

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 2021**

# ST STEPHEN'S ACADEMY CANTERBURY

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# ST STEPHEN'S ACADEMY CANTERBURY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Victor Hester (resigned 31 August 2021)  
Chris Barton  
Dr. Amanda Gosling  
Barnaby Sandell

### Trustees

Victor Hester (Chair of Governors (to 31 August 2021)) (Resigned 31 August 2021)  
Chris Barton (Resigned 1 September 2021)  
Sarah Booker (Appointed 12 March 2021)  
Lisa Carlson  
Dr. Andrew Connell (Chair of Trustees (from 1 September 2021))  
Laura Cutts (Appointed 25 February 2021)  
Samantha Gildroy (Appointed 1 September 2021)  
Dr. Amanda Gosling (Resigned 1 September 2021)  
Sarah Heaney (Appointed 25 February 2021)  
Rev. Kevin Maddy (Appointed 1 September 2021)  
Marie Montague (Resigned 9 November 2020)  
Chris Morrison (Appointed 12 March 2021)  
Dr. Erwin Pauws (Appointed 3 March 2021)  
Tony Payne  
Barnaby Sandell (Resigned 1 September 2021)

### Senior management team

- Joint Headteacher  
- Joint Headteacher  
- Assistant Headteacher  
- School manager / Bursar  
- Family Learning  
- Finance Manager (from 1 September 2021)

Sarah Heaney  
Laura Cutts  
Jo Sazant  
Jayne Dowkes  
Sally Millsted  
Nik Oakes

### 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 2021

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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 2020 to 31 August 2021. 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 423 in the school census in October 2020.

#### **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 Headteacher) who are employees of the academy shall not exceed one third of the total number of trustees. The Headteacher (Accounting Officer) are to be an ex officio governor (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 2021

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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 Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Phase Leads and the School, Finance and Family Learning Managers.

The Joint Headteachers are the Accounting Officer.

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

In the year to August 2021, 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 St Stephen's pay scale, which has the same minimum and maximum levels as 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 Headteacher 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

There are no related parties which either control or significantly influence the decisions and operations of St Stephen's Academy Canterbury. There are no sponsors or formal parent teacher associations associated with the academy.

There was a school voluntary fund, which was a separate registered charity (number 1122377) and which collected donations from parents, some of which are gift aided. These were passed to the school for the educational benefit of all pupils in the school.

Stuart Pywell and Vic Hester were trustees of the school voluntary fund. On 22 July 2020 the Voluntary Fund was dissolved and removed from the Charity Register.

#### **Objectives and activities**

##### Objects and aims

St Stephen's Academy Canterbury operates St Stephen's Junior School. The principal object and activity of the academy is to advance, for the public benefit, education in the United Kingdom in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing, and developing a school offering a broad and balanced curriculum for pupils of different abilities between the ages of 7 and 11.

St Stephen's Junior School is a mixed school for children aged 7 – 11. A day care nursery called Acorns Day Nursery, is also operated within the premises, for children aged 3 months to 5 years.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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At St Stephen's Junior School, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our academy is a community in which children, staff and parents are part of a happy and caring environment.

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.

#### Objectives, strategies and activities

Our priorities for the year were shaped by the pandemic, with a strong focus on ensuring high quality teaching and learning to bridge the gap in learning, as well as supporting pupils' wellbeing. 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.

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.

Our core aims as detailed in our School Action and Recovery Plan for the Academic Year 2020/2021 are as follows, based on a response to the loss of learning from the previous year:

#### **Catch up commitment- to effectively reclaim the lost weeks and months of education.**

- Implementation of Accelerated Reader to promote love of reading across the school
- Implementation of new PHSE scheme across the school.
- Use of maths tutoring for specific targeted groups.
- SEND review of provision and audit.
- Review of marking and feedback to better support pupils learning.
- Continue to develop curriculum subjects across the school.
- To identify pupils' wellbeing needs and develop effective strategies to support them.

#### **Communication**

- To ensure that communications to staff, children, parents and stakeholders provide regular and positive updates about school life, achievements, next steps and our shared journey.
- To enhance and share our vision for the school more widely and more regularly.
- To work with all stakeholders to draw up new values and vision to better represent the school.

#### **Redevelopment of our school values**

- To redevelop our school values to ensure that we are addressing the needs of our pupils both now and in the future.

#### **Workload and Wellbeing**

- To install a focus on wellbeing and workload through effective CPD and appraisal targets focused on staff managing their own wellbeing

Along with all of the above, the most significant priority in the school was managing Covid through regular monitoring of risk assessments, along with monitoring of measures in place and contact tracing pupils and staff, whilst ensuring regular communication with all members of the school community.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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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, although there are some families who live in the coastal towns who work at the Universities and utilise the Afterschool and Breakfast Club provision.

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%.

## **Strategic report**

### **Achievements and performance**

St Stephen's Junior School is a 4 form entry 7 - 11 school operating in the city of Canterbury. It has a mixed catchment area and the school population is drawn from both local estates and wider fringes as working parents access the extended hours of care we are able to offer. The school shares its site with the Infants school. The site is large and has been developed to provide large tarmac and grass play areas, extensive outdoor play equipment, a large sports hall in the junior school, and more recently, a 483m<sup>2</sup> building of 5 classrooms and an office used for our Year 6 children. There is also a 42 place day nursery run by the Junior school on site.

In September 2019 we had 432 pupils registered against the PAN of 400 and we maintained numbers broadly at this level throughout the year. For September 2020, 3 of our 4 year groups are full with waiting lists.

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."

### **Achievements**

The Headteachers have worked closely with a SIP to ensure that the strategic priorities for the school are accurately identified and supporting documentation accurately evidences strengths and weaknesses within the school. A key area of focus has been the development of the curriculum and ensuring that subject leaders have a clear intent which is supported by collection of evidence through deep dives and data to further identify action points within their curriculum area. All subject leaders have worked extensively on their curriculum maps and undertook a series of deep dives, despite the ongoing problems with the pandemic to ensure that priorities within their curriculum area were accurately identified. Curriculum leaders met with link trustees to ensure there was a collective understanding of the work completed and the ongoing priorities for each subject.

The Ofsted Report (November 2017) considers the school to be led "with a high degree of resolve to continually improve the standards of academic and personal achievement for pupils" offering a good or excellent level of education to all pupils. Throughout this year we have focused on building the teaching and learning capacity throughout the school with the appointment of new Phase Leaders, who have the core responsibility of upholding the quality of teaching and learning across the school. The Phase leaders are in the process of completing their NPQSL, with a particular focus in improving English within the school.

