

Company registration number 07441370 (England and Wales)

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

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

ST STEPHEN'S ACADEMY CANTERBURY

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 28
Statement on regularity, propriety and compliance	30
Statement of trustees' responsibilities	29
Independent auditor's report on the accounts	31 - 33
Independent reporting accountant's report on regularity	34 - 35
Statement of financial activities including income and expenditure account	36 - 37
Balance sheet	38
Statement of cash flows	39
Notes to the accounts including accounting policies	40 - 59

ST STEPHEN'S ACADEMY CANTERBURY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr. Amanda Gosling
Barnaby Sandell (resigned 25 March 2024)
Chris Morrison (appointed 1 September 2023)
Jonathan Cane (appointed 25 March 2024)
Pauline Walters (appointed 25 March 2024)

Trustees

Sarah Booker (Retired 20 September 2023)
Dr. Andrew Connell (Chair of Trustees)
Laura Cutts (Joint Accounting Officer)
Dr. Gina Donaldson
Samantha Gildroy
Sarah Green (Appointed 20 September 2023)
Michelle Grice (Appointed 20 September 2023 and resigned 25 September 2024)
Sarah Heaney (Joint Accounting Officer)
Nadia Johnson
Irene Omiunu (Appointed 6 November 2023)
Miguel Pareja-Perez (Appointed 20 September 2023)
Dr. Erwin Pauws (Vice-Chair)
Dr. Antonia Porter
Jane Troth (Appointed 20 September 2023)

Senior management team

- Joint Headteacher	Sarah Heaney
- Joint Headteacher	Laura Cutts
- Assistant Headteacher	Jo Sazant
- Assistant Headteacher	Louise Jackson
- Assistant Headteacher	Richard May
- School manager / Bursar	Jayne Dowkes
- Finance Manager	Nik Oakes
- Behaviour Lead	Karyn Taylor

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

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 2024

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic 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 published admission number of 360 and had a roll of 400 in the school census in October 2023.

Structure, governance and management

Constitution

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

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

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

Members' liability

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

Trustees' indemnities

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Method of recruitment and appointment or election of trustees

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

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

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

Policies and procedures adopted for the induction and training of trustees

Training and Induction is provided for new Trustees under the auspice of the vice-chair. This includes a tour of the Academy. All Trustees are provided with access to policies and procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Specific training courses are identified and offered by the Local Authority and other bodies, such as but not limited to, the National Governance Association (NGA) Learning Link and GovernorHub (The Key). Annual Safeguarding and Prevent training is mandatory for all trustees. Regular skills audits are undertaken, and further training modules and support identified.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Organisational structure

The governance structure of the Trust consists of an Academy Trust Board (Trustees/Directors) who are responsible for the strategic direction, financial management and performance of the Trust.

The following decisions are reserved to the Members of the Academy Trust:

- 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 Academy Trust Board 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, and
- 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 Co-Headteachers and Senior Leadership Team (SLT). The SLT comprises the Co-Headteachers, Assistant Heads and the School, Finance and Behaviour Managers.

The Joint Headteachers are the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

In the year to August 2024, 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 trustee/governor. Pay for school staff, including leadership team members, follows the Academy pay policy and is in line with Kent County Council policy. Teachers are paid on the national teacher scale; progression is subject to annual performance review conducted by the Co-Headteachers.

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 Co-Headteachers. 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 Co-Headteachers is subject to annual performance review with an independent consultant and approved by the Academy Trust Board following recommendation from the Pay & Personnel committee. The pay award follows the national leadership scale as published by the DfE.

Related parties and other connected charities and organisations

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

Objectives and activities

Objects and aims

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

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Objectives, strategies and activities

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

At St Stephen's, 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.

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

Our core aims as detailed in our School Action and Recovery Plan for the Academic Year 2023/ 2024 were:

Area 1 Quality of Education

- Ensure consistently high expectations are set for SEND pupils for progress and attainment and that needs are accurately identified, assessed and met.
- Ensure that all summative and formative assessment informs and supports teaching plans and next learning steps for all children consistently across our school.
- Develop activities and tasks throughout curriculum and daily pupil experience to increase engagement for all pupils
- Continued curriculum development for subjects that have been strategically identified (phonics and maths) alongside further embedding of concepts across all curriculum subjects.

Area 2: Behaviours and attitudes

- Ensure consistent implementation of school behaviour policy and aims to evidence best practice and positive impact in our school
- Further develop pupil concept of 'belonging for all' in our school community within the new structure of Team Learning Communities created from September 2023

Area 3: Personal Development

- Host calendar days and other enrichment experiences in support of school vision and values to ensure that we are developing pupils as citizens and members of the community
- Develop pupil's knowledge and understanding of how to keep themselves mentally and physically healthy.

Area 4: Leadership & Management

- Review and improve current performance management and appraisal for staff
- Strategically develop a programme of CPD for staff
- Improve parental communication by creating opportunities for dialogue, information sharing and parent workshops around our school priorities and aspiration for pupils.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Public benefit

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

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

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

Whilst we have above national average numbers of children who qualify for pupil premium funding at 35% 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 43%, which has increased significantly compared to the previous year. 14% of our pupils are on the SEND register, although this does not include a significant amount of SEND need which is catered for within the classroom environment.

Strategic report

Achievements and performance

Ofsted inspected St Stephen's Junior School in March 2023 and considered that; "Leaders and staff know every pupil in this large, inclusive school. Relationships between adults and pupils are a strength. Pupils' well-being is a priority for everyone. The co-headteachers work together extremely effectively. Their inspiring leadership promotes a positive culture. They have carefully and accurately identified the school's strengths and areas that need further work.

Achievements

- Successful OFSTED Visit with Good grading in 2023
- The school implemented a new behaviour policy and system within the summer term. Staff have received training which is ongoing. The behaviour approach is research informed and more supportive of our SEND pupils. The implementation of this is ongoing into the next academic year.
- Ongoing SIP visits with Assistant Head to ensure continuous progression and development in all areas of the curriculum.
- Inclusion leadership collaboration project resulting in peer reviews across 3 schools, staff training and development.
- SIP visit evidenced that pupils have been able to recall information and prior knowledge.
- SEND friendly resources and approach is consistent in all classes through the use of widge sheets.
- Restructuring of school staff through wellbeing team, behaviour lead, two SENCO's has benefited pupils and ethos within the school. Pastoral and Counselling support for significant number of pupils for 2023-2024
- 3 SEN groups set up to support pupils outside of the classroom running morning provision for pupils.
- Forest school sessions for all pupils
- All pupils Boxhall profiled within the school; zones of regulation rolled out across the school.
- School has applied for Nurture Accreditation which has been reviewed and should be in place January 2025
- Improved outcomes for pupils based on KS2 SATS results in relation to their KS1 starting points compared to the previous year.
- Headteachers achieved level 5 coaching qualification and have worked with members of SLT in terms of coaching practice.
- Positive feedback from parents and staff surveys evidence the improvement within the school from 2023-2024.
- New vertical year groups in school – Team Learning Communities that support the pupils' behaviour, create school community and ensure that termly activities can be completed within TLC's.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

School Values

- School values have formed key part of assemblies throughout the year and have underpinned the vision of the school.
- Pupil voice from these key groups has informed next steps within the school
- School values are represented throughout the school and school mantra is known and recognised in assembly.
- Specific days held in TLC's support the
- Presentation and vision shared with all parents and governors in person and electronically.
- The use of No Outsiders materials supporting the school vision and values where appropriate.

