

Company Registration No. 07441370 (England and Wales)

**ST STEPHEN'S ACADEMY CANTERBURY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# ST STEPHEN'S ACADEMY CANTERBURY

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# ST STEPHEN'S ACADEMY CANTERBURY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Chris Barton  
Dr. Amanda Gosling  
Barnaby Sandell

### Trustees

Chris Barton (Resigned 10 December 2021)  
Sarah Booker  
Lisa Carlson (Resigned 31 July 2022)  
Dr. Andrew Connell (Chair of Trustees)  
Laura Cutts (Joint Accounting Officer)  
Samantha Gildroy (Appointed 1 September 2021)  
Dr. Amanda Gosling (Resigned 10 December 2021)  
Sarah Heaney (Joint Accounting Officer)  
Rev. Kevin Maddy (Appointed 1 September 2021)  
Chris Morrison  
Dr. Erwin Pauws (Vice-Chair)  
Tony Payne (Resigned 7 December 2021)  
Barnaby Sandell (Resigned 10 December 2021)  
Nadia Anderton (Appointed 7 December 2021)  
Antonia Porter (Appointed 13 September 2022)

### Senior management team

- Joint Headteacher	Sarah Heaney
- Joint Headteacher	Laura Cutts
- Assistant Headteacher	Jo Sazant
- Assistant Headteacher (from September 2022)	Louise Jackson
- Assistant Headteacher (from September 2022)	Richard May
- School manager / Bursar	Jayne Dowkes
- Finance Manager	Nik Oakes
- Behaviour Lead	Karyn Taylor
- Family Learning (Left March 2022)	Sally Millsted

### Company registration number

07441370 (England and Wales)

### Registered office

St Stephens Junior School  
Hales Drive  
Canterbury  
Kent  
CT2 7AD  
United Kingdom

### Independent auditor

Azets Audit Services  
5th Floor  
Ashford Commercial Quarter  
1 Dover Place  
Ashford  
Kent  
TN23 1FB  
United Kingdom

# ST STEPHEN'S ACADEMY CANTERBURY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Bankers**

Lloyds Bank plc  
49 High Street  
Canterbury  
Kent  
CT3 1AA  
United Kingdom

### **Solicitors**

Veale Wasborough Vizards  
Barnards Inn  
86 Fetter Lane  
London  
EC4A 1AD  
United Kingdom

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an Academy for pupils aged 7 to 11 serving a catchment area in East Kent. It has a pupil capacity of 360 and had a roll of 411 in the school census in October 2021.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee with no share capital (registration number 07441370) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The charitable company is known as St Stephen's Academy Canterbury and operates St Stephen's Junior School.

The trustees are the directors St Stephen's Academy Canterbury for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period 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.

##### Trustees' indemnities

The academy trust has opted into the Department for 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 trust 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.

##### Method of recruitment and appointment or election of trustees

Trustees are appointed for a four-year period, (except that this time limit does not apply to the Headteacher). Subject to remaining eligible to be a particular type of Trustee, any trustee may be re-appointed or re-elected.

The Academy Trust Board shall comprise of up to ten persons, who may be appointed by the members of the trust, any staff Trustees, and a minimum of two parent Trustees. The trustees may appoint staff Trustees through such process as they determine, provided that the total number of trustees (including the Headteachers) who are employees of the academy shall not exceed one third of the total number of trustees. The Headteachers (Accounting Officers) are to be an ex officio Trustee. The parent Trustees are elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time they are elected. The Academy Trust Board may further appoint up to three co-opted Trustees.

When appointing new trustees, consideration will be given to the skills and experience mix of existing trustees to ensure that the Academy Trust Board has the necessary attributes to contribute fully to the academy's development.

##### Policies and procedures adopted for the induction and training of trustees

Training and Induction provided for new Trustees is tailored to the individual and will depend upon their existing experience. These will include a tour of the academy and a chance to meet staff and pupils. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Advantage is taken of specific courses offered by the Local Authority and other bodies, such as but not limited to, the National Trustees Association Learning Link and The Key. The Induction Process will be reviewed during the next Academic Year.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Organisational structure

The following decisions are reserved to the Members; to consider any proposals for changes to the status or constitution of the academy, maintenance of the Academy Trust's Articles of Association, the appointment of the external auditors.

The trustees are responsible for; the vision, ethos and strategic direction of the Academy Trust, holding school leadership to account for the educational performance of the school, and the effective and efficient performance management of staff, oversight of the financial management of the Trust and ensuring money is well spent. This is accomplished through the setting of appropriate annual plans and budgets, general policy and procedures, risk management, use of internal scrutiny mechanisms and the responsibility for major decisions regarding capital expenditure and senior staff appointments.

The members and trustees have devolved responsibility for day-to-day management of the Academy to the Headteachers and Senior Leadership Team (SLT). The SLT comprises the Headteachers, Assistant Heads and the School, Finance and Behaviour Managers.

The Joint Headteachers are the Accounting Officer.

### Arrangements for setting pay and remuneration of key management personnel

In the year to August 2022, no member or trustee was paid for their role. Staff trustees were paid only for their role as a member of school staff, but not for their role as a governor. Pay for school staff, including leadership team members, follows the academy pay policy and is in line with Kent County Council policy. Teachers are paid on the national teacher scale, and progression is subject to annual performance review conducted by the Headteacher. Support staff are paid on the Kent Range as published by Kent County Council with performance awards given at the same level as those published by Kent County Council. These awards are determined by annual performance review carried out by department managers. For senior support staff, the reviews are carried out by the Headteacher. Senior leadership team members' pay is determined by the same performance basis and leadership scale pay awards for teachers follow the national ones published by the DfE. The pay for the Headteachers is subject to annual performance review with an independent consultant and approved by the trustees following recommendation from the pay and personnel committee. The pay award follows the national leadership scale as published by the DfE.

### Related parties and other connected charities and organisations

#### **Objectives and activities**

##### Objects and aims

In accordance with the Articles of Association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Objectives, strategies and activities

Through identifying at the start of the year our key value of belonging, we were able to focus on ensuring that pupils felt safe and comfortable so that they could learn effectively. Our mission statement: "To ensure that every child meets their potential by building a sense of belonging for all", underpinned much of our focus throughout the year. Our new school vision and values have been at the heart of our assemblies to ensure that we educate our children about key themes of Equality, Environment and Wellbeing and well as teaching our children about our values of Kindness, Creativity and Honesty.

At St Stephens, we believe that the future belongs to our pupils and we want to educate and inspire them about their crucial role in shaping it. We are educators who want their pupils to take an active role in society, not only in the future but in the present and focus on giving them the tools to achieve this.

Pupil's wellbeing and the experiences that they receive in school are based around a holistic view of the pupil to ensure that pupils feel safe and are able to understand and manage their own wellbeing, so that they are ready to learn.

Our core aims as detailed in our School Action and Recovery Plan for the Academic Year 2021/ 2022 were :

#### **Quality of Education**

- High expectations for SEN pupils
- PP pupils make good progress in our school and this is evidenced through high quality outcomes in books.
- Reading gaps are identified and addressed quickly and effectively
- Assessment for Foundation subjects is consistent
- Teaching strategies around long-term memory are embedded in teachers practice
- Continuing development of curriculums in line with Action Plans

#### **Behaviours and attitudes**

- Further enhancement of provision for SEND pupils behaviour
- Improved provision at break and lunch
- Improved incentive and reward systems to encourage positive behaviour
- Enhanced behaviour processes during PPA
- Further opportunities for Pupil Voice

#### **Personal Development**

- To embed new school values using a clear structure to support pupil understanding and application
- To Encourage our pupils as active citizens in the community
- To raise the profile of PHSE throughout the school with further monitoring and evaluation.
- Further develop pupils knowledge and understanding of how to keep themselves mentally and physically healthy.