### **Monitoring and Evaluation**

Monitoring and evaluation of teaching and curriculum still continued to take place throughout the school year, despite the pandemic. This was done through curriculum deep dives between subject leaders and the Headteachers to monitor and evaluate the implementation of the curriculum. Regular work scrutinies took place at weekly year group meetings to identify clear action points to support pupils progress. Reviews of whole class marking and feedback sheets further informed areas of development and strengths and allowed us to ensure all pupils were able to make the best use of teacher feedback, along with the most effective way to deliver this feedback.



# **ST STEPHEN'S ACADEMY CANTERBURY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### **Reading**

A new method of teaching Reading throughout the school was consistently introduced in all year groups with a focus on supporting pupils vocabulary and helping to bridge the gap in knowledge deficit that would ensure all pupils had an understanding of the background and context of texts within the classroom. The amount of Reading sessions pupils are taught on a weekly basis has increased and along with the introduction of Accelerated Reader has ensured that Reading is a key focus within the school, as well as supporting Reading at home.

#### **School Values**

This year has provided an opportunity to redesign the new school values in conjunction with all stakeholders within the school. Pupil and parent voice have been key in the redevelopment which has identified the key values of Honesty, Kindness and Creativity as our values along with the key themes of Environment, Equality and Wellbeing. As part of our implementation for the year 2021/2022 we will use these values and themes to ensure a programme of learning and activities which support the direction. We will also be focusing on ensuring that pupils are able to understand the context, within school, locally at a community level as well as at a global level.

#### **Catch Up Spending**

The focus of catch up spending was based around the introduction of Accelerated Reader, Maths Tuition and CPD for staff.

The impact of Accelerated Reader and the Maths tuition is further detailed below. Further spending was also allocated for sports coaches to teach sport to all pupils and offer a wide range of sports clubs after school to ensure that all pupils were given high quality opportunities that would support their physical wellbeing after a period of lockdown.

Pupils wellbeing was supported through the new introduction of a PHSE scheme which meets the new statutory requirements for RSE teaching. This supported pupils' wellbeing throughout this period of time, with a focus on teaching strategies to pupils to help them manage their emotions.

CPD for all staff continued throughout the remote learning period with the key focuses being the new writing model, which all teachers completed modules and feedback on with actions and implications for teaching. We also trained all Teaching Assistants on the white rose maths models and materials to better support their teaching of groups. Two members of staff are midway through their NPQSL and subject leaders undertook individual CPD relevant to their subjects.

#### **Lockdown Learning**

The Wellbeing team played a vital role in supporting pupils during the lockdown, supporting families who needed food parcels and vouchers, as well as engaging pupils and parents online for remote learning. Pupils that had found the previous lockdown challenging, had SEND needs or were classified as vulnerable, were invited to continue their learning within school. 25% of our pupils accepted a place in school. Provision through the SENCO team and teachers ensured that all pupils were able to access learning in an appropriate manner.

Teachers worked in school with Key worker pupils and delivered daily online live lessons throughout the pandemic. Regular monitoring and evaluation took place of the remote learning offer, along with parental surveys to ensure that we were supporting pupils in the best way possible.

Pupils who were identified as not engaging with the remote learning were supported with regular telephone calls and work packs and offered a place in the school.

#### **Communication**

Almost all our parents signed up to parent mail and we use this extensively for notifications. We introduced a paperless system for Newsletters, as well as launching a new format of Newsletter, which was a vital way of keeping parents updated on the school community throughout the lockdown. 98% of parents in school are signed up to Class Dojo, which was the method by which our remote learning package was delivered.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### School Site

Last year new sinks and hand sanitising stations were fitted in the school to promote better hygiene as a direct consequence of Covid.

We were successful in obtaining a CIF bid of £38 548 to upgrade our fire systems and emergency lighting throughout the school, which was completed by the end of the school year.

#### 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, Audit & Risk Committee meetings.

As funding is based on pupil numbers this is considered to be a key performance indicator. In 2020-2021 the academy was funded on pupil numbers of 432 being the number on roll at the census date of October 2020.

Another key performance indicator is staffing costs as a percentage of GAG. For the 2020 – 2021 Academic year this was 87.41% (2019-20 99%).

<b>Indicator</b>	<b>2021</b>	<b>2020</b>
<i>Average Pupil numbers</i>	423	432
<i>GAG carry forward %</i>	-	-
<i>Total income per pupil</i>	£6,045	£5,777
<i>Total GAG per pupil</i>	£4,602	£4,105
<i>School based staff cost per pupil</i>	£4,022	£4,064
<i>School resources per pupil</i>	£4,873	£4,737
<i>Cash balances</i>	£6,474	£18,912

Despite the pandemic disrupting much of the school year, pupils still performed relatively well against their KS1 starting points. Pupils were assessed at two points throughout the year, to identify gaps in their learning and establish how well they had performed despite a significant proportion of the learning taking place remotely. Pupils sat NFER tests, with the exception of year 6, who sit past SATs papers.

Year 6 data

		BELOW	EXS +	EXS	GD
Summer 2021	Reading	15%	85% (+3)	35%	50% (+25)
	Writing	14%	86% (+9)	72%	14% (-6)
	Maths	17%	83% (+1)	54%	29% (+12)

Year 5 data

		BELOW	EXS +	EXS	GD
Summer 2021	Reading	22%	78% (-7)	27%	51% (+23)
	Writing	32%	68% (-9)	44%	24% (+10)
	Maths	20%	80% (-2)	25%	55% (+37)

Year 4 data

		BELOW	EXS +	EXS	GD
Summer 2021	Reading	19%	81% (+1)	33%	49% (+15)
	Writing	29%	71% (-1)	59%	11% (-5)
	Maths	27%	77% (-4)	28%	45% (+25)

Year 3 data

		BELOW	EXS +	EXS	GD
Summer 2021	Reading	28%	72% (-5)	30%	42% (+20)
	Writing	37%	63% (-3)	48%	35% (+11)
	Maths	35%	65% (-6)	24%	41% (+32)

Pupils data is shown against KS1 attainment and although some pupils did not meet their targets, based on the previous year the data shows that pupils generally performed well in the circumstance, especially with a significant proportion achieving the greater depth level, improving on their prior attainment. Greater depth levels in all subjects are considerably higher in all subject than national percentages, based on national data for 2019.

Pupils who are not meeting their progress targets are identified and strategies put in place to support along with the appropriate intervention.

