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 Intangible assets

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

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

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

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

2.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities

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

2. Accounting policies (continued)

2.12 Provisions

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

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

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Multi-Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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. Amounts due to the Multi-Academy Trust's wholly owned subsidiary are held at face value less any impairment.

2.14 Operating leases

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

2. Accounting policies (continued)

2.15 Pensions

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

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

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

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

2.16 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Multi-Academy Trust at the discretion of the Trustees.

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

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

Depreciation and residual values

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

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	49,145	-	49,145	4,239
Capital Grants	-	97,515	97,515	27,247
	<u>49,145</u>	<u>97,515</u>	<u>146,660</u>	<u>31,486</u>
Total 2018	<u>4,239</u>	<u>27,247</u>	<u>31,486</u>	

Stephen Sutton Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

5. Funding for the Multi-Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,448,193	6,448,193	6,035,920
Pupil Premium	218,859	218,859	216,786
Start Up Grant	-	-	10,000
Other DfE/EFSA grants	89,831	89,831	22,744
	<u>6,756,883</u>	<u>6,756,883</u>	<u>6,285,450</u>
Other government grants			
Special Educational Needs grants	164,876	164,876	85,689
Pupil Premium	12,490	12,490	11,800
	<u>177,366</u>	<u>177,366</u>	<u>97,489</u>
Other funding			
School journey income	57,712	57,712	48,603
School fund income	140,957	140,957	41,133
Other income	48,903	48,903	9,428
	<u>247,572</u>	<u>247,572</u>	<u>99,164</u>
	<u><u>7,181,821</u></u>	<u><u>7,181,821</u></u>	<u><u>6,482,103</u></u>

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	81,490	81,490	82,534
Other income	35,048	35,048	80,936
Sales of goods and services	19,351	19,351	9,970
	<u>135,889</u>	<u>135,889</u>	<u>173,440</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,808	1,808	192

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	1,214	1,214	-
Expenditure on educational operations:					
Direct costs	4,524,266	424,958	893,106	5,842,330	5,591,824
Support costs	1,166,550	418,296	220,978	1,805,824	1,684,636
	<u>5,690,816</u>	<u>843,254</u>	<u>1,115,298</u>	<u>7,649,368</u>	<u>7,276,460</u>
Total 2018	<u>5,536,340</u>	<u>860,032</u>	<u>880,088</u>	<u>7,276,460</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	5,842,330	1,805,824	7,648,154	7,276,460
Total 2018	<u>5,591,824</u>	<u>1,684,636</u>	<u>7,276,460</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2019

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Net interest from LGPS pension	45,000	45,000
Staff costs	4,240,555	4,277,480
Depreciation	444,691	444,650
Educational supplies	313,995	236,366
Examination fees and printing	135,962	182,221
Agency staff costs	283,711	167,517
Technology costs	60,156	87,687
Travel and subsistence	151,604	145,071
Other direct costs	16,823	826
School fund expenditure	147,553	-
Amortisation	2,280	5,006
	<u>5,842,330</u>	<u>5,591,824</u>

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,166,550	1,091,343
Other direct costs	1,140	2,467
Recruitment and support	11,349	2,420
Maintenance of premises	66,666	69,938
Other support costs	113,649	95,170
Cleaning	181,697	181,940
Rates	39,915	36,159
Catering	18,659	20,052
Energy	163,557	143,304
Insurance	31,557	30,879
Governance costs	11,085	10,964
	<u>1,805,824</u>	<u>1,684,636</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	31,667	51,962
Depreciation of tangible fixed assets	444,691	444,649
Amortisation of intangible assets	2,280	5,006
Fees paid to auditors for:		
- audit	7,125	6,925
- other services	2,600	2,500
	<u>7,725</u>	<u>9,425</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	4,144,840	4,138,846
Social security costs	418,141	420,904
Pension costs	825,266	803,073
	<u>5,388,247</u>	<u>5,362,823</u>
Agency staff costs	283,711	167,517
Staff restructuring costs	18,858	6,000
	<u>5,690,816</u>	<u>5,536,340</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	18,858	6,000
	<u>18,858</u>	<u>6,000</u>

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

Included in staff restructuring costs were severance payments totalling £8,200 (2018 - £6,000).