#### **Leadership and management**

- Compelling evidence of governance and its three core functions.
- Set clear expectations and development of staff to ensure all pupils benefit from effective teaching
- Pupil premium spending has maximum impact and ambitious vision for these pupils is enabled
- Safeguarding Audit to further develop best practice.
- Strategic CPD development for all staff
- Staff Wellbeing is managed in a way that is constructive realistic and supportive.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities. Pupils are admitted to the school in accordance with the published admissions policy and parents have the right of appeal against admission decisions.

The majority of pupils attending the school live in the local area and come from a mix of backgrounds

Whilst we have above national average numbers of children who qualify for pupil premium funding (at just over 29%), we also have a large percentage of children whose parents work at the local universities and colleges of education. We have an above average % of EAL pupils at 33%. 16% of our pupils are SEND. 30% of our SEND pupils have EHCP's.

## Strategic report

### Achievements and performance

Ofsted inspected St Stephen's Junior School in November 2017 and considered that; "The leadership team has maintained the good quality of education in the school." The school is expecting and Ofsted in 2022/2023.

#### Achievements

- The school implemented a new behaviour policy and system within the summer term. Staff have received training which is ongoing. The behaviour approach is research informed and more supportive of our SEND pupils.
- Continuing curriculum development has taken place, in conjunction with a new SIP which has ensured rapid improvement in Reading, Art, History, PHSE and Science.
- Reading curriculum in school has been improved and is more consistent throughout the school.
- The writing model use is consistent throughout the school and actively teaches the skills of writing whilst encouraging independent application.
- Use of long-term memory strategies is evident in all subject and consistent throughout the school.
- SIP visit evidenced that pupils have been able to recall information and prior knowledge.
- SEND friendly resources and approach is consistent in all classes through the use of widget sheets and knowledge organisers.
- Restructuring of school staff through wellbeing team, behaviour lead, new SENCO appointment has benefited pupils and ethos within the school

#### School Values

- School values have formed key part of assemblies throughout the year and have underpinned the vision of the school.
- Pupil voice from these key groups has informed next steps within the school
- School values are represented throughout the school and school mantra is known and recognised in assembly.
- Specific days – STEM day, Arts and mindfulness week and activities support the key themes in school.
- Presentation and vision shared with all parents and governors in person and electronically.

#### School site

- New automated gate and pedestrian gate in place to improve site security and visitors onto the site, the site can only be accessed through buzz entry.
- Ongoing developments in Forest school to improve the wild spaces in our school.
- New playground markings to benefit pupils and their playtimes.
- Complete review and re-decoration of sensory and wellbeing spaces, with the development and structure of the seedling room, cherry blossom room and the seedling room.
- Playground retention work completed.
- Ongoing maintenance and development work across the school.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### Key performance indicators

Key performance indicators are monitored monthly by the Headteacher, the Finance Manager and the Chair of Finance, Audit & Risk Committee and are used to inform finance committee meetings.

As funding is based on pupil numbers this is considered to be a key performance indicator. In 2021-2022 the academy was funded on pupil numbers of 411 being the number on roll at the census date of October 2021.

Key Performance Indicators	2021-2022	2020-2021
Staffing costs as a percentage of GAG	85.16%	87.41%
Average Pupil numbers	411	423
GAG carry forward	0	0
Total income per pupil	£5935	£6045
School based staff cost per pupil	£4196	£4022
School resources per pupil	£5245.53	£4873
Cash balances	£54114	£6574

#### National data information:2021/2022

	SSJS 2019 Expected +	SSJS 2022 Expected +	SSJS 2019 GDS	SSJS 2022 Greater depth	National 2022 Expected +	Variance against national	National 2019 Expected +
<b>Maths All</b>	<b>91%</b>	<b>79%</b>	<b>33%</b>	<b>29%</b>	<b>71%</b>	<b>8%</b>	<b>79%</b>
<b>Maths PP</b>	<b>83%</b>	<b>54%</b>	<b>27%</b>	<b>13%</b>			
<b>Reading All</b>	<b>83%</b>	<b>83%</b>	<b>35%</b>	<b>32%</b>	<b>74%</b>	<b>9%</b>	<b>73%</b>
<b>Reading PP</b>	<b>70%</b>	<b>69%</b>	<b>30%</b>	<b>19%</b>			
<b>Writing All</b>	<b>94%</b>	<b>86%</b>	<b>38%</b>	<b>23%</b>	<b>69%</b>	<b>15%</b>	<b>78%</b>
<b>Writing PP</b>	<b>90%</b>	<b>66%</b>	<b>33%</b>	<b>16%</b>			
<b>Spag All</b>	<b>86%</b>	<b>70%</b>	<b>36%</b>	<b>35%</b>	<b>72%</b>	<b>-2%</b>	<b>78%</b>
<b>Spag PP</b>	<b>73%</b>	<b>47%</b>	<b>43%</b>	<b>19%</b>			
<b>Combined</b>	<b>83%</b>	<b>69%</b>	<b>20%</b>	<b>16%</b>	<b>59%</b>	<b>10%</b>	<b>65%</b>
<b>Combined PP</b>	<b>70%</b>	<b>42%</b>	<b>20%</b>	<b>13%</b>			

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

Progress data for 2020/21

	Maths	Reading	Writing
<b>Year 3- Should be 6 points</b>	<b>Average 6 points</b>	<b>Average 5 points</b>	<b>Average 5 points</b>
<b>Progress against KS1 targets</b>	35% below 13% more than 2 points below	39% below 7% more than 2 points below	34% below 10% more than 2 points below
<b>Year 4 – Should be 12 points</b>	<b>Average 12 points</b>	<b>Average 12 points</b>	<b>Average 12 points</b>
<b>Progress against Ks1 targets</b>	23% below 10% more than 2 points below	22% below 12% more than 2 points below	18% below 10% more than 2 points below
<b>Year 5 – Should be 18 points</b>	<b>Average 18 points</b>	<b>Average 18 points</b>	<b>Average 17 points</b>
<b>Progress against Ks1 targets</b>	23% below 10% more than 2 steps	22% below 13% more than 2 steps	31% below 14% more than 2 steps
<b>Year 6 – Should be 24 points</b>	<b>Average 24 steps</b>	<b>Average 24 steps</b>	<b>Average 24 steps</b>
<b>Progress against Ks1 targets</b>	24% below 2% more than 2 steps	19% below (11% GDS) 8% more than 2 steps	7% below 4% more than 2 steps

Despite the pandemic most children have made good progress to catch up with national curriculum expectations. Where there this is not the case only small groups of children have not made the progress they should have done, and only a small percentage are significantly below progress measures.

Last year 50 of our children were assessed as suitable for Grammar School. On average between 40-50% of our pupils meet the grammar requirements every year.

#### In school data for foundation subjects

Subject	% Expected All			
	Year 3	Year 4	Year 5	Year 6
History	76%	83%	81%	
Science	81%	81%	82%	90%
Geography	71%	79%	84%	92%
DT	92%	81%	82%	95%
Art	88%	83%	90%	95%
RE	73%	80%	77%	96%
Computing		82%	90%	93%

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Going concern

After making appropriate enquiries, the Academy Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Academy Trust Board continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

The cumulative effect of the Covid Pandemic continues to have a significant impact on our Academy. Additional assistance was sought and received from ESFA to mitigate negative impacts on cashflow during the previous financial reporting period. Subsequent business income has now returned to expected levels. The Trust engaged constructively with the ESFA throughout this financial year, including an SMRA review, and adoption of a new Trust Financial Plan. The decision was taken by the Trust to close Acorns Day Nursery following staff consultation, as it represented a fundamental risk to the trust's long-term financial stability. In addition to the above and combined with further cost cutting measures, the trustees have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. On 31 August 2022 the unrestricted funds are surplus by £56k. Despite the Covid Pandemic, war in Ukraine, energy prices and ongoing 'cost-of-living' factors the restructure of the Staff Team at the end of the 2019-2020 enabled the trust to move to a more positive financial position and facilitate plans to build up a reserve balances as required.