School site

- Updated CDC report
- All fire doors assessed
- Upgraded SEN rooms
- Tree felling and management ongoing
- Ongoing developments in Forest school to improve the wild spaces in our school.
- Ongoing maintenance and development work across the school
- Safety fobs across the school to ensure pupils are only able to exit/enter with the support of an adult
- Increased safety on the automatic school gate, pupils are not able to exit, and all visitors are buzzed into the school site across both schools.
- Retaining wall in the playground

Key performance indicators

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

As funding is based on pupil numbers this is therefore considered to be a key performance indicator. In 2023 - 2024 the academy was funded on pupil numbers of 400 being the number on roll at the census date of October 2023.

Key Indicators	Performance 2022-2023	2023-2024
Staffing costs as a percentage of GAG	103.39%	107.09% (inc. Extd School)
Average Pupil numbers	400	400
GAG carry forward	0	0
Total income per pupil	£6,427	£6,849
School based staff cost per pupil	£4,588	£5,096
School resources per pupil	£6,307	£6,816.25
Cash balances	£128,056	£127,158

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

National data information:

	SSJS 2023 Expected +	SSJS 2023 Greater depth	SSJS 2024 Expected +	SSJS 2024 Greater depth	National Expected 2024	Progress against KS1 (TA)
Combined (RWM)	46%	7%	55%	5%	61%	+2%
Combined (PP)	17%	0%	27%	0%		-9%
Maths all	55%	17%	63%	19%	73%	-3%
Maths PP	30%	7%	42%	3%		-9%
Reading All	69%	26%	70%	22%	74%	+1%
Reading PP	43%	13%	45%	6%		-12%
Writing All	73%	13%	73%	11%	72%	+17%
Writing PP	57%	0%	48%	3%		+12%
SPAG All	62%	18%	64%	15%	72%	
SPAG PP	43%	3%	42%	0%		

Year 6		BELOW	ONtrack +	ON TRACK	ABOVE
KS1	Reading	31%	69%	52%	17%
	Writing	44%	56%	53%	3%
	Maths	34%	66%	58%	8%
Summer 24	Reading	30%	70%	48%	22%
	Writing	27%	73%	62%	11%
	Maths	37%	63%	44%	19%
Year 5		BELOW	ONtrack +	ON TRACK	ABOVE
KS1	Reading	30%	70%	50%	20%
	Writing	36%	64%	53%	11%
	Maths	32%	69%	52%	17%
Summer 24	Reading	28%	72%	30%	42%
	Writing	32%	68%	40%	28%
	Maths	29%	71%	34%	37%
Year 4		BELOW	ONtrack +	ON TRACK	ABOVE
KS1	Reading	34%	66%	45%	21%
	Writing	40%	60%	44%	16%
	Maths	35%	65%	44%	16%
Summer 24	Reading	31%	69%	25%	44%
	Writing	40%	60%	46%	14%
	Maths	33%	67%	28%	39%
Year 3		BELOW	ONtrack +	ON TRACK	ABOVE
KS1	Reading	34%	66%	50%	16%
	Writing	42%	58%	53%	5%
	Maths	32%	68%	52%	16%
Summer 24	Reading	40%	60%	26%	34%
	Writing	51%	49%	45%	4%
	Maths	45%	55%	23%	32%

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

	Average scaled score SSJS 2024	National 2024
Maths	102.8 (increase of 1.8)	104
Reading	104.4 (increase of 0.4)	105
SPAG	102.7 (increase of 0.7)	105

In school data for foundation subjects 2023-2024

	Yr.3	Yr. 4	Yr. 5	Yr. 6
Art and Design	88%	83%	83%	73%
Computing	91%	79%	67%	74%
DT	92%	85%	82%	74%
Geography	83%	76%	77%	68%
History	82%	74%	76%	70%
Music	88%	88%		76%
PE	91%	93%	92%	73%
PSHE	96%	88%	88%	75%
RE	89%			73%
Spanish	90%	71%	78%	72%

Going concern

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

While the cumulative effect of the Covid Pandemic and ongoing 'cost of living' concerns continue to have an impact on the Academy, the Trust remain confident that we are in a good position to meet our objectives. The Academy continued working on financial improvements begun during previous years constructively with the ESFA. These improvements have enabled the Academy to weather the unprecedented financial pressures better than some. Business income continues to remain at pre-pandemic levels and there are no concerns of fundamental risk to the Trust's long-term financial stability. The trustees therefore have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. On 31 August 2024 the unrestricted funds are surplus by £67k. Despite the Pandemic, continuing wars in Ukraine/Middle East, energy prices and ongoing 'cost-of-living' factors, the Trust remains in a more positive financial position and although these do impact plans to build up reserve balances to more favourable levels, beyond simply absorbing some of the above financial pressures, these plans continue and have developed further during the previous year.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 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.

During the year ended 31 August 2024, total expenditure of £2,723k (2023: £2,595k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year was £25k (2023: £84k).

At 31 August 2024 the net book value of fixed assets was £3,853k (2023: £3,932k) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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

The Kent County Council Pension Fund, in which the Academy participates, showed a nil position after taking into account the asset ceiling impact (2023: nil) at 31 August 2024.

Reserves policy

The policy of the Academy is to carry forward a practical level of resources designed to meet the long-term cyclical needs of renewal, Capital investment and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The school is funded by the Education Funding Agency (ESFA) through the General Annual Grant (GAG) and other grants and, although subject to formula fluctuations, is guaranteed to be received. It is a requirement that the Trust remains a Going Concern and is financially sustainable. To ensure this, long-term financial plans must be in place including a policy for building and holding reserves.

Definition of Reserves

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

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

Procedure

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

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Reserve Levels

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

Maintaining and Monitoring Reserves

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

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

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

For the 2023-2024 Academic year this would amount to a banding of £100,000 - £150,000, including £15,000 which has been set aside for planned maintenance works.

The Trustees are working towards increasing the school reserves to reach the relevant levels as stated.

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, despite appearances to the contrary, is effectively decreasing year on year due to wider societal cost of living pressures and its monetary value only appears relatively stable due to rising numbers of pupils in the school. This remains a concern not exclusive to our Academy, 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 £20k, with Academy Trust Board approval required to agree expenditure above £50k. All major building contracts are agreed by the Trust Board. Capital purchases or improvements are funded through GAG funding, income generated through Extended Schools or through specific capital grants.

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

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The Academy held fund balances at 31 August 2024 of £3,910k (2023: £3,978k) comprising £3,843k of restricted funds (2023: £3,912k) and £70k of unrestricted general funds (2023: £66k). Of the restricted funds, £3,853k is represented by tangible fixed assets (2023: £3,932k), a Salix loan of £(20k) (2023: £(26k)) and £7k (2023: £6k) on other restricted donations.

The pension reserve which is considered part of restricted funds was nil, after taking into consideration the asset ceiling impact (2023: £nil).

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.