Pupil premium pupils were working behind their KS1 starting points, and lower PP pupils were the group that were the worst affected by the school lockdown.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Year 6 PP compared to KS1 data

		BELOW	EXS +	EXS	GD
PP only	Reading	34%	66% (-8)	27%	38% (+31)
	Writing	34%	66% (-4)	48%	17% (+6)
	Maths	34%	66% (-8)	42%	23% (+16)

Year 5 PP compared to KS1 data

		BELOW	EXS +	EXS	GD
PP only	Reading	44%	56% (-14)	28%	28% (+11)
	Writing	61%	39% (-24)	32%	7% (-3)
	Maths	39%	61% (-9)	22%	39% (+26)

Year 4 PP compared to KS1 data

		BELOW	EXS +	EXS	GD
PP only	Reading	36%	64% (-8)	25%	39% (+15)
	Writing	46%	54% (-8)	54%	0% (-5)
	Maths	39%	61% (-10)	39%	22% (+13)

Year 3 PP compared to KS1 data

		BELOW	EXS +	EXS	GD
PP only	Reading	33%	67% (+6)	39%	27% (+11)
	Writing	57%	43% (+1)	41%	3%
	Maths	57%	43% (-6)	14%	30% (+20)

Pupil premium pupils performed exceptional well at greater depth levels across the school. Although lower PP performance is a continued issue, on average for reading, pupils were 2% better compared to their performance prior to Covid and 7% better for maths. Despite continued disruption, PP pupils' performance was not worse than previous years.

Pupil premium pupils are overrepresented in Afterschool Clubs with 37% of PP pupils attending Afterschool Clubs compared to 29% of PP pupils who attend the school.

### Progress since return to school after lockdown.

Pupils made accelerated progress on their return to school after the lockdown in all year groups based on assessments on the return to school and at the end of the summer term. In Reading, pupils made an average of 3.75 points of progress when they would normally have made 2. In maths, pupils made an average of 3.45 points of progress when they would normally have made 2. Progress in writing was not as accelerated at 2.7 points of progress, reflecting pupils' experiences over lockdown.

### Maths tutoring data

The year 5 tutoring group (15 children) made an average of 4.5 points of progress from their previous assessment point compared to an average for the year group of 3.8 points of progress. This includes 5 children who made accelerated progress. 10 of the 15 children who took part are PP children.

Following the success of the maths tutoring, we have booked tutoring slots for 15 students from September and a further 15 students from term 3.

### Accelerated reader information

**Year 3:** ALL: 90% pupils have made good or better progress in the term that AR was introduced with 74% making excellent progress.

PP: 90% of pupils have made good or better progress in the term that AR was introduced with 81% making excellent progress.

**Year 4:** ALL: 97% of pupils have made good or better progress in the term that AR was introduced with 88% making excellent progress.

PP: 96% of pupils have made good or better progress in the term that AR was introduced with 84% making excellent progress.

**Year 5:** ALL: 90% of pupils have made good or better progress in the term that AR was introduced with 54% making excellent progress.

PP: 80% of pupils have made good or better progress in the term that AR was introduced with 34% making excellent progress.

**Year 6:** ALL: 59% of pupils have made good or better progress in the term that AR was introduced with 10% making excellent progress.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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PP: 44% of pupils have made good or better progress in the term that AR was introduced with 11% making excellent progress.

EAL pupils in our school perform above the whole cohort in all year groups, across Reading, Writing and Maths, with the exception of EAL pupils in year 3 for reading. The average % of all pupils achieving Greater Depth across the school last year was 48% and for EAL pupils it was 58%, showing that EAL pupils significantly outperform other groups as they progress through the school.

Last year 47 children were assessed as suitable for Grammar School. On average between 40-50% of our pupils meet the grammar requirements every year.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees 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 and a further lockdown, initiated after the pupils had returned for only one day in January 2021, had a substantial impact on our Academy during the first half of the academic year with the operation of our lettings program, Nursery and After School Club, severely affected at this very short notice. Additional assistance was sought and received from ESFA to mitigate negative impacts on cashflow throughout this period. Subsequent income returned to expected levels following the full re-opening of the school and After-School Club. However, the full separation of all trading income throughout this year has reinforced the need to evaluate the nursery provision as a single entity and a going concern in its own right. The financial performance of the nursery has decreased over the last 3 years resulting in a growing deficit at the end of each year. In the 2020-2021 academic year the nursery received £270,000 in income, however, the costs incurred totaled £309,000, the forecast for the following 3 years shows that the deficit will only increase further. Following a full appraisal of the setting and its financial obligations it has been concluded that the nursery is unable to self-sustain and cannot run without a significant injection of funds from the school. This scenario seriously jeopardises the schools ability to remain a going concern in the future. Resolving this issue will allow the income generated from additional business operations to be filtered back into the school and extended school setting to make positive changes rather than satisfying the nursery's growing deficit.

The Academy has worked hard to reduce the deficit of £64,000 that was reported at the end of the 2019-2020 academic year, managing to finish 2021 with a small surplus. The net current liabilities have also decreased since the end of 2020 and the remaining negative figure in the accounts is due to the ESFA cashflow loan that will be fully paid as of January 2022.

The nursery evaluation combined with additional cost cutting measures, the restructure of the Senior Leadership team in 2020 and more stringent internal controls, will continue to strengthen the financial viability of the academy and enable the required reserve balance to be built.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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 2021 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 addition to the above, the Trust received a Catch-Up Premium (£34,560.00). As per EEF guidance, use of these funds was based on the model of: Supporting great teaching for **all** pupils, Specific targeted academic support for **some** pupils, Support for wider strategies within the wellbeing and pastoral team to support pupil and family engagement within school. Spending was allocated to the introduction of the Accelerated Reader program, Maths Tuition and Enhanced CPD for staff. Further spending was also allocated to increase the range of sports clubs to support physical wellbeing and the introduction of focused PHSE scheme to support mental health of pupils following lockdown(s). Early outcomes of the Accelerated Reader program, in particular, demonstrate positive impacts for **all** pupils and are indicative of a value for money spend.

During the year ended 31 August 2021, total expenditure of £2,763k (2020: £2,776k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year was £207k (2020: £308k).

At 31 August 2021 the net book value of fixed assets was £4,200k (2020: £4,251k) and movements in tangible fixed assets are shown in note 12 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 25 November 2011 at £2,335k on an existing use value basis and land was valued on 1 September 2014 at £1,300k. 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 £2,422k (2020: £1,754k) at 31 August 2021.

#### Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration future plans of the academy, the uncertainty over income streams and other key risks identified during the risk review.

The academy's current level of unrestricted reserves is £Nil (2020: negative £64k) (total funds less the amount held in fixed assets, restricted funds and the salix loan).

The trustees have recognised that the appropriate level of unrestricted reserves should be equivalent to four week's expenditure, approximately £163k (2020: £161k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

At 31 August 2021 the restricted funds are £2k. Despite the Covid-19 Pandemic, the restructuring of the Staff Team at the end of the 2019-2020 Academic Year, combined with short-term loan assistance from ESFA, to cope with the initial financial stresses caused by the impact of the second national lockdown, has enabled the Academy to move forward into a more positive financial position and build up a reserve balance as required.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Academy held fund balances at 31 August 2021 of £1,744k (2020: £2,395k) comprising £1,744k of restricted funds (2020: £2,459k) and £Nil of unrestricted general funds (2020: negative £64k). Of the restricted funds, £4,200k is represented by tangible fixed assets (2020: £4,251k), £Nil on unspent CIF grants (2020: £3k) and a Salix loan of £36k (2020: £41k).