#### **Financial review**

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In the 2021-2022 Academic year, the Trust received additional funding in the form of a supplementary grant (£22k) and recovery premium (£17k). As per guidelines, the supplementary fund was used to contribute towards the introduction of the Health and Social care levy and the wider cost increases felt by the school. The recovery premium was used to support pupils through Math's tuition and the implementation of the Read, Write, Inc programme, including all required staff training.

Acorns nursery was closed on 31 December 2021, whilst this was an extremely difficult process for all involved, the impact of this decision has eradicated the growing deficit, and has significantly contributed to the strengthening of the Trusts financial stability. In addition to this, the Extended Schools setting and programme of lettings has been able to return to full capacity following Covid closures.

During the year ended 31 August 2022, total expenditure of £2,774k (2021: £2,773k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year was £301k (2021: £236k).

At 31 August 2022 the net book value of fixed assets was £4,005k (2021: £4,089k) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Buildings were professionally valued on 3 December 2021 at £2,945k on an existing use value basis and land was valued at £3,185k. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Kent County Council Pension Fund, in which the Academy participates, showed a deficit of £373k (2021: £2,422k) at 31 August 2022.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Reserves policy

Reserves are sums of money held by the Trust to meet future expenditure. These comprise of unrestricted and restricted reserves.

- Unrestricted Reserves are derived from income funds that are freely available for general-purpose use and can be spent at the discretion of the trustees.
- Restricted Reserves are mainly derived from government grant funding through the ESFA but may also include other grants or donations. Restricted reserves must be used in accordance with the limitations outlined in the original funding.

#### Procedure

- The Finance Manager should propose a reserve schedule to the Trustees identifying the need to replace assets and maintain premises and the related sums required.
- The Trustees should agree the value of required reserves to be created in each year as part of the budget approval process.
- The required reserves should be calculated to ensure that the Academies critical functions can be maintained.
- Spend of the reserve fund should only occur on items that are approved by the Trustees as part of the budget process or to cover any unexpected costs that cannot be met within the Academies regular expenditure.

#### Reserve Levels

- The Trusts critical reserves has been deemed as the level of funds above the annual GAG funding awarded required to make salary and essential creditor payments e.g. utilities, insurance, compliance costs.
- Additional reserves will be set aside for specific tasks and projects identified annually during the budget setting process. For example;
  - Property maintenance not covered by annual funding (i.e. assessed need condition work)
  - Planned/committed property development
  - Planned replacement of high value fixed assets i.e. minibuses and photocopiers Development of ICT infrastructure i.e. servers
- For larger, more costly projects a level of reserves will be put aside over a set period of years until the required amount can be met.
- The required level of reserves will be documented and agreed by Trustees annually, alongside the ratification of the budget.

#### Maintaining and Monitoring Reserves

- The level of reserves will be monitored at each Finance, Audit and Risk committee meeting to establish any significant issues with achieving the target set.
- There will be on-going review of the reserves level, target and policy as part of the financial management of the school
- The reserves statement in the Annual Audited Accounts will reflect any changes made in the reserves policy and the level of reserves set.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees have determined that the appropriate level of reserves the Academy Trust will work towards includes:

- a. A contingency for monthly salary costs that are over and above our regular GAG funding.
- b. The regular monthly costs to keep our Extended schools setting operational, including staff salaries.
- c. An Estate Management contingency to enable the Academy to be reactive to unexpected premises work and to cover 2 months regular premises costs.
- d. Ring-fenced amounts to contribute towards the 3-5 year ICT and Premises strategy.

For the 2022-2023 Academic year this would amount to a banding of £100,000 - £150,000, including £15,000 which has been set aside for planned maintenance works.

The restricted GAG funds are used in their entirety each year to the benefit of the pupils in the school during the year they are received. The restricted GAG fund paid per pupil is decreasing year on year and its monetary value only appears relatively stable due to rising numbers of pupils in the school. This is causing a problem for the Trustees as more income needs to be generated from unrestricted funds to maintain the level of provision in the school.

The Fixed Asset funds is restricted. Fixed asset purchases are funded from GAG or from donations to the school and depreciation is charged against them with a view to writing down the cost of the asset over its useful life in accordance with the academy trust depreciation policy. The finance committee must agree to expenditure above £10k, with the Trust Board having to agree expenditure above £50k. All major building contracts are agreed by the Trust Board. Capital purchases or improvements are funded through GAG funding, income generated through Extended Schools or through specific capital grants.

The restricted pension fund deficit is underwritten by the Secretary of State for Education and is outside the control of the academy. There is no choice about which pension fund support staff belong to and the historic deficit position which had increased every year arose once the school broke away from the local authority.

The Academy held fund balances at 31 August 2022 of £3,663k (2021: £1,633k) comprising £3,607k of restricted funds (2021: £1,633k) and £56k of unrestricted general funds (2021: £Nil). Of the restricted funds, £4,005k is represented by tangible fixed assets (2021: £4,200k), a Salix loan of £31k (2021: £36k) and £6k (2021: £Nil) on other restricted donations.

The pension reserve which is considered part of restricted funds was £373k in deficit (2021: £2,422k).

#### Investment policy

Due to the nature of funding, the academy may at times hold cash balances surplus to its short-term requirements. The trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2022*

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#### Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those which relate to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls to minimise risk. Where significant financial risk remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 22.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance Committee meetings. The Finance Manager and Headteachers also hold regular monthly meetings to monitor expenditure against budgets, cash flow and KPIs and to ensure sufficient funds are held to cover all known and anticipated commitments. Monthly management accounts and reports are circulated to all members of the Finance and Audit & Risk Committee.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 17 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

The principal risks and uncertainties facing the academy are as follows:

COVID19 – since March 2020 the school has been affected by the impact of this virus- financially and educationally. The school has had to meet additional costs associated with H&S precautions for staff and children. The biggest financial impact focused on loss of income from lettings, as well as the lack of income from the breakfast and after school clubs. The Nursery provision was highlighted as a significant financial risk and ultimately the decision was reached to close the provision on 31 December 2021.

The academy has considerable reliance on continued government funding through the ESFA. In the last year 77% of the academy's incoming resources was ultimately government funded and whilst this level is expected to continue, there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. In the past few years, it is becoming increasingly apparent that the actual and real levels of funding are falling year on year. This is leading to less resources, less teachers poorer maintained buildings, a more restrictive creative curriculum and a decreasing number of opportunities for children,

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed. Links continue to be built with other schools locally, to ensure good practice is shared and that success and achievement is kept in line with others. Contact is maintained with the Infant school as our principal 'feeder' school to help maintain our bulk intake levels.

**Safeguarding** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety, and discipline.

**Staffing** - the success of the academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. This is being affected by the funding and ability to attract new and high-quality teachers.

**Fraud and Mismanagement of Funds** - the academy has appointed an (Independent) Internal Auditor to carry out checks on financial systems and records, as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis via the Finance, Audit & Risk Committee, which advises the Academy Trust Board for its annual review.

**Environmental** – The School's oil fuelled system has been replaced with a more cost-effective gas system. This has enabled the trust to manage the projected rise in energy costs to a greater degree than would otherwise have been possible. At the time of writing, government assistance has been announced for Schools until April 2023. While projected increases have been factored within our future budgets, lack of further assistance or even higher cost increases will impact future projected surplus and reserves functions.

**External** – the success of the academy is influenced by external economic factors to the extent that they impact on costs and income. For example, changes to Government Education Policy, Ofsted or ESFA objectives. Increases to employer pension contribution, implementing National Pay Awards, increases to staff salaries, meeting the "living wage" or NI rates, will impact heavily, as will some restrictions imposed by the funding agreement, such as the requirement to offer the LGPS to support staff in place of an alternative pension scheme. Environmental measures or new initiatives (such as the apprenticeship levy), whilst not having a major impact on a small academy, might have a much greater one if the academy became part of a multi academy trust. Changing patterns of wealth, age and population in the local area will also have an impact. The Trustees are aware of these factors and continue to review the risks, with a view to allowing for them or to mitigate them as far as possible should it be seen that they are becoming issues.