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, behaviour etc) 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 Trust Board and Finance, Audit & Risk 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 18 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 Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A 'live' Risk Register is maintained, reviewed and updated on a regular basis via the Finance, Audit & Risk Committee, which advises the Academy Trust Board for its annual review. The various risks are identified and placed into the following main categories:

- **Financial** (e.g. Controls, Income, Suppliers, Debtors, Related Parties)
- **Premises** (e.g. Health & Safety, Estates Management, Security)
- **Human Resources** (e.g. Staffing, Welfare, Absence, Volunteers, Retention)
- **Strategic & Reputational** (e.g. Trustees, Legislation, Stakeholders, Business)
- **Information Technology** (e.g. Security, Corruption, Facilities, Cyber Crime)
- **Compliance** (e.g. GDPR, ESFA, DFE, Charities Commission, OFSTED)
- **External** (e.g. Natural Disasters, Global Pandemic)

Individual risks are assigned a rating of 1-5 based on the Impact (Consequence) and Probability (Likelihood) of the particular risk. Each risk is then further assigned one of the four T's:

- **Tolerate** – Retention of an acceptable risk, within acceptable limits
- **Treat** – Requires action taken to lessen the possibility or severity
- **Terminate** – A significant risk that requires eradication
- **Transfer** – Transfer of risk by utilising insurance policies

A revised score is then assigned once any mitigations have been applied and colour coded according to risk severity.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The remaining principal risks and uncertainties facing the Academy are as follows:

Financial:

The Academy has considerable reliance on continued government funding through the ESFA. In the last year 86% of the Academy's incoming resources was ultimately government funded. Whilst this level can be expected to continue, there is, as ever, no assurance that government policy or practice will remain the same or that public funding will continue at similar levels or on the same terms. In the past few years, it has become increasingly apparent that the actual and real levels of funding have been consistently falling year on year. This therefore continues to prove a challenge to resources, recruitment and maintenance of buildings. The trust, as with many others, awaits the impact of a government change, new budget and potentially differing priorities at the DfE, with interest. Despite this the Academy continues to provide a well-rounded and creative curriculum and opportunities for children such as after-school activities. Continued financial monitoring and reporting, stringent financial management, budget and planning systems, robust internal controls and strong financial oversight from trustees serve to control and mitigate the remaining risks to the Academy finances.

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.

Premises:

The Academy Trust ensures that the estate is managed properly, and the school's buildings and grounds are safe and secure, sustainable and make best use of resources. In addition to the new perimeter fences installed in the previous year, a fob-system for site access was installed to further improve site security and safeguarding. Additional work on fire doors was also carried out to move toward greater fire safety, in conjunction with existing controls, such as, Fire Alarm System, emergency lighting, automatic door releases, fire marshal training and evacuation procedures. Annual Fire Risk Assessment is in place to review systems. There are a significant number of trees on the site which requires additional maintenance, an Annual Tree Safety Audit is now carried out, work has taken place both in the previous year, and this year, to remove or make safe any trees as necessary. Regular visual checks and Health & Safety and site maintenance walk-about are undertaken weekly by the Estates Manager to evaluate the whole site. The age and quality of the estates buildings remains a particular highlighted risk. The Trust contracted Chartered Surveyors to carry out a complete condition survey of the school to help identify areas of risk. The estates maintenance plan has been updated accordingly and this report is being used to build a 5-year plan that will prioritise and cost all required work. In addition, regular visits are carried out by the link trustee for Health & Safety who then reports to the Finance, Audit and Risk Committee.

There has been particular concern regarding the use and presence of Reinforced Autoclaved Aerated Concrete (RAAC) in school estates. The recent condition survey confirmed that the main school building was built outside of the high-risk timetable. The site manager undertook additional assessment work in line with the issued guidance, leading to a presumed low-level risk of RAAC being present. Nonetheless, the Trust commissioned a DfE approved inspection to confirm our presumptions. The design, engineer and consultancy firm, Arup, were appointed to provide the required visual inspection of the existing buildings and provide appropriate commentary on their findings. Following an internal and external visual inspection, it was found that the school buildings were free from RAAC.

Human Resources:

The success of the Academy is reliant on the quality of its staff and therefore 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 impacted by funding and ability to attract new and high-quality teachers. Controls in place include budget contingency for additional cover due to staff absence, consistency of cover provided where possible, counselling available for staff, good communication across the school, staff handbook issued annually, safeguarding and GDPR training annually, specific budget set aside for training requirements and increased budgets for general and curriculum specific training.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Strategic and Reputational:

The risks in this area predominantly arise from potential failures in governance and management to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. These are strongly mitigated by regular reviews of policies and procedures, information sharing and regular training options and development of staff, volunteers and trustees. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks, including annual skills-audits for trustees, recruitment of trustees to fill skills-gaps and evaluation of the Trust Board's effectiveness.

Risks within relationships with stakeholders and external bodies are mitigated by strong school code and values, behaviour policies, regular curriculum and financial audits to ensure areas requiring improvement are identified early and addressed, building good relationships with pupils, parents, local schools and the wider community, continual monitoring of pupil numbers and regular parent and pupil surveys to ensure parent and pupil voice are considered.

Information Technology:

Cyber security threats rate highly on our risk register as one of the most significant. The Trust has taken various steps to reduce the chance of Probability (likelihood) and the Impact (Consequence) of such a threat. Following the RPA guidelines, all staff have completed Cyber security training, the school has registered with the Police CyberAlarm service, and we have strengthened end-point security. Additional support is also available via our external provider Cantium, and the Trust continues to strengthen its internal controls. As a result of active mitigations, the revised risk score becomes amber.

In addition to the above, aging equipment and infrastructure has been identified as potential risk to online learning due to equipment being considered at 'end of life', at risk of breakage and unable to host relevant software updates. An infrastructure assessment is ongoing which will assess where the gaps are, and reserves set aside to replace items. The wi-fi and broadband has been updated and a new 5-year ICT plan is under development.

Compliance:

All compliance related risks are deemed to be low levels as the risks are controlled and reduced to minimal through financial controls, internal and external audits, regularly reviewed policies, regular schedule of return submissions, use of Academies Trust Handbook, Finance, Audit & Risk committee meetings for additional trustee oversight and full implementation of audit findings. Safeguarding and KCSiE, the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, internal use of MyConcern, lanyard systems for staff, volunteers and visitors and the new fob system for all main site access points has further strengthened safeguarding.

Recent OFSTED visit rated the school as GOOD.

External:

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, impact heavily. The recent settlement of disputes between the Government and Teaching Unions regarding Teacher's Pay and the 'fully-funded' pay increase have served to lower the risk in this area.

The risk of potential supply chains issues and rising costs due to the ongoing war in Ukraine/Middle East, Brexit/EU relations and International Incidents remain a factor in placing a strain on budgets. These are mitigated by diligent budget monitoring, availability of appropriate government schemes, researching best price and forward planning.

Further risks to well-being, both of staff and pupils, resulting from the disruption caused by the Global Pandemic continue. These are mitigated by use of Wellbeing Staff (ELSA, Behaviour Lead, Senco's) and intervention groups related to attendance and reading/writing programmes to close gaps in learning. Additional counselling is also available to Staff and Pupils.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Fundraising

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

Plans for future periods

Our school vision underpins our plans for the next school year. These are detailed in our School Action Plan 2024/2025.

Area 1: Quality of Education

- Ensure consistently high expectations are set for SEND pupils for progress and attainment and that needs are accurately identified, assessed and met.
- Ensure consistently high expectations are set for EAL pupils for progress and attainment and that needs are accurately identified, assessed and met.
- Ensure that all summative and formative assessment informs and supports teaching plans and next learning steps for all children consistently across our school, with effective intervention groups when needed.
- Continue with monitoring and evaluation cycles to effectively support and identify areas of strength and development
- Continued curriculum development for subjects that have been strategically identified with specific focus on implementation

Area 2: Behaviours and attitudes

- Continue to ensure consistent, positive behaviour and responses to this in our school including a clear approach to improving behaviour that does not meet our expectations.
- Continued focus in improving attendance for key groups with evidence for how children are being supported as persistent absentees.

