

STEPHENSON MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2020

COMPANY REGISTRATION NUMBER: 10564255
(ENGLAND AND WALES)

STEPHENSON MULTI ACADEMY TRUST

Annual Report and Financial Statements

Year ended 31 August 2020

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STEPHENSON MULTI ACADEMY TRUST

Reference and administrative details of the academy, governors and advisers

Year ended 31 August 2020

Members:	Mr A F Powlesland Mr C J Myers - <i>resigned from 31/12/19</i> Mr J P Boyer - <i>resigned from 15/06/20</i> Mr G Charlton - <i>appointed from 10/12/19</i> Mr S Anderson - <i>appointed from 10/12/19</i>
Trustees:	Mr J P Boyer (Chair – resigned as Chair on 15/06/20) Mr D T Boyer Mrs M K Mellor Ms L Flaherty (Elected Chair from 15/06/20) Ms M Peers-Zilkova Mr M Sanderson
Senior Management Team:	Accounting Officer (and Chief Operating Officer) – Mr R Owens – <i>with effect from 17/03/20</i> <i>Previously - Mrs J Thorogood</i> Chief Finance Officer – Mrs K Kearns - <i>with effect from 17/03/20</i> <i>Previously - Mr R Owens</i> Headteacher (RHS) – Mrs J Thorogood
Company Name	Stephenson Multi Academy Trust
Principal and Registered Office:	Warrington Road Rainhill Prescot L35 6NY
Company Registration Number:	10564255 (England and Wales)
Independent Auditor:	Mitchell Charlesworth LLP 3rd Floor 5 Temple Square Temple Street Liverpool L2 5RH
Bankers:	National Westminster Bank plc NatWest Commercial Banking St Helens PO Box 147 1st Floor 5 Ormskirk Street WA10 1DT
Solicitors:	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

STEPHENSON MULTI ACADEMY TRUST

Trustees' Report

Year ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area of St Helens, Knowsley, Halton, Warrington and Liverpool. It has a pupil capacity of 1,870 (1,500 x pre-16 and 370 x post 16 (of which 250 on site at Rainhill and 120 located at its site in Wavertree)) and had a roll of 1,801 in the school census on 1 October 2020. It should be noted that the school increased its PAN to 300 from September 2017 and therefore although capacity is now 1,870 it will take 5 x years to realise that capacity.

Structure, governance and management

Constitution

Stephenson Multi Academy Trust (S MAT), is a company limited by guarantee and is as an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Stephenson Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date of these accounts are approved, 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 charitable company in the event of it being wound up while they are a member, or within one year after they ceased to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of recruitment and appointment of new trustees and governors

Trustees hold office for a term of 4 years. At the end of their term, Trustees are eligible for reappointment to serve a further term.

When recruiting new trustees and governors, a skills audit is conducted to give proper consideration to the attributes of potential trustees and governors ensuring that any appointments therefore enhance the effectiveness of the Board of trustees and/or Local Governing Body in line with the Articles of Association.

The appointment of trustees may be made by the members passing an ordinary resolution as contained within the Articles of Association. The appointment of Local Governors may be made by trustees passing an ordinary resolution.

With regards to the appointment of parent and staff Governors to the Local Governing Body – procedures are in place for their nomination, election and appointment.

STEPHENSON MULTI ACADEMY TRUST

Trustees' Report

Year ended 31 August 2020

Policies and procedures adopted for the induction and training of trustees

After appointment, trustees and governors receive induction training and are supplied with all of the necessary documents that they need to fulfil their role as trustees or governors. All new trustees and governors are given a tour of the Academy and the chance to meet with staff and students.

All trustees and governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a trustee or governor. As there are normally only two or three new appointments each year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

Stephenson Multi-Academy Trust (Stephenson MAT) is a company limited by guarantee and is registered as an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trustees of the Academy also act as directors of the charitable company for the purposes of company law. Trustees hold office for a term of 4 years. At the end of their term, Trustees are eligible for reappointment to serve a further term.

Stephenson MAT, for the period concerned, comprises of Rainhill High School and Sixth Form and has the following structure - Members, the Trust Board (the Trustees), The Local Governing Body (the Governing Body) and the Senior Leadership Team. The aims of the organisational structure are to declare responsibility and encourage involvement in decision making at all levels.

The Members - are akin to the shareholders of a company. They have ultimate control over the Academy Trust, with the ability to appoint Trustees and the right to amend the Trust's Articles of Association. The Members meet on a minimum of one occasion per year.

Members' liability

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

The Trust Board (Trustees) - is responsible for the overall strategic direction of the Trust and for those statutory duties that cannot be delegated to sub-committees as outlined in the Articles of Association and the Scheme of Delegation for the Trust. The Trustees are therefore principally responsible for three core functions: setting the strategic direction of the Trust, holding the Accounting Officer to account and ensuring financial probity. It should be noted that the Trustees are also Trustees of the charity for the purposes of the Companies Act 2006. The Trust Board meets on a minimum of three occasions per year.

The Local Governing Body - is responsible for those functions delegated to it by the Trust Board as outlined in the Scheme of Delegation and Terms of Reference for Local Governing Body Committees. The Local Governing Body will have a minimum representation of 2 x parent Governors and will meet on a minimum of 3 occasions per year.

Professional Indemnity Insurance is in place to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

STEPHENSON MULTI ACADEMY TRUST

Trustees' Report

Year ended 31 August 2020

The Senior Leadership Team (SLT) - consists of the Accounting Officer (also Chief Operating Officer), Headteacher, three Deputy Headteachers and three Assistant Headteachers, who are responsible for the leadership of the Academy and are accountable for the quality of education provided to the students, they are also accountable for the outcomes achieved by students and must ensure they meet the expectations of the Department of Education (DfE) and Ofsted.

SLT are also responsible for implementing the policies and recommendations agreed by the Trustees and Local Governing Body (as applicable in accordance with the Scheme of Delegation) and are required to provide regular and appropriate feedback to furnish Trustees and/or Governors with the knowledge and information to provide strategic leadership.

The behavior and safety of students is also the responsibility of the SLT, which includes safeguarding young people and providing an infrastructure to ensure children have the appropriate environment conducive to learning.

The Trust Senior Management Team comprises the Accounting Officer, Headteacher (RHS) and Chief Finance Officer.

Arrangements for setting pay and remuneration of key management personnel

S MAT Trustees are non-salaried and therefore no pay and remuneration scales are applicable.

The Trust continues to refer to School Teachers' Pay & Conditions Document (STPCD) and National Joint Conditions (NJC) to support teaching and non-teaching scale setting and pay decisions.

The setting of salaries (and pay range) for the Headteacher, Chief Operating Officer (Accounting Officer), Deputy Headteachers and Assistant Headteachers is undertaken using the STPCD Leadership Pay Group Section Guidance.

The Trust employs a local authority generated job evaluation scheme to establish support staff salary ranges.

Related parties and other connected charities and organisations

S MAT does not have any formal relationships with related parties and any other charities/companies/organisations with which it cooperates in the pursuit of charitable activities.

The Senior Leadership Team continue to be an active part in the St Helens Family of Schools and continue to attend local forums such as the St Helens Association of Headteachers. The Chief Operating Officer is also the Chair of the Liverpool City Region Academies Group, whose constitution is based on positive collaboration across the Greater Merseyside region for the benefit of the pupils and staff the schools serve.

The Chief Operating Officer is also part of the Department for Education (DfE) Schools Commercial Team User Group (and is a member of the DfE's Schools Commercial Board), which promotes initiatives and collaborative opportunities that seek to reduce expenditure and increase income to positively benefit schools across the country and the pupils they serve.

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Trustees' Report

Year ended 31 August 2020

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period. It must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:-

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.6

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£-
Provide the total payroll bill	£6,704,617
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100.

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Trustees' Report

Year ended 31 August 2020

Objectives and activities

- To operate as a genuine comprehensive trust, which respects, values and provides opportunities for all students regardless of background or ability.
- To enable all students to progress beyond their school experience as responsible citizens; who are polite and courteous; with high moral values and aspirations; and are equipped to make a positive contribution to working world, to life and to society.
- To provide a safe and healthy place of learning, which is respected by all students and staff.
- To be a positive and enabling employer who recognises that staff are our greatest asset.
- To aim to be comprised of the schools and partners of choice in the community.
- For schools within the Trust to seek to be judged to be outstanding in all aspects of its work, including the effectiveness of leadership and management, quality of teaching, learning and assessment, personal development behaviour and welfare, outcomes for Pupils and effective 16-19 programmes.
- To be financially robust and employ best value in all its purchases.
- To employ independent external moderation of quality and processes.
- To operate on a not for profit basis.
- To employ an expectation that all students, staff and governors will operate within the values of the Trust's mission statement.
- To be a good neighbour and make a positive contribution to the immediate locale.

Public benefit

The Trustees have reviewed the current activities of the charitable company and confirm that they are in line with its objectives. All the activities of the organisation carried out during the year 1 September 2019 to 31 August 2020 are in pursuance of the Trust's objectives and are considered to be for the public benefit. All services provided are free to all beneficiaries irrespective of capacity, ethnicity, faith, religious conviction or social economic environment. The Trustees also confirm that the organisation's aims and objectives fall within the descriptions of purposes in the Charities Act 2006 and are recognised as charitable and are carried out for the public benefit.

Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunities in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the Trust is to support recruitment and retention of students and employees irrespective of their disability, age, race, religion, gender or sexuality.