The pension reserve which is considered part of restricted funds was £2,422k in deficit (2020: £1,754k).

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, Audit and Risk 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 Acorns or 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.

#### 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 2021

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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 17.

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 19 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 impact however has been on loss of income from lettings, as well as the lack of income from the breakfast and after school clubs as well as the Nursery. This has been quite considerable as staff have still had to be paid although we have been able to “furlough” some Nursery staff. The Nursery provision has been highlighted as a continuing risk-factor which will need to be considered in more depth moving into the new academic year.

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

**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.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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**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.

**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.

#### **Fundraising**

The School 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 fund raising activities.

#### **Plans for future periods**

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

##### **School Vision 2021- 2022**

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.***



# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The key areas of focus are detailed within our New School Action Plan 2021/2022

#### Areas of Focus: Quality of Education

- Ensure higher expectations are consistently set for SEN pupils for progress and attainment and that needs are accurately identified, assessed and met.
- Ensure that all pupils eligible for pupil premium make *at least* good progress throughout their time at our school.
- Achieve greater consistency of high-quality outcomes in books for all pupils.
- Further implement current reading assessment strategies so that gaps are addressed quickly and effectively for all pupils.
- Further develop the consistency of assessment across all foundation subjects.
- Continue to develop teacher strategies around long-term memory so that pupils embed key concepts in their learning and can know and remember more.
- Continue to develop curriculums in response to individual subject requirements and ensure that staff have expert knowledge across the full curriculum.
- Establish greater consistency in teacher assessment for core subjects.
- Further develop the ways that teachers check pupils understanding effectively and identify and correct misunderstandings.

#### Areas of Focus: Behaviour and Attitudes

- Further provision for SEN pupils and their behaviour throughout the school.
- Focus on break and lunchtime provision to ensure that pupils are well behaved, well-mannered and engaged with the opportunities available.
- Re-introduce whole school positive praise and incentive structures that were in place and further develop key aspects.
- Ensure that behaviour management and processes during PPA are consistent and effective with good impact on behaviour for learning.
- Provide further opportunities for whole school pupil voice.

#### Areas of Focus: Personal Development

- Launch and embed new school values using a clear structure to support pupil understanding and application. Use this vehicle to explore and embed Equality and Diversity in more detail throughout the school with a local national and global context.
- Focus on the development of After school clubs for coming year to ensure that pupils have access to a wide range of experiences that to develop character and resilience.
- Facilitate and encourage our pupils as active citizens in our local community.
- Raise the profile of PHSE throughout school with further monitoring and evaluation.
- Develop pupil's knowledge and understanding of how to keep themselves mentally and physically healthy.
- Develop clear and compelling evidence of Governance and the three core functions:
- Set clear expectations and development of staff to ensure that all pupils benefit from effective teaching and consistency wherever they are in the school.
- 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.
- Complete safeguarding audit to highlight any areas for further development of best practice.
- Demonstrate strategic development of CPD opportunities to fit the range of staff needs in the school.

# ST STEPHEN'S ACADEMY CANTERBURY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Area of focus – Leadership and Management

1. Develop clear and compelling evidence of Governance and the three core functions:
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. Complete safeguarding audit to highlight any areas for further development of best practice.
5. Demonstrate strategic development of CPD opportunities to fit the range of staff needs in the school.

A governance audit was carried out in July 2021, the findings of this has had a significant impact on the future of governance within the school and will continue to inform and shape the structure of governance throughout the next academic year.

#### Area of focus: Whole school development

6. Completed site audit to ensure strategic plan for grounds development and maintenance, site safety and visitor access.
7. Reinstate parent panel and forum to provide vital feedback and idea sharing for key aspects of school life. Cost of survey system
8. Ensure wider parent views and communication across whole school (with links to reading and library support as an initial area of focus).
9. Establish fundraising committee to support school funds for specific projects and enrichment plans.
10. Re-introduce our incentives and rewards for excellent attendance across the school with a link to new school value of belonging.

#### 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 2021 and signed on its behalf by:

Dr. Andrew Connell

**Chair of Trustees (from 1 September 2021)**

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 board of trustees 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Victor Hester (Chair of Governors (to 31 August 2021)) (Resigned 31 August 2021)	5	5
Chris Barton (Resigned 1 September 2021)	3	5
Sarah Booker (Appointed 12 March 2021)	2	3
Lisa Carlson	5	5
Dr. Andrew Connell (Chair of Trustees (from 1 September 2021))	5	5
Laura Cutts (Appointed 25 February 2021)	5	5
Samantha Gildroy (Appointed 1 September 2021)	0	0
Dr. Amanda Gosling (Resigned 1 September 2021)	2	5
Sarah Heaney (Appointed 25 February 2021)	5	5
Rev. Kevin Maddy (Appointed 1 September 2021)	0	0
Marie Montague (Resigned 9 November 2020)		
Chris Morrison (Appointed 12 March 2021)	3	3
Dr. Erwin Pauws (Appointed 3 March 2021)	3	3
Tony Payne	3	5
Barnaby Sandell (Resigned 1 September 2021)	4	5

Due to the Covid Pandemic, Trustees have continued to meet remotely using Zoom. This has presented its own unique challenges, however, the Trustees have maintained lines of communication in order to carry out their duties.

In December 2020, the Trustees held a vision and development day, this served to review and implement a clear vision and values statement, with a five-year focus linked to the School's Action and Recovery Plan.

In March Dr Erwin Pauws was duly elected by the parents of the Academy as a Parent Governor (trustee). Mr Chris Morrison and Mrs Sarah Booker, also parents who had stood for election, were subsequently appointed as Trustees by the Members. Their combined skills and varied experience complement the existing composition of the Trust Board and increase its overall capacity.

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.

# **ST STEPHEN'S ACADEMY CANTERBURY**

## **GOVERNANCE STATEMENT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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Trustees have undertaken remote training sessions through both the Key and the National Trustees Association Learning Link.

An Independent External Review of Governance was carried out in June 2021 by Babcock Associates. During this process, the Chair of Trustees submitted his resignation, to take effect 31 August 2021.

The review identified areas for improvement and significant changes which were required to the governance structure of the Trust. These included a recommendation for greater separation of Members and Trustees, with more clear definition of roles, in line with the Academies Handbook 2021, to avoid duplication of effort and increase effective use of time.

The Trustees met again in July 2021 and 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 will continue to inform and shape the structure of governance throughout the next academic year.

During July and August 2021, the Trustee Portal was developed for all governance documentation and information. Improvements to GDPR compliance were implemented through Trustees use of school email addresses for all governance business.