**Cyber** - The Cyber security threats rate highly on our risk register as one of the most significant at this time. The Trust has taken a number of steps to reduce the chance of occurrence and the impact of such a threat. Following the RPA guidelines, all staff have completed Cyber security training, the school has registered with the Police CyberAlarm service and we have strengthened end-point security. A full Cyber response plan remains a priority and the Trust continues to strengthen its controls.

### **Fundraising**

The Academy Trust does not employ any professional fundraisers to fund raise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public, including vulnerable people, are protected from unreasonable or intrusive approaches. The Academy Trust has not received any complaints about its fundraising activities.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Plans for future periods

Our school vision will underpin our plans for the next school year.

#### School Vision 2022- 2023

Pupils will only be able to thrive if they feel safe and secure at our school. Creating a sense of belonging so that effective learning can take place is at the heart of our school vision and values. Educating our children to respect and care about themselves, others and the world that we live in will empower to shape all of our futures.

Our school values of **Kindness , Creativity and Honesty** will help our children to navigate their journey and prepare them for the future.

These values underpin pupils' relationships with others and understanding of themselves, as well as how they learn, through honest reflection in thinking and understanding to their ability to find solutions to problems.

Alongside this, through focusing on our key themes of **Wellbeing, Equality and Environment** pupils will learn about their responsibility and the positive impact that they can have in the future.

Through looking at situations and themes through a school, community, and global lens we want pupils to understand their place within the world and how issues and themes can be explored in this way.

***The future belongs to our pupils and we want to educate and inspire them about their crucial role in shaping it.***

We will continue to ensure that the quality and consistency of teaching supports all our pupils to make good progress in our school.

The key areas of focus are detailed within our School Improvement Plan 2022/2023 and build on the same objectives that were in place last academic year.

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#### School Improvement Plan Summary 2022-2023

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##### Area 1 : Quality of Education

1. Ensure consistently high expectations are set for SEND pupils for progress and attainment and that needs are accurately identified, assessed and met.
2. Ensure that all pupils eligible for pupil premium make *at least* good progress throughout their time at our school.
3. Achieve greater consistency of high-quality outcomes in books for all pupils.
4. Ensure that summative and formative assessment informs and supports teaching plans and next learning steps for all children consistently across the school.
5. Continue to enhance curriculum across the school with individual subject development being in line with action plans and vision of curriculum leaders.

##### Area 2 : Behaviours & Attitudes

1. Further provision to support SEND pupils with behaviour throughout the school day.
2. Ensure consistent implementation of new behaviour policy – aims, practice and impact.
3. Focus on break and lunchtime provision to ensure that pupils are well behaved, well-mannered and engaged, with opportunities available for all.
4. Greater use of pupil voice to monitor the effectiveness of key development areas from the perspective of our children.
5. Further enhance systems of behaviour tracking to ensure that any trends are identified and that targeted strategies address these.
6. Further enhance the management of absence reporting, investigation and follow up.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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School Improvement Plan 2022/23

### Area 3: Personal Development

1. Further embed school vision and values to ensure that we are developing responsible, respectful and active global citizens.
2. Enhance opportunities within the wider curriculum and wider community to support pupils in being ready for the future.
3. Develop pupil's knowledge and understanding of how to keep themselves mentally and physically healthy.
4. Continue to build on the successes of the PHSE curriculum whilst further raising the profile and extending this through the Jigsaw Families programme.

### Area 4: Leadership & Management

1. Establish clear and compelling evidence of Governance and three core functions: setting strategic direction, holding Headteachers to account for school improvement, ensuring financial health, probity and value for money.
2. Set clear expectations and development of staff to ensure that all pupils benefit from effective teaching and consistency wherever they are in the school.
3. Incorporate the most effective strategies and areas of spending that have had maximum impact into our ongoing plan for pupil premium ensuring the ambitious vision for them is enabled.
4. Continue to evidence robust safeguarding approach and arrangements for our school community.
5. Demonstrate strategic development of CPD opportunities to fit the range of staff needs in the school.
6. Continue to develop support for staff roles and pressures in a way that is realistic, constructive and supportive of wellbeing.
7. Further enhance parental communication strategies and create further opportunities for dialogue and feedback around school priorities and aspirations for pupils.

### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07 December 2022 and signed on its behalf by:

Dr. Andrew Connell  
**Chair of Trustees**

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Stephen's Academy Canterbury 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 Academy Trust Board have delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Stephen's Academy Canterbury and the Secretary of State for Education. The accounting officer is also responsible for reporting to the 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Chris Barton (Resigned 10 December 2021)	0	0
Sarah Booker	1	6
Lisa Carlson (Resigned 31 July 2022)	3	6
Dr. Andrew Connell (Chair of Trustees)	6	6
Laura Cutts (Joint Accounting Officer)	6	6
Samantha Gildroy (Appointed 1 September 2021)	5	5
Dr. Amanda Gosling (Resigned 10 December 2021)	0	0
Sarah Heaney (Joint Accounting Officer)	5	6
Rev. Kevin Maddy (Appointed 1 September 2021)	5	5
Chris Morrison	5	6
Dr. Erwin Pauws (Vice-Chair)	6	6
Tony Payne (Resigned 7 December 2021)	0	1
Barnaby Sandell (Resigned 10 December 2021)	0	0
Nadia Anderton (Appointed 7 December 2021)	3	4
Antonia Porter (Appointed 13 September 2022)	0	0

During this academic year the Academy Trust Board has conducted business using a combination of face-to-face and virtual meetings and school visits. Use of the new governance portal has further enabled the trustees to maintain more efficient lines of communication between meetings and carry out their duties effectively.

An Independent External Review of Governance was carried out in June 2021 by Babcock Associates.

The review identified areas for improvement and significant changes which were required to the governance structure of the Trust. The Trust Board accepted the findings and recommendations of the independent review 'in full' and agreed to commit to necessary restructuring of the governance. This review had a significant impact on the future of governance within the school and continues to inform and shape the structure of governance within the Trust.

An Extraordinary Academy Trust Board Meeting was held on 01 September 2021, at which a new chair of trustees was selected and updated documents for the governance structure of the Trust were confirmed. These included: Reviewed and agreed new documents for the role of Members, Trustees, Academy Trust Board, Committees, Chair and Vice Chair of the Trust Board and Committees and portfolio leads to include, Safeguarding, SEND, PP & CiC. Reviewed and approved a new Scheme of Delegation. Reviewed and approved improved Terms of Reference for the Board and Committees, Code of Conduct, Governance Planner, Risk Register, and other documentation.

# **ST STEPHEN'S ACADEMY CANTERBURY**

## **GOVERNANCE STATEMENT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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An up-to-date register of member and trustee interests is maintained by the Trust and declarations are signed annually. If there is potential for a conflict of interest occurring during the day-to-day management and governance of the trust, the relevant Trustee(s) will be recused as appropriate.

This year, the trust board approved a new, more detailed, format of the termly Headteacher report. This ensured the board can hold leaders to account effectively over the information required. The new format includes termly reporting of : Contextual data, Academic data, Safeguarding data, Exclusions data, along with key strategic developments. The consistent quality of information has ensured that the board has appropriate oversight of the key information and developments within the school to provide effective governance.

The Trust Board has worked constructively with the ESFA on improved financial processes, policies and Governance, engaged with an SMRA review and adopted a new Trust Financial Plan. Acquired new financial software, to be implemented from September 2022, in conjunction with revised purchase procedures. These have served to strengthen the capacity of the Trust Board, and in particular the Finance, Audit and Risk Committee, to carry out effective assessment of the impact of specific funds on pupil outcomes.

In addition to identifying further training and support for the Finance, Audit and Risk committee, in line with Integrated Curriculum and Financial Planning (ICFP), the Chair and Vice-Chair have enrolled on the National Governance Association (NGA)'s 'Chairs Development Programme' 2022. Other training and development has continued in a variety of formats. The Trust held annual Safeguarding for Trustees training which examined the methods used by the school to ensure best practice and compliance with KCSiE and related regulations and ensure trustees understand their role within Safeguarding.

