

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

Registered number: 08305242

Trustees report and financial statements

For the Year ended 31 August 2018

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Reference and Administrative Details

Members	James Tirrell
	Michael Foley
	Luke Rake
	Michael Faulkner
	Timothy Stephens (appointed 29 January 2018)
Trustees	Kaye Chittenden
	Andy Daw
	Peter Edwards (resigned December 2017)
	Mark Gibbens, Chair
	Avril Harrison
	Robert Lasseter
	Dr Annetta Minard, (Principal and Accounting officer)
	Martha Vigar
	Alex Williams
Company Secretary	Vanessa Gifford
Senior Management Team:	
• Principal	Dr Annetta Minard
• Vice Principal	Paul Green
• Assistant Principal	Suzanne Cray
• Assistant Principal	David Humphreys
• Director of Finance	Chris Pedder (Deputy Principal Kingston Maurward College)
• Business Manager	Tracey Richards
Company Name	Kingston Maurward Studio School Limited
Principal and Registered Office	Kingston Maurward, Dorchester, Dorset DT2 8PX
Company Registration Number	08305242 (England and Wales)
Independent Auditor	Mazars LLP, 90 Victoria Street, Bristol BS1 6DP
Bankers	Barclays Bank Plc, 10 South Street, Dorchester, Dorset DT1 1TB

Trustees' Report

The Trustees present their annual report together with the audited financial statements and Auditors' Report of Kingston Maurward Studio School Limited for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust has been established to operate an academy for students aged 13 to 19 serving a catchment covering the Dorset area. Students are selected based on their desire to pursue the School's specialism in environment and land-based sciences in conjunction with fulfilling the national curriculum. It is planned to have a pupil capacity of 375. The Studio School moved to a new purpose built school building in September 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Kingston Maurward Studio School Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Dorset Studio School.

Details of the trustees who served during the year are included in the Reference and Administration Details on page 3.

Members' Liability

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

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are inducted and are offered training and mentorship to enable them to enact their duties to the best of their ability.

Organisational Structure

The Trustees shall exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy and shall consider any advice given by the Principal. The Principal is responsible for the internal organisation, management and control of the Studio School; and for advising on and implementing the Studio School's strategic framework. In particular the Principal will formulate aims and objectives, policies and targets for the Board to consider adopting.

The role of the Accounting Officer is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts, for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all resources in their charge.

Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

The remuneration of the Principal and Accounting Officer is reviewed and agreed by the Directors of the Studio School.

The remuneration of the Senior Leadership Team is reviewed and agreed annually by the Board of the Studio School.

Trade Union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulation 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
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
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	0
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Related Parties and other Connected Charities and Organisations

Kingston Maurward Studio School is jointly sponsored by Kingston Maurward College and Thomas Hardy School, both organisations are based in Dorchester. The Studio School is located within the estate of Kingston Maurward College and operates from a new school built on land leased from the College under a long term lease agreement.

Trustees' Report (continued)

Both Principals of Kingston Maurward College and Thomas Hardy School are members of the Studio School.

A number of the services for the Studio School, including administration support for finance, governance services, IT services, cleaning and estate facilities are provided by Kingston Maurward College and Service Level Agreements have been put in place between the parties.

Objectives and Activities

Objects and Aims

The Studio School's object is to advance for the public benefit education in the United Kingdom. In particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balance curriculum in conjunction with a land based specialism.

Objectives, Strategies and Activities

The Studio School intends to ensure that all students go into employment, further/higher education or training. The strategy to achieve this in due course will include alumni with talks from past students inspiring current students.

Public Benefit

The vision is for students to be inspired by the relevance and challenge of solving real-life industrial and community problems. They will rapidly gain the confidence and both the technical and personal skills to become the creative contributors on whom our businesses and public services can rely for shaping and driving the future of our society. In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

Dorset Studio School was inspected by Ofsted in 2017/18. It gained a good overall judgement; the personal development and welfare of children was judged as outstanding.

Results 2018

English and Maths combined

Combined L4	25%
Combined L5 and above	12%

	4 and above	L5 and above	Expected progress and above	Above expected progress
English Language	35%	18%	39%	16%
English Literature	41%	20%	38%	14%
English (either)	45%	29%	39%	15%
Maths	35%	18%	31%	14%

Trustees' Report (continued)

	4 and above	L5 and above	Expected progress and above	Above expected progress
Geography	29%	20%	18%	12%
Science	27%	8%	24%	10%

Additional subjects

	4 and above	5 and above	Expected progress and above	Above expected progress
Travel and Tourism (55% cohort)	100%	86%	96%	86%
Animal Care	92%	30%	88%	42%
Land Based	88%	61%	88%	66%

Overall cohort score

Progress 8	-0.08
Attainment 8	34.8

Progress for disadvantaged/pupil premium students	0.42
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Key Performance Indicators

The school development plan identifies the following key priorities for 2017/18:

1. To provide outstanding learning opportunities for all students, through a dynamic, integrated curriculum, which reflects the unique context of Dorset Studio School.

Students at Dorset Studio School progressed in line with national expectations, in the 2018 performance measures.

The learning opportunities at Dorset Studio School have attracted students from across Dorset and its adjoining counties. The school is oversubscribed in year nine and overall numbers have doubled, thus ensuring financial and academic viability.

2. To develop an outstanding land based provision, which meets the educational and economic needs of rural Dorset.

All children gain work experience within local land based industries, which demonstrates the support received from local employers.

90% of students progressed to land based employment or training as their destination in 2018.