An Extraordinary Trust Board Meeting was scheduled for 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, Full Board, Committees, Chair and Vice Chair of the Full Board and Committees and portfolio leads to include, Safeguarding, SEND, PP & CiC.
- Reviewed and approved an improved 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.

Plans for further developments in the new academic year include:

- Revisit the skills audit to ensure new Trustee skills are effectively utilised.
- Revisit the induction process for new Trustees.
- Further develop a culture of learning, training and updating on the Academy Trust Board.
- Identify and secure additional training and support for the Finance, Audit and Risk committee, so that it meets requirements of Integrated Curriculum and Financial Planning (ICFP) and assessment of the impact of specific funds on pupil outcomes.
- Formally agree data and information required in the termly headteachers report to fulfil their monitoring and accountability role.
- Consider how the work of the Academy Trust Board can be visible to staff, parents, and the wider school community through the website.

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 governors' report and in the statement of governors' responsibilities.

Throughout 2020-2021 the Finance, Audit and Risk Committee has reviewed the Academies risk register and contracted companies to carry out an evaluation process of particular risks identified. The reports generated by the companies employed have been reviewed and steps taken to remove or mitigate any issues identified.

The Committee has received monthly budget and cashflow monitoring reports and has discussed these at each meeting. The Committee members used the information provided to raise more in depth questions and queries regarding the financial efficacy of the Academy. The Committee has also 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 this year has been an essential part of maintaining the schools viability both now and for the future. 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.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Victor Hester (Chair of Governors (to 31 August 2021)) (Resigned 31 August 2021)	4	4
Lisa Carlson	3	4
Dr. Andrew Connell (Chair of Trustees (from 1 September 2021))	4	4
Laura Cutts (Appointed 25 February 2021)	4	4
Dr. Amanda Gosling (Resigned 1 September 2021)	2	4
Sarah Heaney (Appointed 25 February 2021)	4	4
Chris Morrison (Appointed 12 March 2021)	1	1
Dr. Erwin Pauws (Appointed 3 March 2021)	1	1
Tony Payne	0	4

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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.

#### 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

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.

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 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

### 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

# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

### **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.



# ST STEPHEN'S ACADEMY CANTERBURY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Internal Scrutiny

During the 2020-2021 academic year the Academy has contracted 3 companies to undertake internal assessments, centred on the risk factors identified within the risk register. William Giles were appointed to assess and evaluate the Financial controls and accounting processes to ensure compliance with the appropriate laws and regulations.

The report made six low level category recommendations (NB: action advised to enhance control or improve operation efficiency – Implementation timescale within 12 months). All recommendations were accepted and acted upon.

There were **no** high or medium category recommendations (NB: Action imperative (H), ITsc: 0-3 months. Action Required (M), ITsc: 3-6 months).

Good practice was found in the following areas:

High level controls used in the area of petty cash.

Budget monitoring reports are very detailed and performed consistently every month.

High level of detail included within the Fixed Asset Register.

Fixed Asset Register updated regularly throughout the year.

Babcock Financial undertook a full and impartial review based on the six areas of competency within the DfE's Competency Framework for Governance (Jan 2017). The review focused on the Governance structure, roles, terms of reference and policies.

Durovernum Fire Services Ltd carried out a full inspection of the maintenance and record keeping, fire detection and warning, emergency lighting and escape routes to ensure compliance and advise on improvements to reduce risks.

All internal scrutiny reports are reviewed and become part of the internal scrutiny and risk management schedule addressed at Financial, Audit and Risk Committee and then at Academy Trust Board.

### 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 2021 and signed on its behalf by:

Dr. Andrew Connell  
**Chair of Trustees (from 1 September 2021)**

Laura Cutts                      Sarah Heaney  
**Accounting Officer    Accounting Officer**

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

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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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

We confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

In January 2021, the sudden nature of a second lockdown after initially starting the term had a severe impact on our forecast of income for that period. At this time, we also needed to make the statutory redundancy payment for our executive Headteacher. As a result of these factors in combination, the Academy experienced some issues with cashflow and subsequently the school account became overdrawn for 1 day. To ensure that payroll could be met the previous Chair of Governors made a deposit into the school account which was then returned 6 days later. The ESFA was informed of this retrospectively and in February 2021 a short term loan was requested from them to enable the Academy to continue to fulfil its obligations. The ESFA cash flow loan of £25,572 was granted in February. During this same financial period the school account was overdrawn on a second occasion on the 31 March 2021, again for a single day, no further instances have occurred since this date. The school worked closely with the ESFA to ensure oversight of effective financial management and adopted further stringent controls from that point to ensure financial sustainability. Loan repayments commenced in August 2021 and the final payment will be made in January 2022.

Laura Cutts  
**Accounting Officer**

Sarah Heaney  
**Accounting Officer**

07 December 2021

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 AUGUST 2021*

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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 2020 to 2021 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 2020 to 2021;
- 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 2021 and signed on its behalf by:

Dr. Andrew Connell

**Chair of Trustees (from 1 September 2021)**

# ST STEPHEN'S ACADEMY CANTERBURY

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Opinion

We have audited the accounts of St Stephen's Academy Canterbury for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

### 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.

### Non compliance with the Academies Accounts Direction

The governors remuneration in note 9 has not been shown in bandings of £5,000 as required by the Academies Accounts Direction. Disclosure of the headteacher's remuneration has been disclosed but the staff governors remuneration has been shown in aggregate. Our opinion is not modified in this respect.

### 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.

# 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 2021**

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### 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.

### 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.

# 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 2021**

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### **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.

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 2020 to 2021 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.

# **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 2021***

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### **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**

15 December 2021

**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 2021***

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In accordance with the terms of our engagement letter dated 25 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 2021***

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### **Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

In January 2021, the sudden nature of a second lockdown after initially starting the term had a severe impact on our forecast of income for that period. At this time, we also needed to make the statutory redundancy payment for our executive Headteacher. As a result of these factors in combination, the Academy experienced some issues with cashflow and subsequently the school account became overdrawn for 1 day. To ensure that payroll could be met the previous Chair of Governors made a deposit into the school account which was then returned 6 days later. The ESFA was informed of this retrospectively and in February 2021 a short term loan was requested from them to enable the Academy to continue to fulfil its obligations. The ESFA cash flow loan of £25,572 was granted in February. During this same financial period the school account was overdrawn on a second occasion on the 31 March 2021, again for a single day, no further instances have occurred since this date. The school worked closely with the ESFA to ensure oversight of effective financial management and adopted further stringent controls from that point to ensure financial sustainability. Loan repayments commenced in August 2021 and the final payment will be made in January 2022.