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Notes to the Financial Statements
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11. Staff costs (continued)

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	76	77
Administration and support	52	57
Management	10	9
Apprentice	3	-
	<u>141</u>	<u>143</u>

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme.

e. Key management personnel

The key management personnel of the Multi-Academy Trust comprise the Trustess and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi-Academy Trust was £338,266 (2018 - £329,079).

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Notes to the Financial Statements
For the Year Ended 31 August 2019

12. Central services

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

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

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

Flat percentage of General Annual Grant (3.5%).

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Chase Terrace Technology College	<u>223,765</u>	<u>209,154</u>

13. Trustees' remuneration and expenses

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

	2019 £'000	2018 £'000
Dr Stuart Jones, Executive Director and Accounting Officer	105 - 110	105 - 110
Pension contributions paid	15 - 20	15 - 20

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

The Multi-Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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Notes to the Financial Statements
For the Year Ended 31 August 2019

15. Intangible assets

	Computer software £
Cost	
At 1 September 2018	<u>15,169</u>
At 31 August 2019	<u>15,169</u>
Amortisation	
At 1 September 2018	8,259
Charge for the year	<u>2,280</u>
At 31 August 2019	<u>10,539</u>
Net book value	
At 31 August 2019	<u><u>4,630</u></u>
At 31 August 2018	<u><u>6,910</u></u>

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Notes to the Financial Statements
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16. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	24,983,555	14,448	30,786	25,028,789
Additions	64,368	12,094	37,598	114,060
At 31 August 2019	<u>25,047,923</u>	<u>26,542</u>	<u>68,384</u>	<u>25,142,849</u>
Depreciation				
At 1 September 2018	691,149	2,829	11,613	705,591
Charge for the year	424,958	2,024	17,709	444,691
At 31 August 2019	<u>1,116,107</u>	<u>4,853</u>	<u>29,322</u>	<u>1,150,282</u>
Net book value				
At 31 August 2019	<u>23,931,816</u>	<u>21,689</u>	<u>39,062</u>	<u>23,992,567</u>
At 31 August 2018	<u>24,292,406</u>	<u>11,619</u>	<u>19,173</u>	<u>24,323,198</u>

17. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	72,062	17,496
VAT recoverable	34,475	74,348
Other debtors	665	1,263
Prepayments and accrued income	109,383	98,970
	<u>216,585</u>	<u>192,077</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	64,414	64,415
Trade creditors	139,360	68,449
Other taxation and social security	-	30,843
Other creditors	99,201	103,611
Accruals and deferred income	141,039	68,955
	<u>444,014</u>	<u>336,273</u>
	2019 £	2018 £
Deferred income at 1 September 2018	50,351	49,705
Resources deferred during the year	108,519	50,351
Amounts released from previous periods	(50,351)	(49,705)
	<u>108,519</u>	<u>50,351</u>

At the balance sheet date the Multi-Academy Trust was holding funds received in advance for educational and capital grants, relating to the Autumn Term 2019 as well as trip income.

Other loans

Other loans comprise four loans with the local authority which were inherited from Chase Terrace Technology College on conversion in to the multi-academy trust. These loans are repayable by monthly or annual repayments over periods of between three and four years.

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

	2019 £	2018 £
Other loans	33,371	98,924

Other loans

Other loans comprise four loans with the local authority which were inherited from Chase Terrace Technology College on conversion in to the multi-academy trust. These loans are repayable by monthly or annual repayments over periods of between three and four years.