The Trust Board completed a skills audit using the NGA's skills-dashboard. This audit represented an opportunity for the board to assess its capacity and effectiveness. Where individual trustees scored themselves lower in a particular category, this was balanced by other trustees, as such the review found the board to be collectively strong in all areas highlighted by the NGA.

Individual development plans for Trustees will be established utilising the results of the audit and a combination of suggested virtual courses hosted by the NGA Learning Link and other relevant training and support. The next skills-audit will enable the board to assess the outcomes and impacts of these and foster a culture of training and development.

The Trust board also highlighted that the current Safeguarding Trustee is due to retire in the next academic year. It was decided that three additional trustees would work with and 'shadow' the Safeguarding Trustee on school visits during the forthcoming year and undertake relevant training together. This process will be maintained for future years, and expanded to include other key/link roles, serving both to future-proof and increase the overall capacity of the Trust Board to carry out its duties effectively.

# **ST STEPHEN'S ACADEMY CANTERBURY**

## **GOVERNANCE STATEMENT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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The Induction process for new Trustees was revised and placed under the auspice of the Vice-Chair.

Tony Payne (December 2021) and Lisa Carlson (July 2022) stood down at the end of their respective terms of office. Reverend Kevin Maddy and Ms Samantha Gildroy were appointed to the Trust Board in September 2021. Ms Nadia Anderton was appointed in December 2021. Dr Antonia Porter was co-opted by the Academy Trust Board in September 2022.

Their combined skills, experience and research specialisms supplement the composition of the Trust Board and increase its overall capacity.

Strategic priorities and further developments in the new academic year include:

Consider how the work of the Academy Trust Board can be visible to staff, parents, and the wider school community through the website.

Further develop a culture of learning, training and updating on the Academy Trust Board.

As part of work on Quality of Education, each curriculum area is in the process of being reviewed, using the three I's of Intent, Implementation, and Impact. Individual link Trustees met with Curriculum Leads remotely to discuss and explore 'Intent' as part of Deep Dives into the subject area, to ensure a collective understanding of the work completed and the ongoing priorities for each subject. Further meetings will take place during the next academic year, as curriculum reviews move through the next stages.

The Finance, Audit & Risk Committee is a sub-committee of the main board of trustees. Its purpose is to:

Monitor the budget and expenditure of the school to ensure sufficient controls are in place, and ensure compliance with necessary ESFA regulations, including internal scrutiny mechanisms and regular review of the risk register.

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities.

Throughout 2021-2022 the Finance, Audit and Risk Committee (FAR) reviewed the Academies risk register and contracted companies to carry out an evaluation process of risks identified. The reports generated have been reviewed and steps taken to remove or mitigate any issues identified.

All committee meetings were quorate and relevant decisions reached by a majority.

The Committee received monthly budget and cashflow monitoring reports and discussed these in depth at each meeting. The information provided was used to raise more in-depth questions and queries regarding the financial efficacy of the Academy.

The Committee discussed and approved the 3-year budget, paying particular attention to those items that may pose a risk to the Academy as a Going Concern.

The identification and separation of the School budget and the Business budget within the Management accounts and budget has been an essential part of maintaining the schools viability both now and for the future.

The committee engaged with the SMRA visit and discussed recommendations for financial efficiencies, and in conjunction with the Finance Manager, developed a new Trust Financial Plan and advised on its approval by the Academy Trust Board.

The Committee has used all of the information provided to identify those areas that pose a considerable risk to the schools finances and put action plans in place to alleviate these.

The Committee has also carried out its regular task of reviewing and updating all the finance policies and procedures and making the necessary amendments to ensure that they remain relevant and compliant.

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Lisa Carlson (Resigned 31 July 2022)	3	4
Dr. Andrew Connell (Chair of Trustees)	4	4
Laura Cutts (Joint Accounting Officer)	3	4
Sarah Heaney (Joint Accounting Officer)	2	4
Chris Morrison	3	4
Tony Payne (Resigned 7 December 2021)	0	1
Nadia Anderton (Appointed 7 December 2021)	2	3

#### Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the trustees where value for money can be improved, including the use of benchmarking data where available.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the trustees where value for money can be improved, including the use of benchmarking data where available.

#### What is Best Value?

Trustees will apply the four principles of best value:

- Challenge - Is the School's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with similar schools?
- Consult - How does the school seek the views of stakeholders about the services the school provides?
- Compete - How does the school secure efficient and effective services? Are services of appropriate quality economic?

#### The Trustees' Approach

The Trustees and school managers will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

# **ST STEPHEN'S ACADEMY CANTERBURY**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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Trustees and the school managers will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g. Raise on line, quality of teaching & learning, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration.
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships education, pupil reports, assigned inspector, Ofsted, maintenance consultant.

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

Trustees and school managers will not:

- waste time and resources on investigating minor areas where few improvements can be achieved
- waste time and resources to make minor savings in costs
- waste time and resources be seeking tenders for minor supplies and services

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

### **Staffing**

Trustees and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio and curriculum management.

### **Use of premises**

Trustees and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services and for communal access to central resources, e.g. the library

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Use of resources

Trustees and school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

#### Teaching

Trustees and school managers will review the quality of curriculum provision and quality of teaching, in order to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, the agreed RE Syllabus and the needs of pupils
- teaching which builds on previous learning and has high expectations of children's achievement.

#### Learning

Trustees and school managers will review the quality of children's learning by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets, 2 national curriculum levels between Year 3 and 6.

Trustees and school managers will develop procedures for assessing need, and obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £5,000)
- procedures for accepting 'best value' quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods and services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

#### Pupils welfare

Trustees and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

#### Health and safety

Trustees and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

#### Monitoring

These areas will be monitored for best value by:

- In-house monitoring by the Head teacher and curriculum leads e.g. classroom practice, work sampling
- Termly target setting meetings between the Head teacher and curriculum leads
- Annual Performance Management
- Annual Budget Planning
- Head teacher's monthly financial review
- Termly visits by the designated Responsible Officer
- Annual audit by the appointed external auditors
- Analysis of school pupil performance data e.g. SATs results, standardised test results, Kent Test results against all schools, LA schools and similar schools
- Analysis of pupil performance data e.g. Assessment manager reports
- Analysis of DFE financial data, e.g. year-end reports, against bench mark data for all schools and similar schools
- Analysis of DFE pupil performance data e.g. Raise on line
- Ofsted Inspection reports
- Trustees' termly classroom observations
- Trustees' termly committee meetings
- Trustees' full termly meetings
- Trustees' Annual Finance Review

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Stephen's Academy Canterbury for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

The Board of Trustees have appointed Williams Giles to the role of internal auditor.

Good practice was found in the following areas:

- All income was easily traceable with staff able to locate documentation quickly.
- Good control around both petty cash and cash income procedures. Easily reconcilable to both bank and nominal ledger.
- No bank statements were overdrawn throughout the period under review.
- Bank reconciliations are being conducted accurately and in a timely manner.
- Good evidence of segregation of duties identified in this area.
- Monthly budgets/management accounts were comprehensive including lots of detail regarding budget variations, benchmarking, monthly cashflow analysis and KPI's.
- Payroll reports are being thoroughly checked and there is clear segregation of duties between initial checks and reviews. Posting to the finance system is accurate.

A total of 9 low level ('Action is advised to enhance control or improve operational efficiency'. Implementation timescale: within 12 months) and 1 medium ('Requires action to avoid exposure to significant risk in achieving the objective for the area under review'. Implementation Timescale: 3-6 months) category recommendations were made during the programme of work. Each of these recommendations has been reviewed, actioned, and adopted where appropriate.

The Trust contracted Chartered Surveyors to carry out a complete condition survey of the school to help identify areas of risk. This report will be used to build a 5-year accommodation plan that will prioritise and cost all required work.

As part of continuous Health & Safety monitoring a tree audit was carried out to score the vast amount of trees across our site and identify those that require remedial work or removal. The required work was split into 2 sections and carried out across the year to maintain the safety of the site and our pupils. This will be an annual Health & Safety audit and a regular scheme of works put in place to reduce the risks in this area.