Area 3: Personal Development

- Ensure a variety of opportunities within the academic year for our pupils to be responsible, respectful and active citizens.
- Further develop pupil's knowledge and understanding of how to keep themselves mentally and physically healthy.

Area 4: Leadership & Management

- Further embed new appraisal process including targeted programme of CPD for staff
- Improve parental communication by creating opportunities for dialogue, information sharing and parent workshops around of school priorities and aspiration for pupils.
- Continued implantation of SSJS Safeguarding Strategy & Action Plan.
- Headteachers to further embed their vision for our school as a place where the best possible outcomes are secured for every pupil.

ST STEPHEN'S ACADEMY CANTERBURY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

School Vision 2024 - 2025

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

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

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

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

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

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

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

The key areas of focus are detailed within our School Improvement Plan 2024/2025 and build on the same objectives that were in place last academic year.

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 04 December 2024 and signed on its behalf by:

Dr. Andrew Connell
Chair of Trustees

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

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

The Academy Trust Board have delegated the day-to-day responsibility to the Headteachers, 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
Sarah Booker (Retired 20 September 2023)	0	1
Dr. Andrew Connell (Chair of Trustees)	5	5
Laura Cutts (Joint Accounting Officer)	5	5
Dr. Gina Donaldson	5	5
Samantha Gildroy	4	5
Sarah Green (Appointed 20 September 2023)	4	5
Michelle Grice (Appointed 20 September 2023 and resigned 25 September 2024)	3	5
Sarah Heaney (Joint Accounting Officer)	5	5
Nadia Johnson	5	5
Irene Omiunu (Appointed 6 November 2023)	3	4
Miguel Pareja-Perez (Appointed 20 September 2023)	4	5
Dr. Erwin Pauws (Vice-Chair)	5	5
Dr. Antonia Porter	4	5
Jane Troth (Appointed 20 September 2023)	3	5

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

The new, more detailed format of the Headteacher report implemented in the previous year continues to ensure the Academy Trust Board can hold leaders to account effectively over the information required and includes termly reporting of: Contextual data, Academic data, Safeguarding data, Exclusions data, along with key strategic developments. The consistent quality of information ensures that the Trust Board has appropriate oversight of the key information and developments within the school to provide effective governance.

Mrs Sarah Booker resigned in September 2023 and Mr Chris Morrison also resigned as a Trustee and became a Member of the Academy Trust on 1 September 2023, replacing the retiring Mrs Chris Barton. Mr Jonathan Cane and Mrs Pauline Walters joined the Members of the Academy Trust at the AGM in 2024, Mr Barnaby Sandell retired his position. Dr Antonia Porter and Dr Gina Donaldson were appointed by the members as Trustees at the AGM in 2023, taking effect at the end of their respective co-opt terms. Mrs Jane Troth, Ms Sarah Green and Mrs Michelle Grice were co-opted by the Academy Trust Board in September 2023. Mrs Jane Troth and Ms Sarah Green were subsequently appointed as Trustees by the Members at the AGM in 2024, to take effect at the end of their co-opt terms. Mrs Michelle Grice resigned at the end of her co-opt term. Mr Miguel Pareja and Mrs Irene Omiunu were confirmed as Parent Trustees in September and November 2023 respectively. The broad range of skills, experience and research specialisms supplements the composition of the Academy Trust Board and increases its capacity.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Conflicts of interest

A register of member and trustee interests is maintained by the Trust and declarations are signed annually. Declarations of Business Interests are also checked against items on the agenda for each meeting. If there is potential for a conflict of interest occurring during the day-to-day management and governance of the Trust, the relevant Trustee(s) will be recused as appropriate.

Governance reviews

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

This review had a significant impact on the future of governance within the school and continues to inform and shape the structure of governance within the Trust. A further Independent External Review is planned for 2025/2026.

The Trust Board continued to work constructively on previously implemented and improved financial processes, policies and governance, and there are no ongoing concerns. New financial software implemented in the previous financial year, in conjunction with revised purchase procedures served to strengthen the capacity of the Trust Board, and in particular the Finance, Audit and Risk Committee, to carry out effective assessment of the impact of specific funds on pupil outcomes.

In addition to further training and support identified for the Finance, Audit and Risk committee, in line with Integrated Curriculum and Financial Planning (ICFP), the Chair and Vice-Chair completed the National Governance Association (NGA)'s 'Chairs Development Programme' in the previous year. Other training and development for Trustees continued in a variety of formats. The chairs of each sub-committee now identify relevant training via the National Governance Association and GovernorHub (The Key) and signpost this for members of the committees. The Trust held annual Safeguarding for Trustees training which examined the methods used by the school to ensure best practice and compliance with KCSiE and related regulations and ensures trustees understand their role within Safeguarding. All Trustees also complete the virtual safeguarding training module on NGA Learning Link and are compliant with Prevent Training.

The Trust Board completes regular skills audits using the NGA's skills-dashboard framework. These audits represent an opportunity for the board to assess its capacity and effectiveness. Where individual trustees may have scored themselves lower in a particular category, this is balanced by other trustees with a more enhanced level of experience, as such, the reviews continue to find the Trust Board collectively strong in all areas highlighted by the NGA.

As previously highlighted the Trust Board implemented a 'shadowing' process for link trustee roles, begun with the safeguarding role. This proved effective and has now been expanded to include all link roles (SEND, EDI, Safeguarding, Health & Safety, Pupil Premium). Two trustees now cover each designated link role on school visits during the year and undertake relevant training together. This serves both to future-proof and increase the overall capacity of the Trust Board to carry out its duties effectively.

The Ofsted inspection in 2023 was an enormous positive for the Academy and represented significant validation of efforts undertaken by all members of the community, particularly staff and pupils, on the path towards the Trust's vision for the school. The inspection considered that; "Leaders and staff know every pupil in this large, inclusive school. Relationships between adults and pupils are a strength. Pupils' well-being is a priority for everyone. The co-headteachers work together extremely effectively. Their inspiring leadership promotes a positive culture. They have carefully and accurately identified the school's strengths and areas that need further work".

The Trust hired a new Governance Professional (Clerk) during 2023; qualified to Level 3 National Governance Association (NGA) and working towards Level 4 Academy Governance (Chartered Institute of Governance). At the end of 2023/4 an internal review of governance was undertaken, including but not limited to: distribution of KCSiE 2024 document to all trustees and review of relevant signed declarations, signposting and completion of safeguarding training for trustees, circulation of updated Academy Trust Handbook to all trustees, revision of trustees Code of Conduct, review of Business Declarations, review of register of members, review of GIAS information, review of website governance data, review and update of Annual Policy Schedule, Attendance Register, Training Schedule and updated Terms of Reference for Academy Trust Board sub-committees.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The Finance, Audit & Risk Committee is a sub-committee of the Academy Trust Board. Its purpose is to:

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

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

Throughout 2023-2024 the Finance, Audit and Risk Committee (FAR) reviewed the Academy's Risk Register and contracted companies to carry out an evaluation process of risks identified. The reports generated have been reviewed and steps taken to remove or mitigate any issues identified.

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

The Committee received monthly budget and cashflow monitoring reports and discussed these in depth at each meeting.

The information provided was used to raise more in-depth questions and queries regarding the financial efficacy of the Academy.