STEPHENSON MULTI ACADEMY TRUST

Trustees' Report Year ended 31 August 2020

Strategic Report

Key performance indicators

Ofsted Framework Section 5 inspection	School Judgement
Behaviour and Attitudes	Good
Personal Development	Good
Leadership and Management	Good
Sixth Form Provision	Good
Quality of Education	Requires Improvement
Overall Effectiveness	Requires Improvement

Achievement

Due to Centre Assessed Grades being used in 2020, and therefore no published information being available, the figures below are the published 2019 figures.

Measure	2019
Average Total Attainment 8	50.07
Average Total Progress 8	0.11
Students achieving 9-5 in English and Maths	48.7%
Students entered for EBACC	47.9%
Students in COHORT achieving the EBACC (standard pass)	33.5%
Students in the COHORT achieving the EBACC (Strong Pass)	22.5%
Percentage of students staying in education or employment after KS4 (destination)	96%

Rainhill High School students celebrated another year of excellent GCSE results for 2019. 20% of all GCSE grades were graded at 9-7 with more students than ever achieving the prestigious grade 9 and the average grade for BTEC Level 2 courses was a distinction.

Rainhill High School has a strong and consistent record of achievement over time, the 2019 results maintain this strong record despite the continued changes and volatility of exams nationally. 72% achieved the 9-4 in English and Maths and the average grade of all GCSEs is a grade 5.

Students in Y10 also achieved very highly in GCSE English Literature, with 76% achieving 9-4 and 60% achieving 9-5.

Post 16 Results

In 2019, Rainhill Sixth Form results were:

- On average, Rainhill Sixth Form's vocational students exceeded expected progress.
- The average grade for vocational subjects was Distinction. This is the equivalent of an A grade at A Level.
- On average, disadvantaged students made better than expected progress.
- On average, disadvantaged students made better progress than non-disadvantaged students.
- Overall, vocational students making above expected progress.
- Students, on average, exceeded than expected progress in most of the Arts subjects.
- In Science, on average, students exceeded expected progress in Chemistry and Further Maths.
- In Drama, English Literature, History, Law, MFL Spanish students, on average, exceeded expected progress.

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Year ended 31 August 2020

Going concern

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

Financial review

The Statement of Financial Activities and Balance Sheets are shown on pages 29 to 31.

The majority of the Trust and Academy income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA, together with any other restricted funding (and associated expenditure) received from any other sources (such as the Liverpool Football Club (LFC) Partnership and peripatetic music lessons), in the period ended 31st August 2020 are shown as restricted income in the restricted general fund and fixed asset fund in the Statement of Financial Activities in line with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2019). The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

The majority of unrestricted income for the Academy is generated by way of a community use charges levied to Rainhill Arts College Community Interest Company (CIC) for its lettings programme, which makes use of the academy's facilities. Other unrestricted income comes from the sale of school uniform, income generated from agreed profit share pertaining to catering, income generated from vending machines sited at the school, Duke of Edinburgh and Teacher Training Placements.

During the year ended 31 August 2020, total expenditure (excluding depreciation, capitalised works and actuarial pension adjustments) was £9,189,532 with total revenue income being £9,371,667 this, together with brought forward unrestricted reserves of £1,275,498 provided a carry-forward of unrestricted reserves of £1,560,684 as at 31 August 2020. This is a positive overall financial position offering both an in-year and cumulative surplus.

With respect the longer-term cash position (income an expenditure statement) and therefore cash flow – both the in-year and cumulative balances are positive across the three years, with a slight increase in cumulative surpluses projected year on year. This is a strong position to be in, especially considering the prudently cautious approach taken to the projection, and reflects the robust financial management employed within the Trust.

Key considerations incorporated within the projection include, but are not limited to:

1. COVID-19 expenditure not re-paid by DfE funding.
2. Year on year increases in staff pay.
3. The incorporation of the pay and pension grant into the national funding formula.
4. The increase in per pupil funding for both 11-16 and post 16.
5. Likely capital funding.
6. The impact of Brexit and likely consequential cost increases for certain commodities in the short or medium term.
7. The school development plan and associated key priorities.
8. The school premises plan.

An integrated curriculum financial planning approach is taken to the budget projection to ensure that forecasts are accurate and best reflect the needs and wants of the school and the pupils it serves.

The profit and loss (shown later in this report) statement illustrates a more negative position compared with the income and expenditure statement (cash position), however this position should be treated with caution as it makes provision for non-cash items such as depreciation, pension adjustments and capitalised works adjustments.

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Trustees' Report

Year ended 31 August 2020

Financial review (*continued*)

In summary, the Trustees are fully aware of the school's financial position and use all of the information available to not only build a detailed picture of both short and long-term financial health, but to also constructively hold senior leaders to account for financial decisions and to facilitate the construction and implementation of an effective action plan that seeks to attain and maintain financial health.

The Risk Register is also actively used by the Trustees to catalogue and review risks that may impact upon the financial position of the school. Senior leaders also use the register to inform the budget projection planning and calculation process.

Given the healthy state of the budget position and the confidence around the prediction of future revenue expenditure demands (which the 'Plans for the Future' section below goes into greater details about) it is proposed that Trustees will consider transferring an amount the aforementioned surplus to capital funds; this will be discussed in greater detail as part of Trustees meetings at the end of 2020 and into 2021.

It should also be noted that, as in previous years, a further £32k will be transferred to ring-fenced reserves as per the MAT's reserve strategy as outlined in the section below.

Reserves policy

The Trustees review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trusts current level of reserves (carry forward from 2019/20) is £18,483,346 (made up of restricted and unrestricted reserves).

The Trustees have decided to adopt a prudent approach to reserves and aim to build a reserve (which will sit on the balance sheet) of £32,000 per annum (£320,000 over 10 years, which represents approximately 5% of overall income) to safeguard against unforeseen circumstances, capital improvements or developments, late ESFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the Academy.

Designated reserves is funding that is 'ring-fenced' for a specific purpose, for example our designated reserve comprises of an 'unforeseen circumstances' reserve of £32k per annum and £25k per annum for the 3G pitch sinking fund.

Investment policy

In accordance with the Articles of Association, the Trustees can deposit or invest funds not immediately required. Given the uncertainty surrounding school funding and an ageing building stock, a decision was taken not to invest any surplus funding in 2019/20 in order to ensure easy access to it should it be required.

This approach will be reviewed annually to ensure the most financially prudent decision is taken based on current and projected future circumstances.

Given the size of the carry-forward from 19/20 into 20/21, Trustees will, in accordance with the Trust's Investment Policy, seek suitable investments for part of the balance and document this as part of next year's report.

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Trustees' Report

Year ended 31 August 2020

Principal risks and uncertainties

The principal risks to the Trust are documented and managed using the Stephenson MAT Risk Register, which is reviewed regularly as part of Link Trustee visits and Finance & Audit Committee meetings.

The main areas of risk for the MAT are categorised into financial, strategic & reputational, operational and compliance related risks. The Risk Register describes the risks and uncertainties faced by the Trust and 'rag rates' their likelihood and significance before documenting key controls and the residual risk. Based on the ratings applied, the most pertinent risks to the Trust are currently:

- Overspend of budget caused by unexpected statutory increases in key expenditure areas i.e. salary/NI/Curriculum subject specification changes;
- Loss caused by lack of security over assets, excluding cash;
- Unplanned COVID-19 related spend;
- Failure of the school to recruit sufficient learners to make it viable;
- Failure to monitor and react accordingly to the risks associated with competitor establishments;
- Failure to the Trust to maintain its partnership with Liverpool Football Club and/or Fowler Education Football Academy;
- Failure to monitor the effect of risks over which the school has no or little control, such as economic and natural disaster;
- Failure of the Trustees to appoint a permanent leadership structure of the MAT when it becomes necessary;
- Failure to appoint an adequately trained and experienced Chair of Governors;
- Failure of the school to be graded as Good or Outstanding as a result of its next inspection;
- COVID-19 outbreak at the school;
- Failure to implement COVID-19 risk assessment;
- Risk that UK legislative requirements are not known or complied with;
- Failure to ensure that School Data Protection systems, procedures and processes are adequate.

Risk management strategies are formulated and actioned in relation to the highest scoring risks and are reported on regularly to the Link Trustee and Finance and Audit Committee in order to avoid, or mitigate, any negative impact on the MAT.

Other action that is taken to mitigate risks includes:

- Ensuring that Stephenson MAT has an organisational structure with clearly defined roles, responsibilities and authorisation levels;
- Establishing clear terms of reference for the committees and sub-committees of the MAT;
- Continuous financial planning, budgeting, reviewing and management reporting highlighting key areas of financial and operational risk and putting in place strategies for mitigating that risk;
- Proactive searching for, and reviewing of, relevant trade and financial documentation to inform budget planning with regard to predicted trends and/or anomalies that may need to be accounted for;
- Robust due diligence procedures in place for new contracts and commissions;
- Formal written and published policies for employees;
- Robust implementation of vetting procedures, as required by legislation, for the protection of vulnerable young people and adults.