# **ST STEPHEN'S ACADEMY CANTERBURY**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 07 December 2022 and signed on its behalf by:

Dr. Andrew Connell  
**Chair of Trustees**

Laura Cutts  
**Joint Accounting Officer**

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2022*

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As accounting officer of St Stephen's Academy Canterbury, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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.

Laura Cutts  
**Accounting Officer**

07 December 2022

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2022**

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The trustees (who are also the directors of St Stephen's Academy Canterbury for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 07 December 2022 and signed on its behalf by:

Dr. Andrew Connell  
**Chair of Trustees**

# ST STEPHEN'S ACADEMY CANTERBURY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST STEPHEN'S ACADEMY CANTERBURY

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Opinion

We have audited the accounts of St Stephen's Academy Canterbury for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# ST STEPHEN'S ACADEMY CANTERBURY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST STEPHEN'S ACADEMY CANTERBURY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

# ST STEPHEN'S ACADEMY CANTERBURY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST STEPHEN'S ACADEMY CANTERBURY (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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

**Michelle Wilkes FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

14 December 2022

**Chartered Accountants**  
**Statutory Auditor**

5th Floor  
Ashford Commercial Quarter  
1 Dover Place  
Ashford  
Kent  
United Kingdom  
TN23 1FB

# ST STEPHEN'S ACADEMY CANTERBURY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST STEPHEN'S ACADEMY CANTERBURY AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2022**

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In accordance with the terms of our engagement letter dated 29 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Stephen's Academy Canterbury during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of St Stephen's Academy Canterbury's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Stephen's Academy Canterbury's funding agreement with the Secretary of State for Education dated 17 December 2010 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

# **ST STEPHEN'S ACADEMY CANTERBURY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST STEPHEN'S ACADEMY CANTERBURY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

Azets Audit Services  
5th Floor  
Ashford Commercial Quarter  
1 Dover Place  
Ashford  
Kent  
TN23 1FB  
United Kingdom

Dated: 14 December 2022

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Restricted funds:		Total 2022	Total 2021 as restated
	Notes	£'000	General	Fixed asset	£'000	£'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	7	17	24	64
Charitable activities:						
- Funding for educational operations	4	7	2,063	-	2,070	2,010
Other trading activities	5	379	-	-	379	463
<b>Total</b>		<u>386</u>	<u>2,070</u>	<u>17</u>	<u>2,473</u>	<u>2,537</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	289	2,387	98	2,774	2,773
<b>Total</b>	6	<u>289</u>	<u>2,387</u>	<u>98</u>	<u>2,774</u>	<u>2,773</u>
<b>Net income/(expenditure)</b>		97	(317)	(81)	(301)	(236)
Transfers between funds	16	(41)	39	2	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	2,331	-	2,331	(425)
<b>Net movement in funds</b>		<u>56</u>	<u>2,053</u>	<u>(79)</u>	<u>2,030</u>	<u>(661)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(2,420)	4,053	1,633	2,294
Total funds carried forward		<u>56</u>	<u>(367)</u>	<u>3,974</u>	<u>3,663</u>	<u>1,633</u>

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021 As restated	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2021 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	1	-	63	64
Charitable activities:					
- Funding for educational operations	4	4	2,006	-	2,010
Other trading activities	5	463	-	-	463
<b>Total</b>		468	2,006	63	2,537
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	461	2,220	92	2,773
<b>Total</b>	6	461	2,220	92	2,773
<b>Net income/(expenditure)</b>		7	(214)	(29)	(236)
Transfers between funds	16	(7)	37	(30)	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	17	-	(425)	-	(425)
<b>Net movement in funds</b>		-	(602)	(59)	(661)
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(1,818)	4,112	2,294
Total funds carried forward		-	(2,420)	4,053	1,633

# ST STEPHEN'S ACADEMY CANTERBURY

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		4,005		4,089
<b>Current assets</b>					
Debtors	12	90		60	
Cash at bank and in hand		55		8	
		145		68	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(88)		(71)	
<b>Net current assets/(liabilities)</b>			57		(3)
<b>Total assets less current liabilities</b>			4,062		4,086
Creditors: amounts falling due after more than one year	14		(26)		(31)
<b>Net assets before defined benefit pension scheme liability</b>			4,036		4,055
Defined benefit pension scheme liability	17		(373)		(2,422)
<b>Total net assets</b>			3,663		1,633
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			3,974		4,053
- Restricted income funds			6		2
- Pension reserve			(373)		(2,422)
<b>Total restricted funds</b>			3,607		1,633
<b>Unrestricted income funds</b>	16		56		-
<b>Total funds</b>			3,663		1,633

The accounts on pages 31 to 55 were approved by the trustees and authorised for issue on 07 December 2022 and are signed on their behalf by:

Dr. Andrew Connell  
Chair of Trustees

Company Number 07441370

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2022**

		2022		2021 as restated	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	20		70		(76)
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		9		32	
Purchase of tangible fixed assets		(6)		-	
<b>Net cash provided by investing activities</b>			3		32
<b>Cash flows from financing activities</b>					
Repayment of other loan		(26)		16	
<b>Net cash (used in)/provided by financing activities</b>			(26)		16
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			47		(28)
Cash and cash equivalents at beginning of the year			8		36
<b>Cash and cash equivalents at end of the year</b>			55		8

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

St Stephen's Academy Canterbury is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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.

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Changes in accounting policies

Previously leasehold land had not been depreciated, however as the Academy has the right to use over the course of the lease the Trustees have made the decision to depreciate the land over the 125 years of the lease.

##### 1.3 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The cumulative effect of the Covid Pandemic continues to have a significant impact on our Academy. Additional assistance was sought and received from ESFA to mitigate negative impacts on cashflow during the previous financial reporting period. Subsequent business income has now returned to expected levels. The Trust engaged constructively with the ESFA throughout this financial year, including an SMRA review, and adoption of a new Trust Financial Plan. The decision was taken by the Trust to close Acorns Day Nursery following staff consultation, as it represented a fundamental risk to the trust's long-term financial stability. In addition to the above and combined with further cost cutting measures, the trustees have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. On 31 August 2022 the unrestricted funds are surplus by £56k. Despite the Covid Pandemic, war in Ukraine, energy prices and ongoing 'cost-of-living' factors the restructure of the Staff Team at the end of the 2019-2020 enabled the trust to move to a more positive financial position and facilitate plans to build up a reserve balances as required.

##### 1.4 Income

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

##### Grants

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

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

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

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

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

##### Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 January 2011, the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

The land that was gifted on conversion from the Local Authority has been valued using the ESFA Desktop valuation service.

##### Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

#### 1.5 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 are allocated on the portion of the asset's use.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

### 1.6 Tangible fixed assets and depreciation

Individual assets costing £1,000 or more or group assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

A long term lease (125 years) with Kent County Council for the land and buildings at Hales Drive Canterbury, was entered into in December 2010.

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

Freehold and leasehold land and buildings	2% straight line; leasehold land over 125 years
Leasehold improvements	2% straight line
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	33.33% straight line
Motor vehicles	20% straight line

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

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

### 1.7 Liabilities

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

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.9 Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

#### **1.10 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skill Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

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

### **2 Critical accounting estimates and areas of judgement**

Accounting 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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Critical accounting estimates and assumptions

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

#### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

#### *LGPS*

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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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

There are no critical areas of judgement.

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Donated fixed assets	-	8	8	31
Capital grants	-	9	9	32
Other donations	-	7	7	1
	-	24	24	64

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	1,768	1,768	1,647
Other DfE/ESFA grants:				
Pupil premium	-	167	167	159
PE and Sports Premium	-	20	20	20
Supplementary grant	-	22	22	-
Teachers pension grant	-	-	-	72
Teachers pay grant	-	-	-	20
Others	-	25	25	18
	-	2,002	2,002	1,936
<b>Other government grants</b>				
Local authority grants	-	53	53	16
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Other DfE/ESFA COVID-19 funding	-	-	-	34
<b>Non-DfE/ESFA</b>				
Coronavirus job retention scheme grant	-	-	-	(1)
	-	-	-	33
<b>Other funding</b>				
Other incoming resources	7	8	15	25
<b>Total funding</b>	7	2,063	2,070	2,010

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The academy furloughed some of its extended day staff, support staff and nursery care staff under the government's CJRS. The funding returned of £Nil (2021: returned £1k) relates to staff costs in respect of these staff which are included within note 8 below as appropriate.