The committee engaged constructively with our Internal auditors William Giles Ltd and their scheduled program of testing for the year included:

1. Risk Register
2. Income
3. Expenditure
4. Banking & Cash Handling
5. Fixed Assets
6. Budget Monitoring & Reporting
7. Payroll & HR
8. Governance & Procedures

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The findings of these independent audits are summarised below:

- The Risk register assigns a unique reference number to each risk.
- Explanatory notes on the significance of risks and controls in place were recorded on the register and the latest review of the register was conducted in June 2024.
- The risk register uses a risk matrix to categorise risks and controls, and a copy of the matrix is included within.
- 5 income transactions were selected, all were receipted and remitted in full.
- 5 expenditure transactions were selected for testing, each transaction was receipted, and paid in full and accompanied by an authorised purchase order.
- Charge card holders were reviewed to ensure that all card holders are current members of staff. We can confirm that all card holders are still employed at the school.
- 6 charge card transactions were selected, and all were receipted and paid in full.
- The bank accounts were identified, and it was noted that at no point did the account go overdrawn in the year.
- The bank mandate for the academy was reviewed and it was confirmed that the bank signatories were current members of staff.
- Bank reconciliations were performed consistently and were signed as authorised. For each month tested, it was noted that there were no unreconciling items, the balance per the reconciliation matched that of the bank statement and evidence of segregation of duties was identified.
 - We found that the September 2023 reconciliation was not completed until 20th November 2023 – Medium recommendation made.
- 5 petty cash transactions were selected. Backing documentation were reviewed and agreed for each transaction sampled.
- The fixed asset register is reviewed consistently throughout the year.
- The fixed asset register for the academy was reviewed, it was found that this is held with a high level of detail with depreciation being calculated and posted monthly.
- Budget monitoring is completed monthly with comprehensive reports including budget variations, income and expenditure reports, balance sheet reports and cashflow reporting. These reports are presented to the Governors monthly.
- We reviewed Trust Finance Policy and can confirm it appears to be compliant with the Academy Trust Handbook. The policy was approved and reviewed by the governing body in September 2023.
- We reviewed the payroll reports and confirm that there are multiple stages of review and separation of duties is in place.
- We tested 5 current employees and confirmed that they paid the correct pension contribution and their gross pay agreed to their latest salary information.
- We reviewed 3 new starters and confirmed that the statutory pre-employment checks had been conducted and that the relevant documentation such as a signed employment contract, ID, qualifications and two references were held in the personnel files. We also noted that the new starters had been added to the payroll and paid the correct amount per their contracted salary in the first month of employment.
- We reviewed 3 leavers and confirmed that the relevant forms had been completed, authorised and that they had been removed from payroll in a timely manner.
- The Full Trust Board met 3 times in the year Each meeting was quorate and key decisions were decided by majority vote. Finance and budget were discussed, and declarations of business interests were made.
- The register of governor business interested is listed on the Academy website. Upon review of the register of business interests document, it was identified that Imagine Futures Ltd was listed as a business interest of Samantha Gildroy, however this company was dissolved in May 2023 – Medium recommendation made.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Good practice was found in the following areas:

- Monthly budget monitoring reports are comprehensive including income and expenditure budget variations, monthly cashflow analysis and balance sheet analysis.
- Payroll reports are being thoroughly checked and there is clear segregation of duties between initial checks and reviews. Posting to the finance system is accurate.
- Depreciation is being posted monthly.

The committee also considered the findings of our Health & Safety visits, in line with the ongoing assessment of the Risk Register. The committee continue to work towards dealing with the actions identified from the Health & Safety and condition survey carried out in 2022-2023.

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

The previous identification and separation of the School budget and the Business budget within the Management accounts and budget continues to prove an essential part of maintaining the schools viability both now and for the future.

The committee discussed recommendations for financial efficiencies and risk mitigation, and in conjunction with the Finance Manager, continued to develop on plans set out within the Trust Financial Plan.

The Committee has used all of the information provided to identify those areas that pose a considerable risk to the school's 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:

Trustees	Meetings attended	Out of possible
Dr. Andrew Connell (Chair of Trustees)	5	5
Laura Cutts (Joint Accounting Officer)	3	5
Samantha Gildroy	1	5
Sarah Heaney (Joint Accounting Officer)	3	5
Nadia Johnson	4	5
Irene Omiunu (Appointed 6 November 2023)	1	5
Miguel Pareja-Perez (Appointed 20 September 2023)	5	5
Dr. Erwin Pauws (Vice-Chair)	5	5

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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, as well as estates safety and management, 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, VMFI, 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 by 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 2024

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
- teaching which builds on previous learning and has high expectations of children's achievement.
- A broad and comprehensive curriculum which enables pupils to succeed in all areas of their school journey.

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 and termly monitoring and assessment meetings.

Purchasing

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 £1,500 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, 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, to provide a safe working environment for pupils, staff and visitors.

The Trust contracted Chartered Surveyors to carry out a complete condition survey of the school to help identify areas of risk. The maintenance plan has been updated accordingly and this report is being used to build a 5-year plan that will prioritise and cost all required work.

Previously as part of continuous Health & Safety monitoring a tree audit was carried out to score the vast number of trees across our site and identify those that require remedial work or removal. The required work was split into 2 sections and carried out across the year to maintain the safety of the site and our pupils. A further risk audit on the trees will occur during the next reporting year. H&S walk-arounds are completed weekly by the Estates Manager to evaluate the whole site. The maintenance plan and schedule of works are prioritised based on the level of risk and available funds. This will eventually link with the 5-year plan and costings. In addition, regular visits are carried out by the link trustee for Health & Safety who then reports to the Finance, Audit and Risk Committee.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Estate Management

The Academy Trust ensures that the estate is managed properly, and the school's buildings and grounds are safe and secure, sustainable and make best use of resources. The Trust has continued to strengthen its Risk Management process throughout the year by improving the process and ensuring staff awareness. A live 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. In addition to the new perimeter fences installed in the previous year, a fob-system for site access was installed to further improve site security and safeguarding. Additional work on fire doors was also carried out to move toward greater fire safety.

There has been particular concern regarding the use and presence of Reinforced Autoclaved Aerated Concrete (RAAC) in school estates. The recent condition survey confirmed that the main school building was built outside of the high-risk timetable. The site manager undertook additional assessment work in line with the issued guidance, leading to a presumed low-level risk of RAAC being present. Nonetheless, the Trust commissioned a DFE approved inspection to confirm our presumptions. The design, engineer and consultancy firm, Arup, were appointed to provide the required visual inspection of the existing buildings and provide appropriate commentary on their findings. Following an internal and external visual inspection, it was found that the school buildings were free from RAAC.

Monitoring

These areas will be monitored for '**best value**' by:

- In-house monitoring and evaluation by the Co-Headteachers, Assistant Heads, Heads of Year, Curriculum Leaders and Trustees to ensure whole school priorities for curriculum development, pupil achievement and progress of key groups are regularly appraised and reviewed
- Curriculum development as a focus throughout academic year in the form of Curriculum Leader appraisal targets and reviews, work with School Improvement Partner with focus subjects and in house deep dive format undertaken by Curriculum Leaders and Assistant Headteachers.
- Annual Headteacher's Performance Management undertaken by external SIP
- Annual Budget Planning
- Head teacher's monthly financial review
- 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, termly PPR meetings
- Analysis of DFE financial data, e.g. year-end reports, against benchmark data for all schools, and similar schools
- Analysis of DFE pupil performance data e.g. Raise on line
- Termly trustee monitoring visits in line with monitoring and evaluation schedule
- Ofsted Inspection reports
- Trustees' termly classroom observations
- Trustees' termly committee meetings
- Trustees' full board meetings termly
- Trustees' Annual Finance Review

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 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

In conjunction with the review of the Trust's Live Risk Register, three areas of higher risk were selected as areas for further scrutiny and, as such, formed our program of internal scrutiny for 2023-2024. Financial controls, GDPR and Reinforced Autoclaved Aerated Concrete (RAAC) were identified as priorities.