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Financial risks

With specific regard to financial risks, the following actions are taken to mitigate the risks outlined in the Risk Register:

- Employment of sound financial management and internal control processes, including clear and rigorous procurement processes that ensure best value.
- Balanced budgets are set for the MAT with an 'in-year' balanced budget being the primary aim.
- Actual performance against agreed budgets is closely monitored by the Academy Business Manager and Chief Operating Officer as part of monthly meetings and by the Trustees Finance & Audit Committee as part of its termly meetings.
- COVID-19 related spend is monitored weekly and identified as a distinct budget in order to ensure that reclaims from the DfE are accurate and the impact of any non-refundable expenditure is correctly factored into budget projections.
- Bank and cash reconciliations are carried out routinely by the Academy Business Manager and signed by the Chief Operating Officer.
- All orders and cheques are signed-off by the finance team with appropriate segregation of duties in place.
- Payroll is undertaken internally (BACS Bureau is outsourced) under the management of the Academy Business Manager and verified by the Chief Operating Officer.
- The appropriateness and integrity of internal controls is assessed and reported to the Trustees by the external auditors on an annual basis, with any action required being put into an action plan and reported on.
- Monthly management accounts are produced and reviewed to identify any anomalies between projected and actual financial estimations.
- Two 'Responsible Officer' visits are undertaken annually by an external auditor to assess the robustness and compliance of internal financial controls and highlight any potential issues that need, or may need, to be addressed moving forward.
- The Link Trustee for finance meets with the Chief Operating Officer 3 x times per year to review financial controls, quality control checks, budgeting assumptions and key data that may impact on the financial position of the school in the short, medium and long term.
- The security of financial data is administered by an in-house team of IT professionals who adhere to data protection (including the GDPR) regulations.
- Remaining risks are mitigated, to a large extent, via comprehensive insurance policies.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016, Stephenson MAT is required to publish information regarding its fundraising practices.

- **Approach to fundraising** – SMAT currently seeks out, and applies for, a variety of funding bids annually. In 202/21, the Trust is seeking to engage, on a 'contactor' arrangement, the services of an experienced 'fundraiser' who will seek to apply to a variety of funding streams in order to secure funding for highlighted projects at the school. The 'fundraiser' will also seek to work with the school to establish a Parent Teacher Association with the remit of supporting and raising money for the Trust through methods such as events, raffles etc;
- **Fundraising conforming to recognised standards** – all fundraising that SMAT undertakes is compliant with relevant and recognized standards and legislation;
- **Monitoring of fundraising carried out on its behalf** – The Academy Business Manager monitors fundraising activities associated with the school and reports to the Chief Operating Officer to ensure that any fundraising is not only legally compliant but is also in-keeping with the ethos and values of the Trust;
- **Fundraising complaints** – Any complaints regarding SMAT fundraising can be made via the Trust's Compliant Procedure, to date no complaints have been raised;
- **Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.** – SMAT employs a non-invasive method of fundraising that has choice as a primary driver.

Our approach to fundraising and rules governing it are outlined in our Fundraising Policy.

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Year ended 31 August 2020

COVID

The risk register has been updated to incorporate risks associated with COVID, which include financial, operational and reputational.

The Academy was, within the 2019/20 year, able to remain open (both during term time and throughout school holidays, including bank holidays) for the children of key workers and those deemed 'vulnerable' thanks to the willingness of staff.

A robust risk assessment was undertaken and updated throughout the period to ensure that risks were mitigated as far as possible, thereby ensuring the safety of those present. The implementation of the risk assessment necessitated additional expenditure pertaining, primarily, to cleaning, the purchasing of additional teaching resources, IT infrastructure (such as laptops, 'dongles' for internet access and webcams) and site resources such as signage and single use refreshment items.

Whilst the majority of the COVID related expenditure incurred met the government's qualifying criteria for financial support for exceptional costs, some of it did not – in particular that relating to IT equipment; the academy took the decision to use its own resources to provide this so as to ensure the interruption to students learning was minimised. The Government did initiate a laptop scheme for disadvantaged students, but this was launched too late and with too restrictive a criteria to have the impact it needed.

The Academy also participated in the national free school meals voucher scheme, acting as a facilitator for the distribution of vouchers from the scheme provider to parents of eligible pupils. In addition, the academy worked with other local organisations to provide food hampers to those most in need.

With respect to pastoral support, the academy's staff worked tirelessly throughout the COVID pandemic lockdown to ensure that all pupils, and their families, were contacted regularly and supported as needed - both academically and pastorally.

COVID has also highlighted the need for the academy to employ a strategy of centralisation and modernisation with regard to its IT infrastructure, something that will form part of the 20/21 capital spending strategy. That said, the employment of virtual meetings has been seamless and has ensured that communication with parents, amongst networks and between staff and students (when one or the other is self-isolating) has been able to be maintained, consequently ensuring as much 'normality' as possible.

Financially, we don't believe that COVID has detrimented us during the 2019/20 year as any expenditure was offset by financial support from the government or from savings made within our own budget (for example reduced energy costs and reduced spend on subject spend), however we do have concerns moving forward into the 20/21 academic year as COVID related costs, which will then also include staffing (i.e. cover for absent staff) will represent additional expenditure when the normal operation of schools resumes.

Plans for future periods

Capital plans

On the back of securing a successful Condition Improvement Fund (CIF) grant (totaling £419,163) for the refurbishment of the sports facilities and the building of two new classrooms, Stephenson MAT has completed the work, with the new classrooms having been operable since September 2020. The works will be capitalised and depreciated in line with normal accounting practice.

In 2019/20, Stephenson MAT submitted a new CIF application for the replacement of its windows and heating systems, all of which are failing and in need of replacement; unfortunately, the bid was unsuccessful, although an appeal has been submitted given queries with regards to some of the scoring methodology applied. If unsuccessful ta appeal, the Trust will amend the bid slightly and resubmit it as part of the 2020/21 round of CIF applications.

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Trustees' Report

Year ended 31 August 2020

Plans for future periods (*continued*)

Capital plans (*continued*)

SMAT is also proposing to submit a second CIF bid in 2020/21 for the installation of a new perimeter fence on three boundaries of the school. Given the highly evidence need for the fencing, it is hoped that this bid will prove successful.

With respect to its reserves - SMAT Trustees will consider, within the 2020/21 year, whether to release an agreed amount of funding for:

- The purchase of suitable marquees to provide covered areas for shelter for pupils during break and lunchtimes.
- The purchase of a pre-fabricated building for use as a SEN support base and whole school library.
- The purchase of an indoor storage area for site equipment.
- The refurbishment of staff toilets in B-block and A-block.
- The installation of an IT suite in C-Block.
- The relocation of the IT suite located on the first floor of S-Block.
- The implementation of an IT strategy that seeks to modernize and centralise the Trust's IT infrastructure.

In addition to the aforementioned capital development programmes, Stephenson MAT is committed to rejuvenating its existing buildings, to ensure they remain fit for purpose, by investing £60,000 per year in refurbishment works in addition to allocating its ESFA devolved formula capital of circa £30,000 per year into both building and IT infrastructure works.

Revenue income & expenditure

Stephenson MAT is committed to setting a balanced budget each year. Our current cash position projection is forecasting an in-year and cumulative surplus for the next 5 x years.

This is a significantly improved position from that which has been reported in previous financial statements and is as a result of several factors including:

- The implementation of a robust savings and income generation plan spanning the previous 5 x years.
- A change of leadership structure.
- The baseline 'per pupil' funding amount increasing.
- The Government Pay and Pension grants continuing to be paid, an subsequently absorbed into the national funding formula.
- A new partnership with Fowler Education Football Academy (who are a subcontractor to Rainhill Sixth) that allow us to offer new courses and opportunities to our Sixth Form students; this has led to an increase of 100 students and therefore a substantial increase in income.
- An increase in community use income.

Moving forward, the Trust is very aware of the need to be sustainable and therefore our income generation and savings plan contains provision for earmarked (restricted) funding to be established for expenditure such as the replacement of the 3G pitch, replacement of IT suits and refurbishment of the building stock.

The Trust employs integrated curriculum financial planning and uses a variety of benchmarking data, in addition to information from its risk register, to highlight potential areas of concern. It will continue to do this to ensure a fit for purpose curriculum that is properly resourced (including staff) and sustainable is put into place.

STEPHENSON MULTI ACADEMY TRUST

Trustees' Report

Year ended 31 August 2020

Plans for future periods (*continued*)

Revenue income & expenditure (*continued*)

Stephenson MAT is fortunate to have a skilled and experienced finance team, the Chief Operating Officer is a specialist leader of education for business and finance, the Chair of the Liverpool City Region Academies Group, a member of the User Group for the DfE's Schools Commercial Team and a member of the DfE's Schools Commercial Programme Board. The Academy Business Manager is AAT qualified and working towards completion of CIMA with both the Finance and Finance and Payroll Assistants currently undertaking their AAT qualification.

The Board of Trustees is also skilled, all of whom having financial, budgetary and management experience with one Trustee also being CIMA qualified. The experience of both the finance team and Trustees allows them to fully utilise all of the information available before making informed decisions, based on knowledge and experience, about key strategies to implement in order to attain and maintain long-term financial health whilst simultaneously ensuring the best possible provision for the students the school serves.

MAT development

Stephenson MAT is seeking suitable partners, via schools formally becoming part of the MAT or agreeing formal partnerships with the MAT, in order to be able to expand the Trust to allow more young people to benefit from a quality education that is built on a foundation of highly principled educational values and sound financial management. Stephenson MAT would expect to have at least 1 x additional partner by 31 August 2022.

MAT growth, through other schools formally joining or collaborating with the Trust, will almost certainly positively affect the projection as economies of scale can be achieved, as can the rationalisation of staff structures that offer key support services such as Finance, HR and IT.

Academic objectives

2020/21 Priorities for Development:

1. Improve the quality of education at Rainhill so that it is judged securely 'good' at the next inspection, by:
 - a. Ensuring that our curriculum is carefully planned and articulated, taking account of the specific needs of our pupils, and built on sound principles of cognitive science and best practice in subject teaching expertise. (**Curriculum Intent**)
 - b. Improving all our pupils' literacy skills, so that they are fully able to access their learning in all subjects and well prepared to participate in their local, national and international communities. (**Curriculum Implementation**).
 - c. Developing the most effective teaching and learning strategies that enable our pupils to improve their long-term retention of the key learning in each subject. (**Curriculum Implementation**).
 - d. Ensuring that traditionally under-achieving groups in the academy, including those with special educational needs or disabilities, the disadvantaged, those in public care and – more broadly – boys, make better progress at least in line with similar groups nationally (**Curriculum Impact**).
 - e. Lifting the performance of pupils in currently under-performing subject areas to that of the academy's best (**Curriculum Impact**).
2. Improve the behaviour and attitudes of all pupils by:
 - a. Eliminating low-level disruptions to learning.
 - b. Raising the aspirations, ambitions and expectations of all pupils to help them fully realise their potential.
 - c. Improve the attendance of pupils who currently have attendance below the academy average.