### **Reporting Accountant**

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

Dated: 15 December 2021

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	1	-	63	64	49
Charitable activities:						
- Funding for educational operations	4	4	2,006	-	2,010	1,927
Other trading activities	5	463	-	-	463	434
<b>Total</b>		<u>468</u>	<u>2,006</u>	<u>63</u>	<u>2,537</u>	<u>2,410</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	461	2,220	82	2,763	2,776
<b>Total</b>	6	<u>461</u>	<u>2,220</u>	<u>82</u>	<u>2,763</u>	<u>2,776</u>
<b>Net income/(expenditure)</b>		7	(214)	(19)	(226)	(366)
Transfers between funds	16	(7)	37	(30)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	18	-	(425)	-	(425)	(247)
<b>Net movement in funds</b>		-	(602)	(49)	(651)	(613)
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(1,818)	4,213	2,395	3,008
Total funds carried forward		<u>-</u>	<u>(2,420)</u>	<u>4,164</u>	<u>1,744</u>	<u>2,395</u>

# ST STEPHEN'S ACADEMY CANTERBURY

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	25	-	24	49
Charitable activities:					
- Funding for educational operations	4	-	1,927	-	1,927
Other trading activities	5	434	-	-	434
<b>Total</b>		459	1,927	24	2,410
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	409	2,285	82	2,776
<b>Total</b>	6	409	2,285	82	2,776
<b>Net income/(expenditure)</b>		50	(358)	(58)	(366)
Transfers between funds	16	(44)	56	(12)	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	18	-	(247)	-	(247)
<b>Net movement in funds</b>		6	(549)	(70)	(613)
<b>Reconciliation of funds</b>					
Total funds brought forward		(6)	(1,269)	4,283	3,008
Total funds carried forward		-	(1,818)	4,213	2,395

# ST STEPHEN'S ACADEMY CANTERBURY

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible assets	11		4,200
<b>Current assets</b>			
Debtors	12	60	40
Cash at bank and in hand		8	36
		68	76
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(71)	(142)
<b>Net current liabilities</b>		(3)	(66)
<b>Total assets less current liabilities</b>		4,197	4,185
Creditors: amounts falling due after more than one year	14	(31)	(36)
<b>Net assets before defined benefit pension scheme liability</b>		4,166	4,149
Defined benefit pension scheme liability	18	(2,422)	(1,754)
<b>Total net assets</b>		1,744	2,395
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	16		
- Fixed asset funds		4,164	4,213
- Restricted income funds		2	(64)
- Pension reserve		(2,422)	(1,754)
<b>Total restricted funds</b>		1,744	2,395
<b>Unrestricted income funds</b>	16	-	-
<b>Total funds</b>		1,744	2,395

The accounts on pages 32 to 59 were approved by the trustees and authorised for issue on 07 December 2021 and are signed on their behalf by:

Dr. Andrew Connell  
Chair of Trustees (from 1 September 2021)

Company Number 07441370

# ST STEPHEN'S ACADEMY CANTERBURY

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	19		(76)		(10)
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		32		41	
Purchase of tangible fixed assets		-		(9)	
<b>Net cash provided by investing activities</b>			32		32
<b>Cash flows from financing activities</b>					
Repayment of other loan		16		-	
<b>Net cash provided by/(used in) financing activities</b>			16		-
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(28)		22
Cash and cash equivalents at beginning of the year			36		14
<b>Cash and cash equivalents at end of the year</b>			8		36

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 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 and a further lockdown, initiated after the pupils had returned for only one day in January 2021, had a substantial impact on our Academy during the first half of the academic year with the operation of our lettings program, Nursery and After School Club, severely affected at this very short notice. Additional assistance was sought and received from ESFA to mitigate negative impacts on cashflow throughout this period. Subsequent income returned to expected levels following the full re-opening of the school and After-School Club. However, the full separation of all trading income throughout this year has reinforced the need to evaluate the nursery provision as a single entity and a going concern in its own right. The financial performance of the nursery has decreased over the last 3 years resulting in a growing deficit at the end of each year. In the 2020-2021 academic year the nursery received £270,000 in income, however, the costs incurred totaled £309,000, the forecast for the following 3 years shows that the deficit will only increase further. Following a full appraisal of the setting and its financial obligations it has been concluded that the nursery is unable to self-sustain and cannot run without a significant injection of funds from the school. This scenario seriously jeopardises the schools ability to remain a going concern in the future. Resolving this issue will allow the income generated from additional business operations to be filtered back into the school and extended school setting to make positive changes rather than satisfying the nursery's growing deficit.

The Academy has worked hard to reduce the deficit of £64,000 that was reported at the end of the 2019-2020 academic year, managing to finish 2021 with a small surplus. The net current liabilities have also decreased since the end of 2020 and the remaining negative figure in the accounts is due to the ESFA cashflow loan that will be fully paid as of January 2022.

The nursery evaluation combined with additional cost cutting measures, the restructure of the Senior Leadership team in 2020 and more stringent internal controls, will continue to strengthen the financial viability of the academy and enable the required reserve balance to be built.

##### 1.3 Income

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

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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.

#### 1.5 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.

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, Land not depreciated
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.



# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Liabilities

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

#### 1.7 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.

#### 1.8 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.

#### 1.9 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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 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.

#### 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 18, 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 2021. 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 2021 £'000	Total 2020 £'000
Donated fixed assets	-	31	31	-
Capital grants	-	32	32	24
Other donations	1	-	1	25
	<u>1</u>	<u>63</u>	<u>64</u>	<u>49</u>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,576	1,576	1,463
Other DfE / ESFA grants:				
Pupil premium	-	159	159	145
Teachers pension grants	-	72	72	71
Teachers pay grants	-	20	20	20
PE and sports premium	-	20	20	20
Free meal elements	-	71	71	58
Others	-	18	18	23
	-	1,936	1,936	1,800
<b>Other government grants</b>				
Local authority grants	-	16	16	18
<b>Exceptional government funding</b>				
Coronavirus job retention scheme grant	-	(1)	(1)	91
Coronavirus exceptional support	-	-	-	1
Other Coronavirus funding	-	34	34	-
	-	33	33	92
Other incoming resources	4	21	25	16
<b>Total funding</b>	4	2,006	2,010	1,926

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

(Continued)

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 funding received for coronavirus exceptional support covers £1k of costs. These costs are included in notes 6 and 7 below as appropriate.

- The academy furloughed some of its extended day staff, support staff and nursery care staff under the government's CJRS. The funding returned of £1k(2020: received £91k) relates to staff costs in respect of these staff which are included within note 8 below as appropriate.

- Other coronavirus funding, amounting to £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.

#### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	11	-	11	18
Catering income	45	-	45	46
Trips	12	-	12	56
Extended schools programme	125	-	125	117
Nursery school	270	-	270	197
	<u>463</u>	<u>-</u>	<u>463</u>	<u>434</u>

#### 6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Academy's educational operations					
- Direct costs	1,251	71	72	1,394	1,503
- Allocated support costs	1,047	150	172	1,369	1,273
	<u>2,298</u>	<u>221</u>	<u>244</u>	<u>2,763</u>	<u>2,776</u>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

<b>6</b>	<b>Expenditure</b>				<b>(Continued)</b>
	<b>Net income/(expenditure) for the year includes:</b>		<b>2021</b>	<b>2020</b>	
			<b>£'000</b>	<b>£'000</b>	
	Fees payable to auditor for:				
	- Audit		8	7	
	- Other services		4	3	
	Operating lease rentals		3	5	
	Depreciation of tangible fixed assets		82	82	
	Net interest on defined benefit pension liability		27	24	
			<u>      </u>	<u>      </u>	
<b>7</b>	<b>Charitable activities</b>				
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>funds</b>	<b>funds</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Direct costs</b>				
	Educational operations	-	1,394	1,394	1,503
	<b>Support costs</b>				
	Educational operations	461	908	1,369	1,273
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
		461	2,302	2,763	2,776
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Charitable activities	(Continued)	
Analysis of costs	2021 £'000	2020 £'000
<b>Direct costs</b>		
Teaching and educational support staff costs	1,253	1,331
Staff development	6	4
Depreciation	71	62
Technology costs	10	14
Educational supplies and services	26	15
Examination fees	3	3
Other direct costs	25	74
	<hr/> 1,394	<hr/> 1,503
	<hr/> <hr/>	<hr/> <hr/>
<b>Support costs</b>		
Support staff costs	1,044	1,003
Depreciation	11	20
Recruitment and support	1	1
Maintenance of premises and equipment	58	45
Cleaning	18	16
Energy costs	35	32
Rent, rates and other occupancy costs	16	10
Insurance	10	8
Security and transport	2	2
Catering	62	47
Finance costs	27	24
Legal costs	1	-
Other support costs	71	51
Governance costs	13	14
	<hr/> 1,369	<hr/> 1,273
	<hr/> <hr/>	<hr/> <hr/>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	1,611	1,611
Social security costs	131	129
Pension costs	523	521
Staff costs - employees	2,265	2,261
Agency staff costs	23	-
Staff restructuring costs	-	64
Staff development and other staff costs	2,288 15	2,325 13
Total staff expenditure	2,303	2,338

Staff restructuring costs comprise:

Redundancy payments	-	64
---------------------	---	----

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	35	39
Administration and support	45	47
Management	3	4
	83	90

#### Higher paid staff

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

	2021 Number	2020 Number
£170,001 - £180,000	-	1

The banding of £170,001 to £180,000 includes salary and redundancy pay.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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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 £267k - 5 (2020: £378k - 6 ).

### 9 Trustees' remuneration and expenses

The Executive headteacher 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.

During the year, travel and subsistence payments totalling £Nil (2020: £687) were reimbursed to 0 governor (2020: 1 trustees) in respect of their role as staff as outlined above.

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

L Cutts Joint Headteacher (appointed 1 September 2020)

Remuneration £45,001 - £50,000

Employers pension contributions £10,001 - £15,000

S Heaney Joint Headteacher (appointed 1 September 2020)

Remuneration £45,001 - £50,000

Employers pension contributions £10,001 - £15,000

S Pywell (Executive Headteacher until 31 August 2020)

Remuneration £Nil (2020: £110,001 - £115,000)

Redundancy £Nil (2020: £60,001 - £65,000)

Employers pension contributions Nil (2020: £20,001 - £25,000)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board. Other related party transactions involving the governors are set out within the related parties note.

### 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 2021

### 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 2020	4,629	207	67	96	17	5,016
Additions	-	-	31	-	-	31
Disposals	-	-	-	-	(6)	(6)
At 31 August 2021	4,629	207	98	96	11	5,041
<b>Depreciation</b>						
At 1 September 2020	572	24	59	94	16	765
Transfer	15	(15)	-	-	-	-
On disposals	-	-	-	-	(6)	(6)
Charge for the year	67	4	9	1	1	82
At 31 August 2021	654	13	68	95	11	841
<b>Net book value</b>						
At 31 August 2021	3,975	194	30	1	-	4,200
At 31 August 2020	4,057	183	8	2	1	4,251

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

### 12 Debtors

	2021 £'000	2020 £'000
Trade debtors	1	2
VAT recoverable	3	1
Prepayments and accrued income	56	36
	60	39

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £'000	2020 £'000
Other loans	26	5
Trade creditors	26	28
Other creditors	-	67
Accruals and deferred income	19	42
	<u>71</u>	<u>142</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.

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

	2021 £'000	2020 £'000
Other loans	31	36
	<u>31</u>	<u>36</u>
<b>Analysis of loans</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Not wholly repayable within five years by instalments	11	16
Wholly repayable within five years	46	25
	<u>57</u>	<u>41</u>
Less: included in current liabilities	(26)	(5)
	<u>31</u>	<u>36</u>
	<u>31</u>	<u>36</u>
<b>Loan maturity</b>		
Debt due in one year or less	26	5
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	11	16
	<u>57</u>	<u>41</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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 15 Deferred income

	2021 £'000	2020 £'000
Deferred income is included within:		
Creditors due within one year	5	12
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2020	12	5
Released from previous years	(12)	(5)
Resources deferred in the year	5	12
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2021</b>	<b>5</b>	<b>12</b>
	<u>          </u>	<u>          </u>

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

- ESFA rates for September 2021 to March 2022

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 16 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(64)	1,576	(1,547)	37	2
Pupil premium	-	159	(159)	-	-
Teachers pension grants	-	72	(72)	-	-
Teachers pay grants	-	20	(20)	-	-
PE and sports premium	-	20	(20)	-	-
Free school meals	-	71	(71)	-	-
Other DfE / ESFA grants	-	18	(18)	-	-
COVID catch up	-	34	(34)	-	-
Other government grants	-	15	(15)	-	-
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	4,251	31	(82)	-	4,200
	<u>4,213</u>	<u>63</u>	<u>(82)</u>	<u>(30)</u>	<u>4,164</u>
<b>Total restricted funds</b>	<u>2,395</u>	<u>2,069</u>	<u>(2,302)</u>	<u>(418)</u>	<u>1,744</u>
<b>Unrestricted funds</b>					
General funds	-	468	(461)	(7)	-
<b>Total funds</b>	<u>2,395</u>	<u>2,537</u>	<u>(2,763)</u>	<u>(425)</u>	<u>1,744</u>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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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 2021.

#### Other DFE/ESFA grants

This includes the pupil premium, sports funding, rates relief, teachers' pay grant, teachers pension grant, FSM and Covid support grants.