Financial Controls

William Giles Ltd were appointed as our internal auditors for 2023-2024 and a program of works was completed which tested procedures, controls and mitigation of risk. The following items were appraised as part of the review:

- Risk Register
- Income
- Expenditure
- Banking & Cash Handling
- Fixed Assets
- Budget Monitoring & Reporting
- Payroll & HR
- Governance & Procedures

The full report identified 2 recommendations across all areas reviewed, both medium level risks. The medium actions identified require action to avoid exposure to significant risk in achieving the objective reviewed.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Test – Banking Ensure that bank reconciliations have been completed on a consistent basis, are supported by source documentation and that completion was timely. Ensure that the reconciliations are certified by an authorised person within 1 month of the reconciliation being performed.	Recommendation CATEGORY: MEDIUM We recommend that bank reconciliations are conducted within one month of the month end to which they relate.
Findings From a review of bank reconciliations completed throughout the year, it was confirmed that these are completed on a consistent basis. Each reconciliation that was reviewed was accurate and signed as authorised. We found that the September 2023 reconciliation was not completed until 20th November 2023.	Client Comment Systems have been improved, and there has been no delay in statements being reconciled since September 2023.
Implication Poor management of bank accounts resulting in errors and fraud not being detected	Follow-up N/A

Test – Governance & Procedures Review the Register of Business Interests Ensure the Register is kept up to date, a copy is available on the Academy website and that the Trustees listed agree with those detailed on 'Get information about schools' and Companies House.	Recommendation CATEGORY: MEDIUM We recommend that the Register of Business Interests document is updated to remove Imagine Futures Ltd.
Findings The register of business interests was made available on the academy website. Business interests are declared at the beginning of each board meeting and any new declarations are submitted via a business interest declaration form. We found that the current Register of Business Interests document lists Imagine Futures Ltd as a business interest of Samantha Gildroy, however this company was dissolved in May 2023.	Client Comment Noted, this will be amended.
Implication Failure to comply with the Academy Trust Handbook.	Follow-up N/A

Good practice was found in the following areas:

- Monthly budget monitoring reports are comprehensive including income and expenditure budget variations, monthly cashflow analysis and balance sheet analysis.
- Payroll reports are being thoroughly checked and there is clear segregation of duties between initial checks and reviews. Posting to the finance system is accurate.
- Depreciation is being posted monthly.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

GDPR

Every school is classed as a Data Controller under the Data Protection Legislation because they decide how Personal Data for which they are responsible is processed. Each school and every employee has a legal duty to protect the privacy of information relating to individuals that it processes. SSJS employs Kent County Council as their Data Protection Officer, who use the services of Invicta Law to provide guidance and oversight. As part of the services provided, an evaluation tool is available that deep dives into the policies and procedures in place to manage data protection in schools.

In May 2024, the GDPR audit was carried out by our School Manager and Data Protection Lead, providing evidence and explanation to the questions asked. The audit provided an evaluation of the following areas:

- Leadership and oversight
- Policies and procedures
- Training and awareness
- Individual's rights
- Transparency
- RoPA and lawful basis
- Contracts and data sharing
- Risks and DPIAs
- Records management and security
- Breach response and monitoring

Evidence was provided to show where criteria had been met, and how each objective was managed. Good practice was found in a number of areas, including leadership and oversight, policies and procedures and record management and security. In particular, the management of Data Protection and information governance, clear policies and procedures and regular training opportunities were found to be well evidenced. An area requiring additional work was within breach response and monitoring. With a need to improve the assessment of information and performance data through use of KPI's and applicable targets, and the implementation of measures of success. An action plan to address the outcomes identified through the audit process will be created and shared with the relevant staff and Trustees.

RAAC

As per DfE requirements, it was necessary to examine all areas of the school and identify if Reinforced Autoclaved Aerated Concrete (RAAC) was present. These panels are primarily used in roofs but can be used in floors or façade panels. It has been found that there is a risk of RAAC panel failures which have included significant collapses of whole roof structures, occurring suddenly with very little warning. The design, engineer and consultancy firm, Arup, were appointed to provide a visual inspection of the existing buildings and provide commentary on their findings. The Trust provided CDC reports, site plans, condition survey and photographs prior to the survey completion to provide additional, contextual information. Following an internal and external visual inspection, it was found that the school buildings were free from RAAC. During the survey, additional structural areas of concern were identified where relevant. It was established that precast panels within the plant room have been propped due to poor structural condition of panels. We are aware of this defect, and it is recorded on the school's maintenance plan and monitored accordingly.

ST STEPHEN'S ACADEMY CANTERBURY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of effectiveness

As accounting officers, the Headteachers have 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 officers have 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.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the board of trustees on 04 December 2024 and signed on its behalf by:

Dr. Andrew Connell
Chair of Trustees

Laura Cutts Sarah Heaney
Joint Accounting Officers

ST STEPHEN'S ACADEMY CANTERBURY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 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 2023 to 2024;
- 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 04 December 2024 and signed on its behalf by:

Dr. Andrew Connell
Chair of Trustees

ST STEPHEN'S ACADEMY CANTERBURY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officers of St Stephen's Academy Canterbury, we have considered our 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, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of our considerations we have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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

Laura Cutts
Joint Accounting Officer

Sarah Heaney
Joint Accounting Officer

04 December 2024

ST STEPHEN'S ACADEMY CANTERBURY

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

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the accounts of St Stephen's Academy Canterbury for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2023 to 2024 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 2024 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 2023 to 2024.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ST STEPHEN'S ACADEMY CANTERBURY

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

FOR THE YEAR ENDED 31 AUGUST 2024

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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

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

ST STEPHEN'S ACADEMY CANTERBURY

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

FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Catherine Cooper FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

10 December 2024

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 2024

In accordance with the terms of our engagement letter dated 15 July 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of St Stephen's Academy Canterbury's funding agreement with the Secretary of State for Education dated 17 December 2010 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 2024

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

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

Dated:

ST STEPHEN'S ACADEMY CANTERBURY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	3	11	8	9	28	39
Charitable activities:						
- Funding for educational operations	4	66	2,331	-	2,397	2,216
Other trading activities	5	273	-	-	273	256
Total		350	2,339	9	2,698	2,511
Expenditure on:						
Charitable activities:						
- Educational operations	7	231	2,400	92	2,723	2,595
Total	6	231	2,400	92	2,723	2,595
Net income/(expenditure)		119	(61)	(83)	(25)	(84)
Transfers between funds	16	(115)	105	10	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(43)	-	(43)	399
Net movement in funds		4	1	(73)	(68)	315
Reconciliation of funds						
Total funds brought forward		66	6	3,906	3,978	3,663
Total funds carried forward		70	7	3,833	3,910	3,978

ST STEPHEN'S ACADEMY CANTERBURY

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

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000
Income and endowments from:					
Donations and capital grants	3	2	10	27	39
Charitable activities:					
- Funding for educational operations	4	66	2,150	-	2,216
Other trading activities	5	256	-	-	256
Total		324	2,160	27	2,511
Expenditure on:					
Charitable activities:					
- Educational operations	7	213	2,286	96	2,595
Total	6	213	2,286	96	2,595
Net income/(expenditure)		111	(126)	(69)	(84)
Transfers between funds	16	(101)	100	1	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	399	-	399
Net movement in funds		10	373	(68)	315
Reconciliation of funds					
Total funds brought forward		56	(367)	3,974	3,663
Total funds carried forward		66	6	3,906	3,978