- Other coronavirus funding, amounting to £Nil (2021: £34k), relates to COVID catch up premium. The catch-up grant has been used for additional provision and training that supports us to get back on track and teaching a normal curriculum as quickly as possible. Many of the teaching models we already use such as White Rose Maths, Jane Considine Writing and Reading Vipers focus on high quality teaching for all. The catch-up premium has been spent to either further develop what we have on offer through CPD and training or add to our existing offer through either tailored tutoring or whole school incentives such as Accelerated Reader.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Hire of facilities	32	-	32	11
Catering income	60	-	60	45
Insurance claims	23	-	23	-
Trips	39	-	39	12
Extended schools programme	175	-	175	125
Nursery school	40	-	40	270
Uniform sales	10	-	10	-
	<u>379</u>	<u>-</u>	<u>379</u>	<u>463</u>

### 6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2022 £'000	Total 2021 £'000 restated
Academy's educational operations					
- Direct costs	1,225	81	118	1,424	1,404
- Allocated support costs	965	176	209	1,350	1,369
	<u>2,190</u>	<u>257</u>	<u>327</u>	<u>2,774</u>	<u>2,773</u>

#### Net income/(expenditure) for the year includes:

	2022 £'000	2021 £'000
Fees payable to auditor for:		
- Audit	8	8
- Other services	3	4
Operating lease rentals	4	3
Depreciation of tangible fixed assets	98	92
Net interest on defined benefit pension liability	39	27
	<u></u>	<u></u>

Included within expenditure are the following transactions:

	2022 £'000
Ex-gratia payments - total	1
- Individual items: Severance payment	1
	<u></u>

The legal authority sought to make ex-gratia payments followed the Academies Financial Handbook 2021, being delegated authority or approval from the Education and Skills Funding Agency.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000 restated
<b>Direct costs</b>				
Educational operations	-	1,424	1,424	1,404
<b>Support costs</b>				
Educational operations	289	1,061	1,350	1,369
	<u>289</u>	<u>2,485</u>	<u>2,774</u>	<u>2,773</u>
			<b>2022 £'000</b>	<b>2021 £'000 restated</b>
<b>Analysis of support costs</b>				
Support staff costs			962	1,044
Depreciation			17	11
Premises costs			159	139
Legal costs			10	1
Other support costs			187	161
Governance costs			15	13
			<u>1,350</u>	<u>1,369</u>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	1,478	1,611
Social security costs	125	131
Pension costs	536	523
Staff costs - employees	2,139	2,265
Agency staff costs	25	23
Staff restructuring costs	16	-
Staff development and other staff costs	18	15
Total staff expenditure	2,198	2,303

Staff restructuring costs comprise:

Redundancy payments	15	-
Severance payments	1	-
	16	-

#### Non statutory/non-contractual staff severance payments

The academy trust paid 1 severance payment during the year, disclosed in the following bands:

0 - £25,000                      - 1

#### Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1k (2021: £Nil). Individually, the payments were: £1k.

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	33	35
Administration and support	32	45
Management	3	3
	68	83

#### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 8 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the academy trust was £311k (2021: £267k).

### 9 Trustees' remuneration and expenses

The headteachers and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

No expenses were reimbursed to Trustees (2021: Nil).

The value of trustees' remuneration, including pension contributions, was as follows:

S Heaney Joint Headteacher

Remuneration £45,001 - £50,000 (2021: £45,001 - £50,000)

Employers pension contributions £10,001 - £15,000 (2021: £10,001 - £15,000)

L Cutts Joint Headteacher

Remuneration £50,001 - £55,000 (2021: £45,001 - £50,000)

Employers pension contributions £10,001 - £15,000 (2021: £10,001 - £15,000)

### 10 Trustees' and officers' insurance

The academy trust has opted into the Department for 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 trust 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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 11 Tangible fixed assets

	Freehold and leasehold land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 September 2021	4,629	207	98	96	11	5,041
Additions	-	-	10	4	-	14
At 31 August 2022	4,629	207	108	100	11	5,055
<b>Depreciation</b>						
At 1 September 2021	764	14	68	95	11	952
Charge for the year	77	4	15	2	-	98
At 31 August 2022	841	18	83	97	11	1,050
<b>Net book value</b>						
At 31 August 2022	3,788	189	25	3	-	4,005
At 31 August 2021	3,865	193	30	1	-	4,089

Included in Buildings at original cost/valuation are:

- Leasehold buildings £2,245,000
- Leasehold land £1,300,000
- Freehold buildings £90,000
- Leasehold improvements £381,606
- New modular building £611,811

Previously leasehold land had not been depreciated, however as the Academy has the right to use over the course of the lease the Trustees have made the decision to depreciate the land over the 125 years of the lease. The land was initially transferred on the 1 January 2011 and therefore a prior year adjustment has made to reflect the correct brought forward depreciation, amounting to £101k and to include the depreciation charge for last year amounting to £10k. The net affect is to reduce the net book value of leasehold land and buildings by £111k as at 31 August 2021.

### 12 Debtors

	2022 £'000	2021 £'000
Trade debtors	4	1
VAT recoverable	12	3
Prepayments and accrued income	74	56
	90	60

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Other loans	5	26
Trade creditors	28	26
Other creditors	19	-
Accruals and deferred income	36	19
	<u>88</u>	<u>71</u>

Other loans includes:

- Salix loan repayable over 8 years, see note 15
- ESFA short term cashflow loan of £26k repayable in 6 monthly instalments. Repayments of £4k commenced in August 2021. This has now been fully repaid.

### 14 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Other loans	26	31
	<u>26</u>	<u>31</u>
<b>Analysis of loans</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Not wholly repayable within five years by instalments	6	11
Wholly repayable within five years	25	46
	<u>31</u>	<u>57</u>
Less: included in current liabilities	(5)	(26)
	<u>26</u>	<u>31</u>
Amounts included above	<u>26</u>	<u>31</u>
<b>Loan maturity</b>		
Debt due in one year or less	5	26
Due in more than one year but not more than two years	5	5
Due in more than two years but not more than five years	15	15
Due in more than five years	6	11
	<u>31</u>	<u>57</u>

Other loans includes

- Salix loan of £41k received as part of a successful Condition Improvement Fund bid. The loan is repayable monthly over 8 years and is interest free. Repayments amounting to £5k have been made in the year.
- ESFA short term cashflow loan of £26k repayable in 6 monthly instalments. Repayments of £4k commenced in August 2021. This short term loan has now been fully repaid.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 15 Deferred income

	2022 £'000	2021 £'000
Deferred income is included within:		
Creditors due within one year	5	5
	=====	=====
Deferred income at 1 September 2021	5	12
Released from previous years	(5)	(12)
Resources deferred in the year	5	5
	=====	=====
<b>Deferred income at 31 August 2022</b>	<b>5</b>	<b>5</b>
	=====	=====

At the balance sheet date the academy trust was holding funds received in advance for the following:

- ESFA rates for September 2022 to March 2023

### 16 Funds

	Balance at 1 September 2021 restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2	1,768	(1,809)	39	-
Pupil premium	-	167	(167)	-	-
Other DfE/ESFA grants	-	25	(25)	-	-
Other government grants	-	53	(53)	-	-
Supplementary grant	-	22	(22)	-	-
PE and Sports premium	-	20	(20)	-	-
Other restricted funds	-	15	(9)	-	6
Pension reserve	(2,422)	-	(282)	2,331	(373)
	=====	=====	=====	=====	=====
	(2,420)	2,070	(2,387)	2,370	(367)
	=====	=====	=====	=====	=====
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	9	-	(9)	-
Salix loan	(36)	-	-	5	(31)
Fixed asset fund	4,089	8	(98)	6	4,005
	=====	=====	=====	=====	=====
	4,053	17	(98)	2	3,974
	=====	=====	=====	=====	=====
<b>Total restricted funds</b>	<b>1,633</b>	<b>2,087</b>	<b>(2,485)</b>	<b>2,372</b>	<b>3,607</b>
	=====	=====	=====	=====	=====
<b>Unrestricted funds</b>					
General funds	-	386	(289)	(41)	56
	=====	=====	=====	=====	=====
<b>Total funds</b>	<b>1,633</b>	<b>2,473</b>	<b>(2,774)</b>	<b>2,331</b>	<b>3,663</b>
	=====	=====	=====	=====	=====

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 16 Funds

(Continued)

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

#### General Annual Grant

Income received from the ESFA to cover the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

#### Other DFE/ESFA grants

This includes the pupil premium, sports funding, rates relief, teachers' pay grant, teachers pension grant, FSM, recovery premium and supplementary grant.