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Notes to the Financial Statements
For the Year Ended 31 August 2019

20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	(17,366)	186,842	(82,139)	(66,495)	-	20,842
Restricted general funds						
General Annual Grant (GAG)	-	6,448,193	(6,209,552)	(34,084)	-	204,557
Pupil Premium	-	218,859	(218,859)	-	-	-
Start up grant	-	-	(2,385)	2,385	-	-
Other DfE/ESFA grants	-	89,831	(89,831)	-	-	-
Other government grants	-	177,366	(176,463)	(903)	-	-
Other funding	-	106,615	(106,615)	-	-	-
School fund	41,133	140,957	(147,553)	-	-	34,537
Budget deficit transferred on conversion	(163,339)	-	-	65,554	-	(97,785)
Pension reserve	(1,546,000)	-	(169,000)	-	(590,000)	(2,305,000)
	<u>(1,668,206)</u>	<u>7,181,821</u>	<u>(7,120,258)</u>	<u>32,952</u>	<u>(590,000)</u>	<u>(2,163,691)</u>
Restricted fixed asset funds						
Transferred on conversion	24,330,108	-	(419,187)	(50,250)	-	23,860,671
DfE/ESFA capital grants	-	97,515	(26,075)	41,292	-	112,732
Capital expenditure from GAG	-	-	(1,503)	39,848	-	38,345
Other funding	-	-	(206)	2,653	-	2,447
	<u>24,330,108</u>	<u>97,515</u>	<u>(446,971)</u>	<u>33,543</u>	<u>-</u>	<u>24,014,195</u>
Total Restricted funds	<u>22,661,902</u>	<u>7,279,336</u>	<u>(7,567,229)</u>	<u>66,495</u>	<u>(590,000)</u>	<u>21,850,504</u>
Total funds	<u>22,644,536</u>	<u>7,466,178</u>	<u>(7,649,368)</u>	<u>-</u>	<u>(590,000)</u>	<u>21,871,346</u>

Stephen Sutton Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

20. Statement of funds (continued)

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

Restricted general fund

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

Pension reserve

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

Restricted Fixed Asset Fund

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

Transfers

A transfer from unrestricted to restricted general and restricted fixed asset funds has been made to cover capital additions purchased in the year and repayment of the budget deficit transferred on conversion.

Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Chase Terrace Technology College	134,651	(189,351)
Stephen Sutton Multi-Academy Trust	27,500	49,779
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	162,151	(139,572)
Restricted fixed asset fund	24,014,195	24,330,108
Pension reserve	(2,305,000)	(1,546,000)
	<hr/>	<hr/>
Total	21,871,346	22,644,536
	<hr/> <hr/>	<hr/> <hr/>

Stephen Sutton Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Chase Terrace Technology College	4,463,492	1,110,639	189,927	1,197,780	6,961,838	6,766,055
Stephen Sutton Multi-Academy Trust	105,774	55,302	-	81,763	242,839	196,786
	<u>4,569,266</u>	<u>1,165,941</u>	<u>189,927</u>	<u>1,279,543</u>	<u>7,204,677</u>	<u>6,962,841</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

20. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	10,276	100,551	(68,691)	(59,502)	-	(17,366)
Restricted general funds						
General Annual Grant (GAG)	72,515	6,035,920	(6,100,744)	(7,691)	-	-
Pupil Premium	-	216,786	(216,786)	-	-	-
Start up grant	-	10,000	(10,000)	-	-	-
Other DfE/ESFA grants	-	22,744	(22,744)	-	-	-
Other government grants	-	97,489	(97,489)	-	-	-
Other funding	-	135,351	(135,351)	-	-	-
School fund	-	41,133	-	-	-	41,133
Budget deficit transferred on conversion	(223,625)	-	-	60,286	-	(163,339)
Pension reserve	(1,743,000)	-	(175,000)	-	372,000	(1,546,000)
	<u>(1,894,110)</u>	<u>6,559,423</u>	<u>(6,758,114)</u>	<u>52,595</u>	<u>372,000</u>	<u>(1,668,206)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	24,745,609	-	(422,408)	6,907	-	24,330,108
DfE/ESFA capital grants	-	27,247	(27,247)	-	-	-
	<u>24,745,609</u>	<u>27,247</u>	<u>(449,655)</u>	<u>6,907</u>	<u>-</u>	<u>24,330,108</u>
Total Restricted funds	<u>22,851,499</u>	<u>6,586,670</u>	<u>(7,207,769)</u>	<u>59,502</u>	<u>372,000</u>	<u>22,661,902</u>
Total funds	<u><u>22,861,775</u></u>	<u><u>6,687,221</u></u>	<u><u>(7,276,460)</u></u>	<u><u>-</u></u>	<u><u>372,000</u></u>	<u><u>22,644,536</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	23,992,567	23,992,567
Intangible fixed assets	-	-	4,630	4,630
Current assets	20,842	601,999	33,693	656,534
Creditors due within one year	-	(427,319)	(16,695)	(444,014)
Creditors due in more than one year	-	(33,371)	-	(33,371)
Provisions for liabilities and charges	-	(2,305,000)	-	(2,305,000)
Total	20,842	(2,163,691)	24,014,195	21,871,346