#### 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 2021

### 16 Funds

(Continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,463	(1,583)	56	(64)
Pupil premium	-	145	(145)	-	-
Teachers pension grants	-	71	(71)	-	-
Teachers pay grants	-	20	(20)	-	-
PE and sports premium	-	20	(20)	-	-
Free school meals	-	58	(58)	-	-
Other DfE / ESFA grants	-	24	(24)	-	-
Other government grants	-	110	(110)	-	-
Other restricted funds	-	16	(16)	-	-
Pension reserve	(1,269)	-	(238)	(247)	(1,754)
	<u>(1,269)</u>	<u>1,927</u>	<u>(2,285)</u>	<u>(191)</u>	<u>(1,818)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	24	-	(21)	3
Salix loan	(41)	-	-	-	(41)
Fixed asset fund	4,324	-	(82)	9	4,251
	<u>4,283</u>	<u>24</u>	<u>(82)</u>	<u>(12)</u>	<u>4,213</u>
<b>Total restricted funds</b>	<u>3,014</u>	<u>1,951</u>	<u>(2,367)</u>	<u>(203)</u>	<u>2,395</u>
<b>Unrestricted funds</b>					
General funds	(6)	459	(409)	(44)	-
	<u>(6)</u>	<u>459</u>	<u>(409)</u>	<u>(44)</u>	<u>-</u>
<b>Total funds</b>	<u>3,008</u>	<u>2,410</u>	<u>(2,776)</u>	<u>(247)</u>	<u>2,395</u>

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 17 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 2021 are represented by:</b>				
Tangible fixed assets	-	-	4,200	4,200
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)	4,164	1,744

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	4,251	4,251
Current assets	73	-	3	76
Creditors falling due within one year	(73)	(64)	(5)	(142)
Creditors falling due after one year	-	-	(36)	(36)
Defined benefit pension liability	-	(1,754)	-	(1,754)
<b>Total net assets</b>	-	(1,818)	4,213	2,395

### 18 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.

#### 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.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Pension and similar obligations

(Continued)

#### 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 £167k (2020: £169k).

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 21% for employers and 5.5 to 7.5% for employees. The estimated value of employer contributions for the year ended 31 August 2021 is £150k.

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.

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	141	138
Employees' contributions	44	47
	<hr/>	<hr/>
Total contributions	185	185
	<hr/>	<hr/>



# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.9	3.25
Rate of increase for pensions in payment/inflation	2.9	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.9	2.25

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	23.8	23.8
Retiring in 20 years		
- Males	23.3	23.2
- Females	25.3	25.2

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

Defined benefit pension scheme net liability	2021 £'000	2020 £'000
Scheme assets	2,139	1,809
Scheme obligations	(4,561)	(3,563)
Net liability	(2,422)	(1,754)

The academy trust's share of the assets in the scheme	2021 Fair value £'000	2020 Fair value £'000
Equities	1,400	1,171
Other bonds	297	234
Gilts	12	12
Cash	61	55
Property	220	199
Other assets	149	138
Total market value of assets	2,139	1,809

The actual return on scheme assets was £263,000 (2020: £81,000).

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	357	294
Past service cost	-	58
Interest income	(29)	(30)
Interest cost	56	54
Total operating charge	384	376
<b>Changes in the present value of defined benefit obligations</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	3,563	2,817
Current service cost	357	294
Interest cost	56	54
Employee contributions	44	47
Actuarial loss	659	298
Benefits paid	(118)	(5)
Past service cost	-	58
At 31 August 2021	4,561	3,563
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	1,809	1,548
Interest income	29	30
Actuarial gain	234	51
Employer contributions	141	138
Employee contributions	44	47
Benefits paid	(118)	(5)
At 31 August 2021	2,139	1,809

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(226)	(367)
Adjusted for:		
Capital grants from DfE and other capital income	(63)	(24)
Defined benefit pension costs less contributions payable	216	214
Defined benefit pension scheme finance cost	27	24
Depreciation of tangible fixed assets	82	82
(Increase)/decrease in debtors	(21)	19
(Decrease)/increase in creditors	(91)	42
<b>Net cash used in operating activities</b>	<b>(76)</b>	<b>(10)</b>

### 20 Analysis of changes in net debt

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	36	(28)	8
Loans falling due within one year	(5)	(21)	(26)
Loans falling due after more than one year	(36)	5	(31)
	<b>(5)</b>	<b>(44)</b>	<b>(49)</b>

### 21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the academy's site and premises and other assets held for the purpose of the academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	3	-
Amounts due in two and five years	10	-
	<u>13</u>	<u>-</u>

### 23 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the accounts	-	26
	<u>-</u>	<u>26</u>

### 24 Related party transactions

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

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

#### Expenditure related party transactions

During the year ended 31 August 2020, £1,200 was paid to Sally Pywell, Stuart Pywell's wife for HR consultancy. Stuart Pywell was the Trust's Executive Headteacher until 31 August 2020. This transaction was under normal commercial terms and the amount paid was less than the actual cost of the service performed. In addition Sally Pywell is also the Trust's DPO.

Vic Hester and Stuart Pywell were trustees of St. Stephen's Junior School Voluntary Fund. During the year ended 31 August 2020 (£6,015) was paid to St. Stephen's Junior School Voluntary Fund for various items. On 22 July 2020 St. Stephen's Junior School Voluntary Fund was removed from the charity register as all funds had been spent.

#### Income related party transactions

Victor Hester and Stuart Pywell were trustees of St. Stephen's Junior School Voluntary Fund. During the year ended 31 August 2020 £8,000 was donated to the academy trust by the St. Stephen's Junior School Voluntary Fund. On 22 July 2020 the St. Stephen's Voluntary Fund was removed from the charity register as all funds had been spent.

On 25 January 2021 Victor Hester loaned the Trust £10,000 to cover short term cashflow problems. This money was fully repaid on 1 February 2021. Further details on this transaction are detailed in the Accounting Officer's statement on regularity.

# ST STEPHEN'S ACADEMY CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 25 Post balance sheet events

#### Acorns

As of the 31st December 2021, Acorns nursery will have gone through and finalised a full consultation regarding its viability and subsequent closure. Members of the Management team have undertaken a number of exercise's over the past 2 years to discuss alternative models, and to implement changes to enable the setting to regain profitability. Having reflected on historical performance and future profit models it was evident that the nursery would continue to cumulate a deficit at the detriment of the Academy as a whole. Staff who worked in key mandatory roles within the nursery structure secured alternative employment at a very early point within this process. This meant that operationally, the nursery was unable to function after these personnel had honoured notice periods and left the setting. This meant Acorns was unable to remain open to parents and it closed its doors on the 29th October 2021. This strategic decision removed a significant risk factor for the Academy. The academy has been able to stabilise cashflow, reduce forecasted deficits and allow for profits from our extended school provision and lettings to be invested into our strategic priorities for the school. This will directly benefit our pupils and enable us to further the experiences and life chances for every individual pupil.

### 26 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.