STEPHENSON MULTI ACADEMY TRUST

Trustees' Report Year ended 31 August 2020

Plans for future periods *(continued)*

Academic objectives *(continued)*

3. Build upon the currently excellent opportunities that the academy offers for personal development and leadership by:
 - a. Improving participation in enrichment activities from currently under-represented groups such as those with special educational needs and/or disabilities, by ensuring that activities are appropriately accessible and that pupils are suitably supported. ***(Curriculum Implementation)***.
 - b. Develop an academy-wide Covid-19 recovery plan to address any identified mental health and wellbeing issues that become apparent. ***(Curriculum Impact)***.
4. Ensure all members of staff with leadership responsibility are able to meet the Academy's expectation of outstanding leadership, by:
 - a. Ensuring clarity in:
 - i. Roles and responsibilities.
 - ii. The standards of performance expected.
 - b. Continuing to recruit individuals with the ambition, drive and potential to be outstanding.
 - c. Improving the programme of training, professional development, mentoring and coaching at all levels of leadership to ensure that colleagues are clear about the Academy's high standards and suitably supported to achieve them.
5. Improve the quality of sixth-form provision at Rainhill by:
 - a. Ensuring that the Academy's work on curriculum, teaching and learning and behaviour and attitudes includes specific and identifiable elements tailored to the needs of post-16 learners ***(Curriculum Intent)***.
 - b. Developing training and professional development opportunities specifically for those involved in teaching post-16 learners, to ensure the very best practice for this age-group ***(Curriculum Implementation)***.

Trustees' statements on disclosure of information to the auditors

Insofar 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.

Auditor

The auditor is willing to continue in office and a resolution to appoint Mitchell Charlesworth LLP will be proposed at the annual general meeting.

The Trustees' Report incorporating a Strategic Report was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

.....
L Flaherty
Chair of Trustees

.....
R.Owens
Accounting Officer

STEPHENSON MULTI ACADEMY TRUST

Governance Statement

Year ended 31 August 2020

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Accounting Officer, Headteacher and Chief Finance 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 Stephenson Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met six times during the year (two of which have been EGMs). Attendance during the year at meetings of the Board of Trustees was as follows:

A = Apologies ✕ = absent ✓ = present

Name of Trustee	26.11.20	10.12.19 (AGM)	09.01.20 (EGM)	05.02.20 (EGM)	15.05.20 (Virtual)	14.07.20	Total
Mr John Boyer (Chair & Member) Ordinary Trustee from 15/06/20	✓	✓	✓	✓	✓	A	5/6
Mr David Boyer	✓	✓	✓	✓	✓	✓	6/6
Ms Lisa Flaherty (Vice Chair) Chair & Member from 15/06/20)	✓	A	A	A	✓	✓	3/6
Mrs Maureen Mellor	✓	✓	✓	✓	✓	✓	6/6
Mrs Michaela Peers-Zilkova	✓	A	✓	✓	✓	A	4/6
Mr Mark Sanderson	✓	✓	✓	✓	✓	✓	6/6
Mr Colin Myers (Member)		A					0/1
Mr Andrew Powlesland (Member)		A	✓				1/2
Mr Steve Anderson (Member)		✓	✓				2/2
Mr Gary Charlton (Member)		✓	✓				2/2
Trustee Attendance (percentage)							83%
Members Attendance (percentage)							71%

STEPHENSON MULTI ACADEMY TRUST

Governance Statement

Year ended 31 August 2020

Trustees – Finance & Audit Committee

This is a Sub-Committee of the Trustee Board. The Finance & Audit Committee is responsible to the Board of Trustees and therefore does not have an executive role. The main responsibilities and issues dealt with during the period were as follows:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Accounts Direction and other guidance issued by the ESFA;
- Ensuring that all of the financial returns required by the ESFA are correctly prepared and submitted on time;
- Capital project monitoring, procurement and reporting;
- Authorising changes to the Academy's personnel establishment;
- Reviewing the reports of the Auditor on the effectiveness of the financial procedures and internal controls, which are also reported to the full Governing Body.
- Reviewing the Risk Register and challenging whether the necessary controls are in place.

The Finance & Audit Committee has formally met three times during the year. Attendance during the year at meetings of the Finance & Audit Committee was as follows:

A = Apologies * = absent ✓ = present

Name of Trustee	26.11.19	15.05.20 (Virtual)	14.07.20	Total
Mr David Boyer (Chair)	✓	✓	✓	3/3
Mr John Boyer	✓	✓	A	2/3
Mrs Lisa Flaherty (from 15.06.20)			✓	1/1
Mrs Michaela Peers Zilkova (Vice)	✓	✓	A	2/3
Mr Rob Owens (Accounting Officer)	✓	✓	✓	3/3
Mrs Josie Thorogood (Co-Opted as Headteacher)	✓	✓	✓	3/3
Trustee Attendance (percentage)				87.5%

Staffing and Pay Committee

This is a Sub-Committee of the Trustee Board. The Staffing Committee is responsible to the Board of Trustees and therefore does not have an executive role. The main purpose of the Committee is to:

- Advise the Board of Trustees on staffing and pay related issues;
- Ensure that appropriate monitoring of teaching and non-teaching staff is undertaken;
- Make appropriate comments and recommendations on staffing and pay related matters to the Trust Board on a regular basis;
- Receive the pay recommendations from the Headteacher and review them in order to make a recommendation to the Board of Trustees;
- Undertake the Headteachers and Chief Operating Officers appraisals.

STEPHENSON MULTI ACADEMY TRUST

Governance Statement

Year ended 31 August 2020

Staffing and Pay Committee (*continued*)

The Staffing & Pay Committee has formally met once during the year. Attendance during the year at meetings of the Staffing & Pay Committee was as follows:

A = Apologies T = Telephone x = absent ✓ = present

Name Of Trustee	26.11.19	Total
Ms Lisa Flaherty (Chair)	✓	1/1
Mrs Maureen Mellor	✓	1/1
Mr Mark Sanderson	✓	1/1
Mr Rob Owens (Accounting Officer)	✓	1/1
Mrs Josie Thorogood (Co-Opted as Headteacher)	✓	1/1
Trustee Attendance (percentage)		100%

Local Governing Body

The Local Governing Body has formally met seven times during the year. Attendance during the year at meetings of the Local Governing Body was as follows:

A = Apologies x = absent ✓ = present

Name of Governor	11/09/19	02/10/19	06/11/19	20/01/20	10/02/20	14/05/20	01/07/20	Total
Mrs Angela Afflick (Vice)	✓	✓	✓	A	✓	A		4/6
Mr Anthony Bennett	✓	✓	✓	✓	A	✓	✓	6/7
Mr David Boyer (Vice)	✓	✓	✓	✓	x	✓	✓	6/7
Mrs Jennifer Critchley	x	x	x	A	x	x	x	0/7
Mrs Carol Gordon	✓	x	✓	✓	✓	A	✓	5/7
Mr Aaron Kehoe				✓	✓	✓	A	3/4
Mr Barry Makepeace	A	A	x	x	✓	✓	x	2/7
Mrs Maureen Mellor	✓	A	✓	✓	A			3/5
Mrs Lisa Roxby	✓	✓	A	✓	x	✓	x	4/7
Mrs Janet Smith	A	✓	✓	✓	✓	✓	✓	6/7
Mrs Sophie Sudworth	✓	A	A	✓	✓	✓	✓	5/7
Miss Jenni Worthington	✓	✓	✓	A	✓	✓	x	5/7
Mrs Sylvia Thomson (Chair)	✓	A	✓	✓	✓	✓	✓	6/7
Mrs J Thorogood (Co-Opted)	✓	✓	✓	✓	✓	✓	✓	7/7
Governor Attendance (percentage)								67%

Governor attendance was reviewed by the Chair of Governors and Trustees and, given the contextual circumstances for their absences, it was decided that it was appropriate for the highlighted Governors to continue in office.

STEPHENSON MULTI ACADEMY TRUST

Governance Statement

Year ended 31 August 2020

Resignations & Appointments

The tables below document the appointments and resignations of Governors, Trustees and Members throughout the year 2019/20.

Name of Member/Trustee/Governor	Category	Appointed by	Appointment/Resignation Date	Term
Appointments				
Gary Charlton	Member	Members	10/12/2019	3 Years
Steve Anderson	Member	Members	10/12/2019	3 Years
Mark Sanderson	Trustee	Members	01/08/2019	4 Years
Aaron Kehoe	Parent Governor	Trustees	19/12/2019	4 Years
Anthony Bennett	Staff Governor	Trustees	01/09/2019	4 Years
Resignations				
Angela Afflick	Community Governor	N/A	14/05/2020	
Maureen Mellor*	Community Governor	N/A	31/03/2020	

* resigned as a Governor but remains as a Trustee of the Trust

Review of value for money

The Accounting Officer and Chief Financial Officer have a responsibility to ensure the Trust delivers good value in the use of public resource and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer and Chief Financial Officer consider how the MAT's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees whether this has been achieved in addition to citing where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer and Chief Financial Officer for the academy trust have delivered improved value for money during the year by:

1. Ensuring that key financial spending was linked to the School Development Plan.
2. Ensuring an integrated curriculum financial planning approach was adopted.
3. Implementing robust procurement procedures.
4. Employing comprehensive quote request and tendering processes.
5. Undertaking annual broad reviews of expenditure and income to identify savings and other income streams.
6. Ensuring that capital spend is appropriate, proactive and part of a comprehensive expenditure plan.
7. Ensuring that 'risks' highlighted within the Risk Register were mitigated through proactive steps.