ST STEPHEN'S ACADEMY CANTERBURY

BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		3,853		3,932
Current assets					
Debtors	12	68		68	
Cash at bank and in hand		128		129	
		196		197	
Current liabilities					
Creditors: amounts falling due within one year	13	(124)		(130)	
Net current assets			72		67
Total assets less current liabilities			3,925		3,999
Creditors: amounts falling due after more than one year	15		(15)		(21)
Net assets excluding pension asset			3,910		3,978
Defined benefit pension scheme asset	18		-		-
Total net assets			3,910		3,978
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			3,833		3,906
- Restricted income funds			7		6
Total restricted funds			3,840		3,912
Unrestricted income funds	16		70		66
Total funds			3,910		3,978

The accounts on pages 36 to 59 were approved by the trustees and authorised for issue on 04 December 2024 and are signed on their behalf by:

Dr. Andrew Connell
Chair of Trustees

Company registration number 07441370 (England and Wales)

ST STEPHEN'S ACADEMY CANTERBURY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	19		9		75
Cash flows from investing activities					
Capital grants from DfE Group		9		27	
Purchase of tangible fixed assets		(13)		(23)	
Net cash (used in)/provided by investing activities			(4)		4
Cash flows from financing activities					
Repayment of other loan		(6)		(5)	
Net cash used in financing activities			(6)		(5)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(1)		74
Cash and cash equivalents at beginning of the year			129		55
Cash and cash equivalents at end of the year			128		129

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 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.

Although the cumulative effect of the Covid Pandemic, and the ongoing 'cost of living' concerns, continue to have an impact on our Academy, we are confident that we are in a good position to meet our objectives. The Academy continued to engage constructively with the ESFA on financial improvements begun during the previous academic year. These improvements have enabled the Academy to weather these unprecedented financial pressures better than some. Business income has returned to pre-pandemic levels and there are no concerns of fundamental risk to the trust's long-term financial stability. The trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. on 31 August 2024 the unrestricted funds are surplus by £67k. Despite the Covid Pandemic, war in Ukraine, energy prices and ongoing 'cost-of-living' factors the trust is in a more positive financial position and although these impact plans to build up reserve balances to more favourable levels, beyond simply absorbing some of the above financial pressures, these plans continue.

1.3 Income

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

Grants

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

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

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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.

Interest receivable

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

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.

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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.

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

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.

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

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

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

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

1.6 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.

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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.

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.

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and areas of judgement

(Continued)

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 11 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 2024. 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.

The pension value also includes an asset ceiling adjustment and the assumptions used to calculate this are:

- The scheme is open to new entrants;
- There is a minimum funding requirement in relation to the LGPS;
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period;
- The present value in the above calculations are calculated using an annuity representing participation into perpetuity.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Capital grants	-	9	9	27
Other donations	11	8	19	12
	<hr/>	<hr/>	<hr/>	<hr/>
	11	17	28	39
	<hr/>	<hr/>	<hr/>	<hr/>

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	1,880	1,880	1,775
Other DfE/ESFA grants:				
Pupil premium	-	194	194	173
PE and Sports Premium	-	20	20	20
Supplementary grant	-	-	-	53
Schools recovery grant	-	19	19	17
Mainstream Schools Additional Grant	-	66	66	27
Teachers pension grant	-	17	17	-
Teachers pay grant	-	34	34	-
Others	-	13	13	14
	-	2,243	2,243	2,079
Other government grants				
Local authority grants	-	88	88	71
Other funding				
Catering	64	-	64	64
Other incoming resources	2	-	2	2
	66	-	66	66
Total funding	66	2,331	2,397	2,216

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Hire of facilities	37	-	37	33
Insurance claims	-	-	-	1
Trips	30	-	30	24
Extended schools programme	196	-	196	189
Uniform sales	10	-	10	9
	273	-	273	256

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£'000	Premises	Other	2024	2023
	£'000	£'000	£'000	£'000	£'000
Academy's educational operations					
- Direct costs	1,482	81	135	1,698	1,528
- Allocated support costs	657	199	169	1,025	1,067
	<u>2,139</u>	<u>280</u>	<u>304</u>	<u>2,723</u>	<u>2,595</u>

Net income/(expenditure) for the year includes:

	2024	2023
	£'000	£'000
Fees payable to auditor for:		
- Audit	14	11
- Other services	3	2
Operating lease rentals	8	3
Depreciation of tangible fixed assets	92	96
Net interest on defined benefit pension liability	(9)	13
	<u></u>	<u></u>

7 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2024	2023
	£'000	£'000	£'000	£'000
Direct costs				
Educational operations	-	1,698	1,698	1,528
Support costs				
Educational operations	231	794	1,025	1,067
	<u>231</u>	<u>2,492</u>	<u>2,723</u>	<u>2,595</u>

	2024	2023
	£'000	£'000
Analysis of support costs		
Support staff costs	661	692
Depreciation	11	15
Premises costs	188	172
Legal costs	-	2
Other support costs	146	173
Governance costs	19	13
	<u>1,025</u>	<u>1,067</u>

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024 £'000	2023 £'000
Wages and salaries	1,624	1,511
Social security costs	141	126
Pension costs	304	321
Staff costs - employees	2,069	1,958
Agency staff costs	60	32
	2,129	1,990
Staff development and other staff costs	23	22
Total staff expenditure	2,152	2,012

Staff numbers

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

	2024 Number	2023 Number
Teachers	19	18
Administration and support	43	66
Management	8	5
	70	89

Higher paid staff

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

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 £448k (2023: £424k).

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Trustees' remuneration and expenses

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

No expenses were reimbursed to Trustees (2023: Nil).

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

S Heaney Joint Headteacher

Remuneration £40,001 - £45,000 (2023: £30,001 - £35,000)

Employers pension contributions £10,001 - £15,000 (2023: £5,001 - £10,000)

L Cutts Joint Headteacher

Remuneration £55,001 - £60,000 (2023: £55,001 - £60,000)

Employers pension contributions £15,001 - £20,000 (2023: £10,001 - £15,000)

10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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
Cost						
At 1 September 2023	4,648	207	108	104	11	5,078
Additions	-	5	8	-	-	13
At 31 August 2024	4,648	212	116	104	11	5,091
Depreciation						
At 1 September 2023	918	22	97	98	11	1,146
Charge for the year	77	4	10	1	-	92
At 31 August 2024	995	26	107	99	11	1,238
Net book value						
At 31 August 2024	3,653	186	9	5	-	3,853
At 31 August 2023	3,730	185	11	6	-	3,932

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Debtors

	2024 £'000	2023 £'000
Trade debtors	6	5
VAT recoverable	6	7
Prepayments and accrued income	56	56
	<u>68</u>	<u>68</u>

13 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Other loans	5	5
Trade creditors	11	27
Other creditors	78	81
Accruals and deferred income	30	17
	<u>124</u>	<u>130</u>

14 Deferred income

	2024 £'000	2023 £'000
Deferred income is included within:		
Creditors due within one year	8	-
	<u>8</u>	<u>-</u>
Deferred income at 1 September 2023	-	5
Released from previous years	-	(5)
Resources deferred in the year	8	-
	<u>8</u>	<u>-</u>
Deferred income at 31 August 2024	8	-

At the balance sheet date the academy trust was holding funds relating to trips for the year 2024/25.