#### Other government grants

This includes additional pupil premium and additional funding received from the Local Authority together with Covid Job Retention Scheme grant.

#### Other grants

Other grants funds include grant from KCC to support teaching of music within schools, funding provided by KCC for high needs pupils, graduate training programme and other various items.

#### Salix loan

This is a loan to be repaid over 8 years as part of the successful CIF bid.

#### Transfer between funds

The transfer between funds represents the costs of devolved capital grant which have been used on repair costs and the transfer of unrestricted funds to cover the costs of restricted grants.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 16 Funds

(Continued)

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

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021 restated
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(64)	1,647	(1,618)	37	2
Pupil premium	-	159	(159)	-	-
Other DfE/ESFA grants	-	18	(18)	-	-
Other government grants	-	49	(49)	-	-
Teachers pension grant	-	72	(72)	-	-
Teachers pay grant	-	20	(20)	-	-
Supplementary grant	-	20	(20)	-	-
Other restricted funds	-	21	(21)	-	-
Pension reserve	(1,754)	-	(243)	(425)	(2,422)
	<u>(1,818)</u>	<u>2,006</u>	<u>(2,220)</u>	<u>(388)</u>	<u>(2,420)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	3	32	-	(35)	-
Salix loan	(41)	-	-	5	(36)
Fixed asset fund	4,150	31	(92)	-	4,089
	<u>4,112</u>	<u>63</u>	<u>(92)</u>	<u>(30)</u>	<u>4,053</u>
<b>Total restricted funds</b>	<u>2,294</u>	<u>2,069</u>	<u>(2,312)</u>	<u>(418)</u>	<u>1,633</u>
<b>Unrestricted funds</b>					
General funds	-	468	(461)	(7)	-
<b>Total funds</b>	<u>2,294</u>	<u>2,537</u>	<u>(2,773)</u>	<u>(425)</u>	<u>1,633</u>

### 17 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 17 Pension and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £173k (2021: £167k).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5 to 7.5% for employees. The estimated value of employer contributions for the year ended 31 August 2022 is £129k.

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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Pension and similar obligations

(Continued)

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	123	141
Employees' contributions	34	44
Total contributions	157	185

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.90	3.9
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.90	2.9

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

	2022 Years	2021 Years
Retiring today		
- Males	21.0	21.9
- Females	23.5	23.8
Retiring in 20 years		
- Males	22.3	23.3
- Females	24.9	25.3

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022	2021
Discount rate + 0.1%	-65	-117
Discount rate - 0.1%	+77	+121
Mortality assumption + 1 year	+72	+175
Mortality assumption - 1 year	-70	-169
Salary increase +0.1%	+5	+10
Salary increase -0.1%	-5	-9
Pension increase +0.1%	+63	+109
Pension increase -0.1%	-62	-107

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Pension and similar obligations

(Continued)

Defined benefit pension scheme net liability	2022 £'000	2021 £'000
Scheme assets	2,234	2,139
Scheme obligations	(2,607)	(4,561)
Net liability	(373)	(2,422)

The academy trust's share of the assets in the scheme	2022 Fair value £'000	2021 Fair value £'000
Equities	1,464	1,400
Other bonds	295	297
Gilts	13	12
Cash	38	61
Property	263	220
Other assets	161	149
Total market value of assets	2,234	2,139

The actual return on scheme assets was £(30,000) (2021: £263,000).

Amount recognised in the statement of financial activities	2022 £'000	2021 £'000
Current service cost	366	357
Interest income	(36)	(29)
Interest cost	75	56
Total operating charge	405	384

Changes in the present value of defined benefit obligations	2022 £'000	2021 £'000
At 1 September 2021	4,561	3,563
Current service cost	366	357
Interest cost	75	56
Employee contributions	34	44
Actuarial (gain)/loss	(2,397)	659
Benefits paid	(32)	(118)
At 31 August 2022	2,607	4,561

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Pension and similar obligations

(Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

	2022 £'000	2021 £'000
At 1 September 2021	2,139	1,809
Interest income	36	29
Actuarial loss/(gain)	(66)	234
Employer contributions	123	141
Employee contributions	34	44
Benefits paid	(32)	(118)
At 31 August 2022	2,234	2,139

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	4,005	4,005
Current assets	56	89	-	145
Creditors falling due within one year	-	(83)	(5)	(88)
Creditors falling due after one year	-	-	(26)	(26)
Defined benefit pension liability	-	(373)	-	(373)
<b>Total net assets</b>	56	(367)	3,974	3,663

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds restated £'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	4,089	4,089
Current assets	66	2	-	68
Creditors falling due within one year	(66)	-	(5)	(71)
Creditors falling due after one year	-	-	(31)	(31)
Defined benefit pension liability	-	(2,422)	-	(2,422)
<b>Total net assets</b>	-	(2,420)	4,053	1,633

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Analysis of changes in net funds/(debt)

	1 September 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	8	47	55
Loans falling due within one year	(26)	21	(5)
Loans falling due after more than one year	(31)	5	(26)
	<u>(49)</u>	<u>73</u>	<u>24</u>

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2022 £'000	2021 £'000 restated
Net expenditure for the reporting period (as per the statement of financial activities)	(301)	(236)
Adjusted for:		
Capital grants from DfE and other capital income	(17)	(63)
Defined benefit pension costs less contributions payable	243	216
Defined benefit pension scheme finance cost	39	27
Depreciation of tangible fixed assets	98	92
(Increase) in debtors	(30)	(21)
Increase/(decrease) in creditors	38	(91)
<b>Net cash provided by/(used in) operating activities</b>	<u>70</u>	<u>(76)</u>

### 21 Long-term commitments, including operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £'000	2021 £'000
Amounts due within one year	3	3
Amounts due in two and five years	6	10
	<u>9</u>	<u>13</u>

### 22 Related party transactions

No related party transactions took place in the year or preceding year.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 24 Prior period adjustment

		1 September 2020 £'000	31 August 2021 £'000
<b>Reconciliation of funds</b>	<b>Notes</b>		
Funds as previously reported		2,395	1,744
Adjustments arising:			
Depreciation on leasehold land		(101)	(111)
Funds as restated		2,294	1,633
<b>Reconciliation of net income/(expenditure) for the previous financial period</b>	<b>Notes</b>		<b>2021 £'000</b>
Net expenditure as previously reported			(226)
Adjustments arising:			
Depreciation on leasehold land			(10)
Net expenditure as restated			(236)

### Notes to restatement

#### i) Change in accounting policy on depreciation of leasehold land

Previously leasehold land had not been depreciated, however as the Academy has the right to use over the course of the lease the Trustees have made the decision to depreciate the land over the 125 years of the lease. The land was initially transferred on the 1 January 2011 and therefore a prior year adjustment has made to reflect the correct brought forward depreciation, amounting to £101k and to include the depreciation charge for last year amounting to £10k. The net affect is to reduce the net book value of leasehold land and buildings by £111k as at 31 August 2021.