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 Stephenson Multi Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

STEPHENSON MULTI ACADEMY TRUST

Governance Statement

Year ended 31 August 2020

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Finance & Audit Committee and 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 (such as management accounts and budget forecasts), which are reviewed and agreed by the Finance & Audit Committee and Board of Trustees;
- regular reviews by the Link Trustee for Finance, and the Finance and Audit Committee, of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes, such as: management accounts, income and expenditure statements, bank reconciliations and budget forecast reports;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines (Financial Regulations and Tender and Procurement policies);
- delegation of authority and segregation of duties;
- identification and management of risks through the risk register;
- benchmarking, through the DfE Self-Assessment exercise, DfE benchmarking data and local benchmarking data to measure whether key income and expenditure is comparable to statistically similar schools.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Mitchell Charlesworth, the external auditor, to perform the annual audit (November) each year; in addition to two further checks, as the 'Responsible Officer', (one in February and one in May) will be undertaken by Langtons auditors, in line with the segregation of auditing responsibilities as outlined in the Academies Financial Handbook.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

The Trustees are delighted that the auditors have given SMAT another clean audit report, including a clean report on regularity. This, SMAT feels, reflects the hard work and competence of the finance team.

Review of effectiveness

The Accounting Officer and Chief Financial Officer 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 Academy Business Manager;
- The work of the Finance and Finance and Payroll Assistant;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the senior leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

STEPHENSON MULTI ACADEMY TRUST

Governance Statement

Year ended 31 August 2020

Review of effectiveness *(continued)*

The Accounting Officer and Chief Financial Officer have been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on its behalf by:

.....
L Flaherty
Chair of Trustees

.....
R Owens
Accounting Officer

STEPHENSON MULTI ACADEMY TRUST

Statement of Regularity, Propriety and Compliance

Year ended 31 August 2020

As Accounting Officer of Stephenson Multi Academy Trust, I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Board of Trustees are not able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.

Exceptional disclosures

COVID

The Academy has incurred additional costs (most notably cleaning, additional curriculum and IT related costs) during the COVID Pandemic and has consequently met the qualifying criteria for financial support for exceptional costs from the Government. In addition, the academy has furloughed one member of staff whose sole role was the management of the community use programme.

The Academy has also participated in the national free school meals voucher scheme, acting as a facilitator for the distribution of vouchers from the scheme provider to parents of eligible pupils. The Academy has not incurred any exceptional costs or received any additional funding in respect of this scheme.

We have disclosed the funding received, and for which we are eligible but have not yet received, within the financial statements below.

.....
R Owens
Accounting Officer

10 December 2020

STEPHENSON MULTI ACADEMY TRUST

Statement of Trustees' Responsibilities

Year ended 31 August 2020

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing these financial statements, 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 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation, the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on its behalf by:

.....
L Flaherty
Chair of Trustees

Mitchell Charlesworth LLP

Chartered Accountants
5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report on the Financial Statements to the Members of Stephenson Multi Academy Trust

Opinion

We have audited the financial statements of Stephenson Multi Academy Trust (the 'parent academy trust') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the parent academy trust Balance Sheet, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent academy trust's affairs as at 31 August 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis of 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 financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report on the Financial Statements to the Members of Stephenson Multi Academy Trust (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matter 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report on the Financial Statements to the Members of Stephenson Multi Academy Trust (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's Website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

5 Temple Square
Temple Street
Liverpool
L2 5RH

14 December 2020

Philip Griffiths
Senior Statutory Auditor
For and on behalf of
MITCHELL CHARLESWORTH LLP
Chartered Accountants
Statutory Auditor

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

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

In accordance with the terms of our engagement letter dated 8 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stephenson Multi Academy Trust during the period 1 September 2019 to 31 August 2020 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 Stephenson Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stephenson Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stephenson Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Stephenson Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 February 2017 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

The work undertaken to draw our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

Mitchell Charlesworth LLP

Chartered Accountants
5 Temple Square Temple Street Liverpool L2 5RH

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

5 Temple Square
Temple Street
Liverpool
L2 5RH

MITCHELL CHARLESWORTH LLP
Reporting Accountant
Chartered Accountants

14 December 2020

STEPHENSON MULTI ACADEMY TRUST

Consolidated Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 August 2020

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Income and endowments from:						
Donations and capital grants	2	202,285	-	117,194	319,479	646,996
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	8,965,088	-	8,965,088	7,931,132
Other trading activities	4	204,182	-	-	204,182	314,278
Investments	5	112	-	-	112	67
Total		406,579	8,965,088	117,194	9,488,861	8,892,473
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust's educational operations	6	121,393	9,068,139	425,215	9,614,747	8,715,408
Total	7	121,393	9,068,139	425,215	9,614,747	8,715,408
Net income/(expenditure)		285,186	(103,051)	(308,021)	(125,886)	177,065
Transfers between funds		-	(139,949)	139,949	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension scheme	25	-	(319,000)	-	(319,000)	(786,000)
Net movement in funds		285,186	(562,000)	(168,072)	(444,886)	(608,935)
Reconciliation of funds						
Total funds brought forward		1,275,498	(3,119,000)	20,771,734	18,928,232	19,537,167
Total funds carried forward		1,560,684	(3,681,000)	20,603,662	18,483,346	18,928,232

STEPHENSON MULTI ACADEMY TRUST

Consolidated Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 August 2020

Comparative information for the year ended 31st August 2019

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year ended 31 August 2019 £	Year ended 31 August 2018 £
Income and endowments from:						
Donations and capital grants	2	243,287	-	403,709	646,996	274,537
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	7,931,132	-	7,931,132	7,425,704
Other trading activities	4	314,278	-	-	314,278	229,583
Investments	5	67	-	-	67	53
Total		557,632	7,931,132	403,709	8,892,473	7,929,877
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust's educational operations	6	144,964	8,197,425	373,019	8,715,408	8,626,209
Total	7	144,964	8,197,425	373,019	8,715,408	8,626,209
Net income/(expenditure)		412,668	(266,293)	30,690	177,065	(696,332)
Transfers between funds		-	47,293	(47,293)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension scheme	25	-	(786,000)	-	(786,000)	268,000
Net movement in funds		412,668	(1,005,000)	(16,603)	(608,935)	(428,332)
Reconciliation of funds						
Total funds brought forward		862,830	(2,114,000)	20,788,337	19,537,167	19,965,499
Total funds carried forward		1,275,498	(3,119,000)	20,771,734	18,928,232	19,537,167

STEPHENSON MULTI ACADEMY TRUST

Balance Sheets

As at 31 August 2020

	Note	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Fixed assets					
Tangible assets	11	20,603,662	20,603,662	20,771,734	20,771,734
Current assets					
Stocks	12	-	-	23,561	23,561
Debtors	13	406,602	545,135	345,303	434,518
Cash at bank and in hand		1,720,740	1,580,417	2,509,306	2,310,741
		<u>2,127,342</u>	<u>2,125,552</u>	<u>2,878,170</u>	<u>2,768,820</u>
Liabilities					
Creditors: Amounts falling due within one year	14	(549,659)	(549,659)	(1,585,673)	(1,478,113)
Net current assets		<u>1,577,683</u>	<u>1,575,893</u>	<u>1,292,497</u>	<u>1,290,707</u>
Total assets less current liabilities		22,181,345	22,179,555	22,064,231	22,062,441
Creditors: Amounts falling due after one year	15	(16,999)	(16,999)	(16,999)	(16,999)
Net assets excluding pension liability		<u>22,164,346</u>	<u>22,162,556</u>	<u>22,047,232</u>	<u>22,045,442</u>
Defined benefit pension scheme liability	25	(3,681,000)	(3,681,000)	(3,119,000)	(3,119,000)
Total net assets		<u>18,483,346</u>	<u>18,481,556</u>	<u>18,928,232</u>	<u>18,926,442</u>
Funds of the academy					
Restricted funds					
Fixed asset fund		20,603,662	20,603,662	20,771,734	20,771,734
Restricted income fund		-	-	-	-
Pension reserve		(3,681,000)	(3,681,000)	(3,119,000)	(3,119,000)
Total restricted funds	16	<u>16,922,662</u>	<u>16,922,662</u>	<u>17,652,734</u>	<u>17,652,734</u>
Unrestricted income funds	16	<u>1,560,684</u>	<u>1,558,894</u>	<u>1,275,498</u>	<u>1,273,708</u>
Total funds	17	<u>18,483,346</u>	<u>18,481,556</u>	<u>18,928,232</u>	<u>18,926,442</u>

The financial statements on pages 29 to 53 were approved by the Trustees, and authorised for issue on 10 December 2020 and signed on their behalf by:

.....

L Flaherty
Chair of Trustees

Company Limited by Guarantee
Registration Number: 10564255

STEPHENSON MULTI ACADEMY TRUST

Statement of Cash Flows Year ended 31 August 2020

		Year ended 31 August 2020 £	Year ended 31 August 2019 £
Cash flows from operating activities	Note		
Net cash provided by (used in) operating activities	19	(628,680)	598,427
Cash flows from investing activities	20	(159,886)	113,404
Cash flows from financing activities	21	-	18,132
Change in cash and cash equivalents in the reporting year		(788,566)	729,963
Cash and cash equivalents at 1 September 2019		2,509,306	1,779,343
Cash and cash equivalent at 31 August 2020	22	1,720,740	2,509,306

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements

Year ended 31 August 2020

1. Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Consolidation

The financial statements include the assets and liabilities, and income and expenditure of Rainhill Arts College CIC as set out in note 26 on the basis that all of the directors of that company are trustees or members of the Senior Management Team of the academy trust.