15 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Other loans	15	21
	<u>15</u>	<u>21</u>

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

15 Creditors: amounts falling due after more than one year

(Continued)

	2024 £'000	2023 £'000
Analysis of loans		
Wholly repayable within five years	20	26
Less: included in current liabilities	(5)	(5)
	<hr/>	<hr/>
Amounts included above	15	21
	<hr/>	<hr/>
Loan maturity		
Debt due in one year or less	5	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	10	16
	<hr/>	<hr/>
	20	26
	<hr/>	<hr/>

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 £6k have been made in the year.

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

16 Funds

	Balance at 1 September 2023	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2024
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant (GAG)	-	1,880	(1,985)	105	-
Pupil premium	-	194	(194)	-	-
Other DfE/ESFA grants	-	169	(169)	-	-
Other government grants	-	88	(88)	-	-
Other restricted funds	6	8	(7)	-	7
Pension reserve	-	-	43	(43)	-
	6	2,339	(2,400)	62	7
Restricted fixed asset funds					
DfE group capital grants	-	9	-	(9)	-
Salix loan	(26)	-	-	6	(20)
Fixed asset fund	3,932	-	(92)	13	3,853
	3,906	9	(92)	10	3,833
Total restricted funds	3,912	2,348	(2,492)	72	3,840
Unrestricted funds					
General funds	66	350	(231)	(115)	70
Total funds	3,978	2,698	(2,723)	(43)	3,910

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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 2024.

Other DFE/ESFA grants

This includes the pupil premium, sports funding, rates relief, recovery premium, MSAG, Teachers Pay grant, Teachers Pension grant and supplementary grant.

Other government grants

This includes additional pupil premium and additional funding received from the Local Authority.

Other restricted funds

Other restricted funds relates to school fundraising for specific projects.

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 2024

16 Funds

(Continued)

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

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,775	(1,875)	100	-
Pupil premium	-	173	(173)	-	-
Other DfE/ESFA grants	-	19	(19)	-	-
Other government grants	-	71	(71)	-	-
Other restricted funds	6	122	(122)	-	6
Pension reserve	(373)	-	(26)	399	-
	<u>(367)</u>	<u>2,160</u>	<u>(2,286)</u>	<u>499</u>	<u>6</u>
Restricted fixed asset funds					
DfE group capital grants	-	27	-	(27)	-
Salix loan	(31)	-	-	5	(26)
Fixed asset fund	4,005	-	(96)	23	3,932
	<u>3,974</u>	<u>27</u>	<u>(96)</u>	<u>1</u>	<u>3,906</u>
Total restricted funds	<u>3,607</u>	<u>2,187</u>	<u>(2,382)</u>	<u>500</u>	<u>3,912</u>
Unrestricted funds					
General funds	56	324	(213)	(101)	66
Total funds	<u>3,663</u>	<u>2,511</u>	<u>(2,595)</u>	<u>399</u>	<u>3,978</u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	3,853	3,853
Current assets	67	129	-	196
Current liabilities	-	(119)	(5)	(124)
Non-current liabilities	-	-	(15)	(15)
Total net assets	<u>67</u>	<u>10</u>	<u>3,833</u>	<u>3,910</u>
Balance to allocate	3	(3)	-	-
Per balance sheet	70	7	3,833	3,910

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	3,932	3,932
Current assets	66	131	-	197
Current liabilities	-	(109)	(21)	(130)
Non-current liabilities	-	(16)	(5)	(21)
Total net assets	66	6	3,906	3,978

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 latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £39k were payable to the schemes at 31 August 2024 (2023: £33k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £199k (2023: £178k).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5 to 7.5% for employees. The estimated value of employer contributions for the year ended 31 August 2025 is £138k.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2024 £'000	2023 £'000
Employer's contributions	138	131
Employees' contributions	35	34
Total contributions	173	165

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2024 %	2023 %
Rate of increase in salaries	3.80	3.90
Rate of increase for pensions in payment/inflation	2.80	2.90
Discount rate for scheme liabilities	5.10	5.30
Inflation assumption (CPI)	2.80	2.90

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

	2024 Years	2023 Years
Retiring today		
- Males	20.7	20.7
- Females	23.3	23.2
Retiring in 20 years		
- Males	22.0	22.0
- Females	24.7	24.6

Sensitivity analysis

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

	2024	2023
Discount rate + 0.1%	-4	-44
Discount rate - 0.1%	+3	+45
Mortality assumption + 1 year	+3	+61
Mortality assumption - 1 year	-4	-60
Salary increase +0.1%	0	+2
Salary increase -0.1%	0	-2
Pension increase +0.1%	+4	+44
Pension increase -0.1%	-4	-43

Defined benefit pension scheme net asset

	2024 £'000	2023 £'000
Scheme assets	2,568	2,251
Scheme obligations	(2,406)	(2,149)
Net asset	162	102
Restriction on scheme assets	(162)	(102)
Total liability recognised	-	-

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

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

	2024 Fair value £'000	2023 Fair value £'000
Equities	1,467	1,430
Other bonds	373	311
Gilts	179	13
Cash	62	24
Property	237	227
Other assets	250	246
Total market value of assets	2,568	2,251
Restriction on scheme assets	(162)	(102)
Net assets recognised	2,406	2,149

The actual return on scheme assets was £177,000 (2023: £(221,000)).

Amount recognised in the statement of financial activities

	2024 £'000	2023 £'000
Current service cost	102	143
Interest income	(123)	(98)
Interest cost	114	111
Administration expenses	2	1
Total amount recognised	95	157

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

Changes in the present value of defined benefit obligations

	2024 £'000	2023 £'000
At 1 September 2023	2,149	2,607
Current service cost	102	143
Interest cost	114	111
Employee contributions	35	34
Actuarial loss/(gain)	37	(718)
Benefits paid	(31)	(28)
At 31 August 2024	2,406	2,149

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

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

	2024 £'000	2023 £'000
At 1 September 2023	2,251	2,234
Interest income	123	98
Actuarial (gain)/loss	54	(217)
Employer contributions	138	131
Employee contributions	35	34
Benefits paid	(31)	(28)
Effect of non-routine settlements and administration expenses	(2)	(1)
At 31 August 2024	2,568	2,251
Restriction on scheme assets	(162)	(102)
Net assets recognised	2,406	2,149

Included within the pension assets above is an "asset ceiling adjustment". The asset ceiling is the present value of the economic benefits that the employer can recover from the plan, such as reduced contributions or cash refunds. It is deemed for the Trust that the future costs expected for the employers contributions will outweigh the future service costs and therefore there is no economic benefit to the Trust and therefore the asset value is reduced to zero.

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

	Notes	2024 £'000	2023 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(25)	(84)
Adjusted for:			
Capital grants from DfE and other capital income		(9)	(27)
Defined benefit pension costs less contributions payable	18	(34)	13
Defined benefit pension scheme finance (income)/cost	18	(9)	13
Depreciation of tangible fixed assets		92	96
Decrease in debtors		-	22
(Decrease)/increase in creditors		(6)	42
Net cash provided by operating activities		9	75

ST STEPHEN'S ACADEMY CANTERBURY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Analysis of changes in net funds

	1 September 2023 £'000	Cash flows £'000	31 August 2024 £'000
Cash	129	(1)	128
Loans falling due within one year	(5)	-	(5)
Loans falling due after more than one year	(21)	6	(15)
	<u>103</u>	<u>5</u>	<u>108</u>

21 Long-term commitments

Operating leases

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £'000	2023 £'000
Amounts due within one year	8	3
Amounts due in two and five years	20	3
	<u>28</u>	<u>6</u>

22 Related party transactions

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

23 Members' liability

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