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	24,323,198	24,323,198
Intangible fixed assets	-	-	6,910	6,910
Current assets	-	276,034	19,590	295,624
Creditors due within one year	(17,366)	(299,316)	(19,590)	(336,272)
Creditors due in more than one year	-	(98,924)	-	(98,924)
Provisions for liabilities and charges	-	(1,546,000)	-	(1,546,000)
Total	(17,366)	(1,668,206)	24,330,108	22,644,536

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Notes to the Financial Statements
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22. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(183,190)	(589,239)
Adjustments for:		
Amortisation	2,280	5,006
Depreciation	444,691	444,649
Capital grants from DfE and other capital income	(97,515)	(27,247)
Interest receivable	(1,808)	(192)
Defined benefit pension scheme cost less contributions payable	124,000	130,000
Defined benefit pension scheme finance cost	45,000	45,000
Increase in debtors	(24,508)	(43,905)
Increase/(decrease) in creditors	107,742	(61,668)
Net cash provided by/(used in) operating activities	416,692	(97,596)

23. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(65,554)	(60,286)
Net cash used in financing activities	(65,554)	(60,286)

24. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	1,808	192
Purchase of tangible fixed assets	(114,060)	(34,154)
Capital grants from DfE Group	97,515	27,247
Net cash used in investing activities	(14,737)	(6,715)

25. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	439,949	103,548
Total cash and cash equivalents	439,949	103,548

26. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	38,878

27. Pension commitments

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

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

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

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

27. Pension commitments (continued)

Scheme Changes

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

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

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

The employer's pension costs paid to TPS in the year amounted to £510,636 (2018 - £510,445).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £241,000 (2018 - £208,000), of which employer's contributions totalled £192,000 (2018 - £163,000) and employees' contributions totalled £ 49,000 (2018 - £45,000). The agreed contribution rates for future years are 23.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.70
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80

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

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27. Pension commitments (continued)

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.2	24.1
Females	24.8	26.4

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	552	402
Salary increase rate +0.5%	120	101
CPI rate +0.5%	418	293

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,186,000	1,000,000
Bonds	384,000	271,000
Property	140,000	114,000
Cash and other liquid assets	35,000	43,000
Total market value of assets	1,745,000	1,428,000

The actual return on scheme assets was £96,000 (2018 - £83,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(292,000)	(293,000)
Past service cost	(24,000)	-
Interest income	43,000	31,000
Interest cost	(88,000)	(76,000)
Total amount recognised in the Statement of Financial Activities	(361,000)	(338,000)

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27. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	2,974,000	2,893,000
Current service cost	292,000	293,000
Interest cost	88,000	76,000
Employee contributions	49,000	45,000
Actuarial losses/(gains)	643,000	(320,000)
Benefits paid	(20,000)	(13,000)
Past service costs	24,000	-
At 31 August	4,050,000	2,974,000

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

	2019 £	2018 £
At 1 September	1,428,000	1,150,000
Interest income	43,000	31,000
Actuarial gains	53,000	52,000
Employer contributions	192,000	163,000
Employee contributions	49,000	45,000
Benefits paid	(20,000)	(13,000)
At 31 August	1,745,000	1,428,000

28. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	19,509	31,667
Later than 1 year and not later than 5 years	21,082	8,625
	40,591	40,292

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29. 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.

30. Related party transactions

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