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent undertaking is not presented as part of these financial statements. The consolidated Statement of Financial Activities includes a deficit of £177,388 (2019: deficit £469,631) which is dealt with in the financial statements of Stephenson Multi Academy Trust.

Going concern

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

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **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.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

1. Statement of Accounting Policies (continued)

- **Other income**

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

- **Donated goods, facilities and services**

The value of donated goods, facilities and services provided to the academy trust are recognised at their fair value in the year in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind is a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

- **Transfer on conversion**

Where assets are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

Expenditure

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

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 directly 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Buildings	2% straight line
Furniture and equipment	20% straight line
Computer equipment and software	33% straight line
Motor vehicles	20% straight line

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

1. Statement of Accounting Policies (*continued*)

Tangible fixed assets (*continued*)

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.

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.

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the least term.

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and liabilities of the academy trust and their measurement bases are as follows:-

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments and recoverable VAT is not included in the financial instruments disclosure definition.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

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

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

1. Statement of Accounting Policies (*continued*)

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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 24, 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 recognised in the year 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year 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.

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 governors.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

2. Donations and capital grants	Unrestricted funds £	Restricted income funds £	Restricted fixed asset funds £	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Capital grants	-	-	117,194	117,194	403,709
Other donations	202,285	-	-	202,285	243,287
	<u>202,285</u>	<u>-</u>	<u>117,194</u>	<u>319,479</u>	<u>646,996</u>
	<u><u>202,285</u></u>	<u><u>-</u></u>	<u><u>117,194</u></u>	<u><u>319,479</u></u>	<u><u>646,996</u></u>
3. Funding for the academy trust's educational operations	Unrestricted funds £	Restricted income funds £	Restricted fixed asset funds £	Year ended 31 August 2020 £	Year ended 31 August 2019 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	7,777,747	-	7,777,747	7,163,826
Other DfE Group grants	-	770,722	-	770,722	403,274
	<u>-</u>	<u>8,548,469</u>	<u>-</u>	<u>8,548,469</u>	<u>7,567,200</u>
	<u><u>-</u></u>	<u><u>8,548,469</u></u>	<u><u>-</u></u>	<u><u>8,548,469</u></u>	<u><u>7,567,200</u></u>
Other Government grants					
Local authority grants	-	149,585	-	149,585	124,732
	<u>-</u>	<u>149,585</u>	<u>-</u>	<u>149,585</u>	<u>124,732</u>
	<u><u>-</u></u>	<u><u>149,585</u></u>	<u><u>-</u></u>	<u><u>149,585</u></u>	<u><u>124,732</u></u>
Exceptional government funding					
Coronavirus exceptional support	-	11,034	-	11,034	-
	<u>-</u>	<u>11,034</u>	<u>-</u>	<u>11,034</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>11,034</u></u>	<u><u>-</u></u>	<u><u>11,034</u></u>	<u><u>-</u></u>
Other income from academy trust's educational operations	-	256,000	-	256,000	239,200
	<u>-</u>	<u>256,000</u>	<u>-</u>	<u>256,000</u>	<u>239,200</u>
	<u><u>-</u></u>	<u><u>256,000</u></u>	<u><u>-</u></u>	<u><u>256,000</u></u>	<u><u>239,200</u></u>
	<u><u>-</u></u>	<u><u>8,965,088</u></u>	<u><u>-</u></u>	<u><u>8,965,088</u></u>	<u><u>7,931,132</u></u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding" and covers additional cleaning as well as PPE and technology costs. These costs are included in notes 6 and 7 below.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

4. Other trading activities	Unrestricted funds	Restricted income funds	Year ended 31 August 2020	Year ended 31 August 2019	
	£	£	£	£	
Hire of facilities	64,900	-	64,900	108,212	
Uniforms	24,995	-	24,995	48,420	
Other income	114,287	-	114,287	157,646	
	<u>204,182</u>	<u>-</u>	<u>204,182</u>	<u>314,278</u>	
	<u><u>204,182</u></u>	<u><u>-</u></u>	<u><u>204,182</u></u>	<u><u>314,278</u></u>	
5. Investment income	Unrestricted funds	Restricted income funds	Year ended 31 August 2020	Year ended 31 August 2019	
	£	£	£	£	
Short term deposits	112	-	112	67	
	<u>112</u>	<u>-</u>	<u>112</u>	<u>67</u>	
	<u><u>112</u></u>	<u><u>-</u></u>	<u><u>112</u></u>	<u><u>67</u></u>	
6. Expenditure	Staff Costs	Non pay expenditure Premises	Other	Year ended 31 August 2020 Total	Year ended 31 August 2019 Total
	£	£	£	£	£
Academy's educational operations:-					
Direct costs	5,524,133	-	1,326,983	6,851,116	6,127,769
Allocated support costs	1,478,339	909,952	375,340	2,763,631	2,587,639
	<u>7,002,472</u>	<u>909,952</u>	<u>1,702,323</u>	<u>9,614,747</u>	<u>8,715,408</u>
	<u><u>7,002,472</u></u>	<u><u>909,952</u></u>	<u><u>1,702,323</u></u>	<u><u>9,614,747</u></u>	<u><u>8,715,408</u></u>
Net income/expenditure for the year includes:-				Year ended 31 August 2020 Total	Year ended 31 August 2019 Total
				£	£
Operating lease rentals				-	45,579
Depreciation				425,215	373,019
Fees payable to auditor for				8,275	7,875
- Audit				8,275	7,875
- Other services				9,336	7,763
				<u>433,526</u>	<u>430,667</u>
				<u><u>433,526</u></u>	<u><u>430,667</u></u>

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

7. Charitable activities	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Direct costs - educational operations	6,851,116	6,127,769
Support costs - educational operations	2,763,631	2,587,639
	<u>9,614,747</u>	<u>8,715,408</u>
Analysis of support costs	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Support staff costs	1,478,339	1,365,424
Technology costs	126,712	162,277
Premises costs	484,737	515,520
Depreciation	425,215	373,019
Other support costs	222,401	152,408
Legal costs	8,616	3,353
Governance costs	17,611	15,638
	<u>2,763,631</u>	<u>2,587,639</u>
8. Staff	Year ended 31 August 2020 £	Year ended 31 August 2019 £
a. Staff costs		
Staff costs during the year were:-		
Wages and salaries	4,910,490	4,791,337
Social security costs	454,326	435,502
Pension costs	1,330,316	1,001,289
Apprenticeship levy	9,485	7,388
	<u>6,704,617</u>	<u>6,235,516</u>
Supply staff costs	249,037	191,568
Staff restructuring costs	28,515	-
Staff development and other	20,303	24,233
	<u>7,002,472</u>	<u>6,451,317</u>

Staff restructuring costs comprise redundancy payments.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

8. Staff (continued)

b. Staff numbers

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

	Year ended 31 August 2020 No	Year ended 31 August 2019 No
Charitable activities		
Teachers	89	84
Administration and support	45	43
Management	8	10
	<u>142</u>	<u>137</u>

c. Higher paid staff

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

	Year ended 31 August 2020 No	Year ended 31 August 2019 No
£60,001 - £70,000	1	2
£70,001 - £80,000	4	2
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-

Four of the above employees participated in the Teachers' Pension Scheme, one is in the Local Government Pension Scheme and one has opted out. During the year ended 31 August 2020, pension contributions for the above amounted to £84,919 (2019 £69,451).

d. Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £212,782 (2019 £215,535).

9. Related party transactions - trustees' remuneration and expenses

During the year ended 31 August 2020 no remuneration or expenses were reimbursed or paid directly to the trustees (2019 £Nil).

Other related party transactions involving the trustees are set out in note 26.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim and the cost for the year ended 31 August 2020 is included in the total cost of the Department of Education Risk Protection Arrangement Membership and is not made separately available to the academy trust.

11. Tangible fixed assets

Group and Academy Trust

	Long leasehold land and buildings £	Computer equipment £	Furniture and Equipment £	Motor Vehicles £	Total £
Cost					
At 31 August 2019	21,059,913	94,811	707,489	9,800	21,872,013
Additions	168,919	29,778	58,446	-	257,143
Transfers	-	11,361	(11,361)	-	-
At 31 August 2020	21,228,832	135,950	754,574	9,800	22,129,156
Depreciation					
At 31 August 2019	694,974	50,484	351,474	3,347	1,100,279
Charged in year	227,477	41,401	154,377	1,960	425,215
At 31 August 2020	922,451	91,885	505,851	5,307	1,525,494
Net book value					
At 31 August 2020	20,306,381	44,065	248,7243	4,493	20,603,662
At 31 August 2019	20,364,939	356,015	44,327	6,453	20,771,734

In respect of land and buildings transferred upon conversion to the academy trust from the LEA, a valuation was provided at 1 March 2017 of £20,602,954 (Land £9,855,000 and buildings £10,747,954).

12. Stocks	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Uniforms	-	-	23,561	23,561

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

13. Debtors	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Trade debtors	33,924	10,054	66,958	124,544
VAT recoverable	153,657	153,657	119,709	119,709
Amounts due from subsidiary	-	162,403	-	-
Prepayments and accrued income	219,021	219,021	158,636	190,265
	<u>406,602</u>	<u>545,135</u>	<u>345,303</u>	<u>434,518</u>
14. Creditors: Amounts falling due within one year	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Trade creditors	250,644	250,644	1,357,614	1,250,054
Other taxes and social security	121,428	121,428	-	-
Other creditors	24,755	24,755	21,278	21,278
Accruals and deferred income	152,832	152,832	206,781	206,781
	<u>549,659</u>	<u>549,659</u>	<u>1,585,673</u>	<u>1,478,113</u>
Deferred income	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Deferred income at 1 September 2019	133,534	133,534	300,321	300,321
Released from previous years	(133,534)	(133,534)	(300,321)	(300,321)
Resources deferred in the year	52,155	52,155	133,534	133,534
Deferred income at 31 August 2020	<u>52,155</u>	<u>52,155</u>	<u>133,534</u>	<u>133,534</u>

The deferred income balance comprises £47,645 paid in advance for 2019/20 school trips, 2019/20 ESFA rates relief income of £19,845 and CIF grant income of £66,044 relating to future capital projects.

15. Creditors: Amounts falling due after more than one year	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Other creditors	16,999	16,999	16,999	16,999
	<u>16,999</u>	<u>16,999</u>	<u>16,999</u>	<u>16,999</u>

Other creditors represents an interest free loan from Salix. The loan is repayable in annual instalments of £1,133.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

16. Funds	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
Group	£	£	£	£	£
Restricted general funds					
General Annual Grant (note i)	-	7,777,747	(7,637,798)	(139,949)	-
Pupil Premium (note i)	-	282,511	(282,511)	-	-
Other DfE Group Grants (note ii)	-	499,245	(499,245)	-	-
Local Authority Grants (note iii)	-	149,585	(149,585)	-	-
Pension Reserve (note iv)	(3,119,000)	-	(243,000)	(319,000)	(3,681,000)
Other	-	256,000	(256,000)	-	-
	(3,119,000)	8,965,088	(9,068,139)	(458,949)	(3,681,000)
Restricted fixed asset funds					
Assets transferred from LEA	20,440,964	-	(256,689)	-	20,184,275
DfE Group capital grants	330,770	117,194	(116,330)	-	331,634
Assets acquired from GAG	-	-	(52,196)	139,949	87,753
	20,771,734	117,194	(425,215)	139,949	20,603,662
Total restricted funds	17,652,734	9,082,282	(9,493,354)	(319,000)	16,922,662
Unrestricted	1,143,498	406,579	(121,393)	(181,000)	1,247,684
Designated (note v)	132,000	-	-	181,000	313,000
Total unrestricted funds	1,275,498	406,579	(121,393)	-	1,560,684
Total funds	18,928,232	9,488,861	9,614,747	(319,000)	18,483,346

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

16. Funds (continued)

Academy Trust	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (note i)	-	7,777,747	(7,637,798)	(139,949)	-
Pupil Premium (note i)	-	282,511	(282,511)	-	-
Other DfE Group ESFA Grants (note ii)	-	499,245	(499,245)	-	-
Local Authority Grants (note iii)	-	149,585	(149,585)	-	-
Pension Reserve (note iv)	(3,119,000)	-	(243,000)	(319,000)	(3,681,000)
Other	-	256,000	(256,000)	-	-
	<u>(3,119,000)</u>	<u>8,965,088</u>	<u>(9,068,139)</u>	<u>(458,949)</u>	<u>(3,681,000)</u>
Restricted fixed asset funds					
Assets transferred from LEA	20,440,964	-	(256,689)	-	20,184,275
DfE Group capital grants	330,770	117,194	(116,330)	-	331,634
Assets acquired from GAG	-	-	(52,196)	139,949	87,753
	<u>20,771,734</u>	<u>117,194</u>	<u>(425,215)</u>	<u>139,949</u>	<u>20,603,662</u>
Total restricted funds	<u>17,652,734</u>	<u>9,082,282</u>	<u>(9,493,354)</u>	<u>(319,000)</u>	<u>16,922,662</u>
Unrestricted	1,141,708	298,939	(13,753)	(181,000)	1,245,894
Designated (note v)	132,000	-	-	181,000	313,000
Total unrestricted funds	<u>1,273,708</u>	<u>298,939</u>	<u>(13,753)</u>	<u>-</u>	<u>1,558,894</u>
Total funds	<u>18,926,442</u>	<u>9,381,221</u>	<u>(9,507,107)</u>	<u>(319,000)</u>	<u>18,481,556</u>

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

Notes

- (i) General Annual Grant including the Pupil Premium must be used for the normal running costs of the academy trust. There are no limits to the amount of GAG that is permitted to be carried forward from one year to another.
- (ii) ESFA Grants - these have been received for specific purposes, and have all been fully spent in the year.
- (iii) Local Authority Grants consist of support grants received from St Helens Borough Council and have been spent in full.
- (iv) The Pension Reserve represents the pension fund determined in accordance with FRS102 as detailed in note 24.
- (v) This represents monies set aside by the governors to cover "unforeseen circumstances" as well as replacement of the 3G sports pitch.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

16. Funds

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

Group	Balance at	Income	Expenditure	Gains, losses and transfers	Balance at
	1 September				31 August
	2018				2019
	£	£	£	£	£
Restricted general funds					
General Annual Grant (note i)	-	7,163,826	(7,211,119)	47,293	-
Pupil Premium (note i)	-	277,804	(277,804)	-	-
Other DfE Group Grants (note ii)	-	125,570	(125,570)	-	-
Local Authority Grants (note iii)	-	124,732	(124,732)	-	-
Pension Reserve (note iv)	(2,114,000)	-	(219,000)	(786,000)	(3,119,000)
Other	-	239,200	(239,200)	-	-
	(2,114,000)	7,931,132	(8,197,425)	(738,707)	(3,119,000)
Restricted fixed asset funds					
Assets transferred from LEA	20,697,653	-	(256,689)	-	20,440,964
DfE Group capital grants	90,684	403,709	(116,330)	(47,293)	330,770
	20,788,337	403,709	(373,019)	(47,293)	20,771,734
Total restricted funds	18,674,337	8,334,841	(8,570,444)	(786,000)	17,652,734
Unrestricted	762,830	557,632	(144,964)	(32,000)	1,143,498
Designated (note v)	100,000	-	-	32,000	132,000
Total unrestricted funds	862,830	557,632	(144,964)	-	1,275,498
Total funds	19,537,167	8,892,473	(8,715,408)	(786,000)	18,928,232

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

16. Funds (continued)

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

Academy Trust	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (note i)	-	7,163,826	(7,211,119)	47,293	-
Pupil Premium (note i)	-	277,804	(277,804)	-	-
Other DfE Group ESFA Grants (note ii)	-	125,570	(125,570)	-	-
Local Authority Grants (note iii)	-	124,732	(124,732)	-	-
Pension Reserve (note iv)	(2,114,000)	-	(219,000)	(786,000)	(3,119,000)
Other	-	239,200	(239,200)	-	-
	(2,114,000)	7,931,132	(8,197,425)	(738,707)	(3,119,000)
Restricted fixed asset funds					
Assets transferred from LEA	20,697,653	-	(256,689)	-	20,440,964
DfE Group capital grants	90,684	403,709	(116,330)	(47,293)	330,770
	20,788,337	403,709	(373,019)	(47,293)	20,771,734
Total restricted funds	18,674,337	8,334,841	(8,570,444)	(786,000)	17,652,734
Unrestricted Designated (note v)	687,585 100,000	553,099 -	(66,976) -	(32,000) 32,000	1,141,708 132,000
Total unrestricted funds	787,585	553,099	(66,976)	-	1,273,708
Total funds	19,461,922	8,887,940	(8,637,420)	(786,000)	18,926,442

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

Notes

- (i) General Annual Grant including the Pupil Premium must be used for the normal running costs of the academy trust. There are no limits to the amount of GAG that is permitted to be carried forward from one year to another.
- (ii) ESFA Grants - these have been received for specific purposes, and have all been fully spent in the year.
- (iii) Local Authority Grants consist of support grants received from St Helens Borough Council and have been spent in full.
- (iv) The Pension Reserve represents the pension fund determined in accordance with FRS102 as detailed in note 24.
- (v) This represents monies set aside by the governors to cover "unforeseen circumstances" as well as replacement of the 3G sports pitch.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

17. Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:-

Group	Unrestricted funds £	Designated funds £	Restricted income funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	20,603,662	20,603,662
Net current assets	1,247,684	313,000	16,999	-	1,577,683
Long term liabilities	-	-	(16,999)	-	(16,999)
Pension scheme liability	-	-	(3,681,000)	-	(3,681,000)
Total net assets	1,247,684	313,000	(3,681,000)	20,603,662	18,483,346
Academy Trust					
	Unrestricted funds £	Designated funds £	Restricted income funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	20,603,662	20,603,662
Net current assets	1,245,894	313,000	16,999	-	1,575,893
Long term liabilities	-	-	(16,999)	-	(16,999)
Pension scheme liability	-	-	(3,681,000)	-	(3,681,000)
Total net assets	1,245,894	313,000	(3,681,000)	20,603,662	18,481,556

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

Group	Unrestricted funds £	Designated funds £	Restricted income funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	20,771,734	20,771,734
Net current assets	1,143,498	132,000	16,999	-	1,292,497
Long term liabilities	-	-	(16,999)	-	(16,999)
Pension scheme liability	-	-	(3,119,000)	-	(3,119,000)
Total net assets	1,143,498	132,000	(3,119,000)	20,771,734	18,928,232
Academy Trust					
	Unrestricted funds £	Designated funds £	Restricted income funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	20,771,734	20,771,734
Net current assets	1,141,708	132,000	16,999	-	1,290,707
Long term liabilities	-	-	(16,999)	-	(16,999)
Pension scheme liability	-	-	(3,119,000)	-	(3,119,000)
Total net assets	1,141,708	132,000	(3,119,000)	20,771,734	18,926,442

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

18. Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:-

	2020 £	2019 £
Amounts due within one year	36,706	47,904
Amounts due between one and five years	45,744	15,422
	<u>82,450</u>	<u>63,326</u>

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	(125,886)	177,065
Adjusted for:-		
Depreciation (note 11)	425,215	373,019
Capital grants from DfE and other capital income	(117,194)	(403,709)
Interest receivable (note 6)	(112)	(67)
Defined benefit pension scheme cost less contributions payable (note 25)	189,000	164,000
Defined benefit pension scheme finance cost (note 25)	54,000	55,000
Decrease/(increase) in stocks	23,561	(9,889)
(Increase) in debtors	(41,250)	(87,126)
(Decrease)/increase in creditors	(1,036,014)	330,134
Net cash provided by/(used in) operating activities	<u>(648,729)</u>	<u>598,427</u>

20. Cash flows from investing activities

	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Dividends, interest and rents from investments	112	67
Purchase of tangible fixed assets	(257,143)	(356,416)
Capital grants from DfE Group	97,145	469,753
Net cash provided by/(used in) investing activities	<u>(159,886)</u>	<u>113,404</u>

21. Cash flows from financing activities

	Year ended 31 August 2020 £	Year ended 31 August 2019 £
D of E capital loan	-	18,132

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

22. Analysis of cash and cash equivalents			At 31 August 2020 £	At 31 August 2019 £
Cash in hand and at bank			1,720,740	2,509,306
Total cash and cash equivalents			<u>1,720,740</u>	<u>2,509,306</u>
23. Financial instruments	Group 2020 £	Academy Trust 2020 £	Group 2019 £	Academy Trust 2019 £
Financial assets				
Debt instruments measured at amortised cost	1,817,807	1,816,268	2,621,938	2,512,788
Financial liabilities				
Measured at amortised cost	548,526	548,526	1,467,837	1,361,577
24. Members' liability				

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

25. 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 Merseyside Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the year ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

25. Pension and similar obligations (continued)

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

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

A copy of the latest valuation report can be found by following the link to [the Teachers' Pension Scheme website](#).

The employer's pension costs paid to the TPS in the period amounted to £845,061 (2019: £567,564).

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

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

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

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

Local Government Pension Scheme

The LGPS is funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £302,000 (2019 £267,000), of which employer's contributions totalled £235,000 (2019 £206,000) and employees' contributions totalled £67,000 (2019 £61,000). The agreed contribution rates for future years are 14 per cent for employers and 11 per cent for employees.

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

As the scheme is in deficit the academy has entered into an agreement with the scheme trustees to make additional contributions of £83,142 per year in addition to normal funding levels. These additional contributions are expected to continue for the foreseeable future.

Principal actuarial assumptions	At 31 August	At 31 August
	2020	2019
	%	%
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.0

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

25. Pension and similar obligations (continued)

Local government pension scheme (continued)

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

	At 31 August 2020 Years	At 31 August 2019 Years
Retiring today		
Males	20.9	22.2
Females	24.0	25.0
Retiring in 20 years		
Males	22.5	25.2
Females	25.9	27.9

	At 31 August 2020 £'000	At 31 August 2019 £'000
Sensitivity analysis (impact on liability)		
Discount rate +0.1% pa	(116)	(100)
Mortality assumption - 1 year increase in life expectancy	144	72
CPI rate +0.1% pa	119	103
Pay growth + 0.1% pa	19	23

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	645,000	506,000
Gilts	33,000	101,000
Corporate bonds	183,000	55,000
Property	119,000	89,000
Cash and other liquid assets	71,000	32,000
Other	273,000	208,000
Total market value of assets	1,324,000	991,000

The actual return on scheme assets was £7,000 (2019 £40,000).

	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Amounts recognised in the Statement of Financial Activities		
Current service cost	413,000	283,000
Past service cost	6,000	82,000
Net interest cost	54,000	55,000
Administrative expenses	5,000	5,000
Total amount recognised in the SOFA	478,000	425,000

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

25. Pension and similar obligations (continued)

Local government pension scheme (continued)

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

	2020 £	2019 £
At 1 September 2019	4,110,000	2,839,000
Current service cost	413,000	283,000
Past service cost	6,000	82,000
Interest cost	75,000	79,000
Employee contributions	67,000	61,000
Actuarial (gain)/ loss	339,000	802,000
Benefits paid	(5,000)	(36,000)
	<u>5,005,000</u>	<u>4,110,000</u>

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

	2020 £	2019 £
At 1 September 2019	991,000	725,000
Interest on plan assets	21,000	24,000
Actuarial gain	20,000	16,000
Administration expenses	(5,000)	(5,000)
Employer contributions	235,000	206,000
Employee contributions	67,000	61,000
Benefits paid	(5,000)	(36,000)
	<u>1,324,000</u>	<u>991,000</u>

26. Related parties

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

W Segal, the Assistant Headteacher is also employed by WJEC English Languages (Examining) for marking examination papers. During the year, the Academy Trust paid WJEC English Languages (Examining) £21,366 (2019: £22,316) in examination fees. The academy trust acquired these services at arm's length in accordance with its financial regulations, which Mrs Segal neither participated in, nor influenced.

STEPHENSON MULTI ACADEMY TRUST

Notes to the Financial Statements (continued)

Year ended 31 August 2020

27. Subsidiary undertaking

The results for the year ended 31 August 2020 and balance sheet position of Rainhill Arts College CIC is as follows:-

	2020
	£
Profit and loss account	
Turnover	107,640
Administrative expenses	<u>(56,138)</u>
Net profit for the year	<u>51,502</u>
Balance sheet	
Cash at bank	140,073
Other net current (liabilities)	<u>(138,283)</u>
Net assets (represented by reserves)	<u>1,790</u>

STEPHENSON MULTI ACADEMY TRUST

Detailed Income and Expenditure Account Year ended 31 August 2020

These pages do not form part of the statutory financial statements

	Year ended 31 August 2020	Year ended 31 August 2019
Income	£	£
General annual grant	7,777,747	7,163,826
Other government grants		
Devolved capital formula grant	117,194	107,800
Condition improvement fund grant	-	295,909
Pupil premium	282,511	277,804
Bursary funding	23,920	12,251
Other ESFA/DofE funding	475,325	113,319
	898,950	807,083
Local authority grants		
Special Educational Needs	149,585	124,732
Donations		
General donations	202,285	243,287
Hire of facilities		
Facilities and services	64,900	108,212
Other income		
Student placement fees	256,000	239,200
Uniforms	24,995	48,420
Catering	13,215	8,992
Other sundry income	101,072	148,654
	395,282	445,266
Investment income		
Bank interest receivable	112	67
Total income	9,488,861	8,892,473

STEPHENSON MULTI ACADEMY TRUST

Detailed Income and Expenditure Account Year ended 31 August 2020

These pages do not form part of the statutory financial statements

	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Staff and education consultant costs		
Salaries	4,910,490	4,791,337
Employers' national insurance	454,326	435,502
Pensions cost	1,330,316	1,001,289
Apprenticeship Levy	9,485	7,388
Supply staff	249,037	191,568
Staff restructuring	28,515	-
Staff training	16,907	18,327
Staff travel	3,396	5,906
	<hr/>	<hr/>
Total staff and education consultant costs	7,002,472	6,451,317
	<hr/>	<hr/>
Maintenance of premises		
Buildings	67,630	112,872
Grounds	31,674	16,693
	<hr/>	<hr/>
	99,304	129,565
	<hr/>	<hr/>
Other occupancy costs		
Cleaning	166,392	154,500
Water	7,886	10,716
Gas	39,867	37,453
Electricity	81,187	87,102
Rates	34,245	33,586
Insurance	29,358	30,500
Furniture and equipment	20,011	26,352
Other	5,738	5,746
	<hr/>	<hr/>
	384,684	385,955
	<hr/>	<hr/>
Educational supplies and services		
Books and teaching equipment	151,414	133,733
Educational visits	256,690	252,963
Professional services	350,873	316,900
Examination fees	134,359	154,829
Other	47,273	57,269
Vehicle costs	9,304	5,852
	<hr/>	<hr/>
	949,913	921,546
	<hr/>	<hr/>
Partners share of grant income		
FEFA	439,549	-
	<hr/>	<hr/>
Balance carried forward	8,875,922	7,888,383

STEPHENSON MULTI ACADEMY TRUST

Detailed Income and Expenditure Account Year ended 31 August 2020

These pages do not form part of the statutory financial statements

Expenditure (continued)	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Balance brought forward	8,875,922	7,888,383
Other supplies and services		
Legal and professional fees	8,616	3,353
Auditors' remuneration	17,611	15,638
Bank charges	2,264	1,431
Advertising and marketing	43,585	44,348
	<u>72,076</u>	<u>64,770</u>
Technology costs (not capitalised)		
Equipment	5,616	6,921
Consumables	15,166	15,853
Software	17,269	39,774
Support services	76,252	81,701
Communications	12,408	11,264
	<u>126,711</u>	<u>155,513</u>
Other expenditure		
Staff recruitment and induction	30,933	43,146
Uniforms	33,258	60,648
General office	4,896	2,598
Postage, stationery and reprographics	44,630	99,212
Other	1,106	28,119
	<u>114,823</u>	<u>233,723</u>
Depreciation	425,215	373,019
Total Expenditure	<u>9,614,747</u>	<u>8,715,408</u>
Total surplus/(deficit)	<u>(125,866)</u>	<u>177,065</u>