In sector specific subjects, all students gained qualifications that were in line with or above individual expectation.

Trustees' Report (continued)

3. To enable all students, regardless of their background or academic starting point, to thrive in their environment and make excellent progress in their learning.

There is no gap between the academic achievements of children from different characteristic groups. This is in relation to their peers, in school and nationally.

Children in the disadvantaged characteristic group, progressed at almost half a grade above national expectation.

4. To empower students with the experience and skills, required for future employment in British and Global industries.

All students who completed their KS4 education in 2018, progressed to appropriate education, training or employment by the start of the following academic year.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 objective for 2017/18 financial year was to establish the Studio School in its newly constructed building in order to provide a good educational experience for the students. The Studio School had 59 students in a Year 9 cohort, 40 students in a Year 10 cohort and 51 students in a Year 11 cohort.

For the year the operating deficit, which excludes depreciation and FRS 102 pension transactions, was £37k. The depreciation charge in the year was £141k and the non-cash FRS 102 charges relating to the Local Government Pension Scheme were £32k. Total funds at the year-end were £2,583k.

Reserves Policy

The Board of directors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Board is that the Academy plans to spend the vast majority of its revenue income each year on the pupils in its care; but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the academy whilst ensuring that excessive funds are not accumulated. The level of reserves required will be reviewed each year by the Board.

These free reserves are held for the investment in buildings, to smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance, as well as sums that are set aside from this each year for planned replacement of capital items.

Investment Policy

The Board of Directors are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Trustees' Report (continued)

Principal Risks and Uncertainties

During the financial year there were the following risks and risk management strategies relating to the Studio School.

1. Health, Safety and Welfare

The School has a good health and safety record, however the type and range of activities undertaken mean that this remains a significant area of focus for the School. This risk is mitigated by:

- Health, Safety and Welfare policies and procedures implemented
- Role of Health and Safety clearly defined
- Ensuring all staff have completed health & safety and E&D training

2. Failure to avoid a breach of Safeguarding

The School has a very good safeguarding record, however a significant incident could have a high impact in respect of the School's reputation. This risk is mitigated by:

- Safeguarding policy and procedures being implemented
- Role of Safeguarding Officer clearly defined
- Ensuring all staff have completed safeguarding training

3. Failure to increase the school buildings' resources

Although the School started in new buildings in 2015, the building resources are not fit for purpose with no changing facilities and do not provide the necessary capacity to accommodate the expected growth in student numbers. This risk is mitigated by:

- Development of a coherent explanation as to why the current buildings are not fit for purpose
- Identifying building expansion solutions in conjunction with Kingston Maurward College
- Lobbying key officials at DfE and Studio Schools Trust
- Application to the Capital Investment Fund to address the need for expansion
- Working with Kingston Maurward College to identify resources that can be utilised by the School in the short term

4. Student Recruitment

Failure to recruit planned number of students would affect funding received from the Education and Skills Funding Agency. This risk is mitigated by:

- A comprehensive marketing strategy
- School liaison activities
- Effective student records system
- Distribution of quality school prospectus.

5. Failure to Maintain Financial Viability

In common with all public sector organisations the School faces challenges in respect of its funding. Linked to the challenges of student recruitment the School needs to ensure financial viability is maintained. This risk is mitigated by:

- Rigorous budget setting process
- Timely reporting of financial information and management accounts
- Regular cash flow reporting
- Adherence to financial regulations and procedures.

Trustees' Report (continued)

Plans for Future Periods

The Studio School seeks to increase the choice, relevancy and economic value of learning and skills development for young people aged 13 to 19. Dorset possesses a highly valued environment which is a significant economic strength that needs to be sustained whilst providing a context for growth.

Located in the heart of this rural county, the Studio School specialises in Environment and Land-based curriculum areas, exploring how the land works to deliver educational excellence and opportunity by making the most of our rich natural resources, while responding to employer and wider community needs.

This will be achieved by implementing a curriculum offer that includes:

- GCSE English, Maths, IT and Sciences
- Vocational L2 qualifications
- Project based learning
- Preparation for real work experience
- Personal, moral, social and cultural understanding
- Enrichment opportunities including sports and volunteering

Funds Held as Custodian Trustee on Behalf of Others

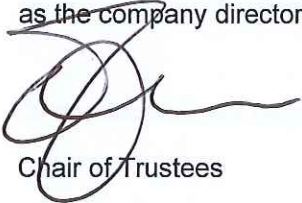
There are no assets being held.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

This Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on the board's behalf by:


Chair of Trustees

6 December 2018

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kingston Maurward Studio School Limited 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

	Meetings attended	Out of a possible
Members		
Michael Foley	4	4
Luke Rake	4	4
James Tirrell	3	4
Mike Faulkner	4	4
Timothy Stephens (appointed 29 January 2018)	2	2
Trustees		
Kaye Chittenden	3	5
Andy Daw	3	5
Peter Edwards	0	2
Mark Gibbens, Chair	5	5
Avril Harrison	5	5
Robert Lasseter	2	5
Dr Annetta Minard, Principal	5	5
Luke Rake	5	5
James Tirrell	5	5
Martha Vigar	4	5
Alex Williams	1	5

The Studio School has endeavoured to conduct its business:

- In accordance with the Articles of Association agreed 14 November 2012;
- In accordance with the seven principles identified by the Committee in Standards in Public Life as detailed in the Code of Conduct adopted on 9 July 2015;
- In accordance with the DSS Standing Orders adopted on 24 September 2015;
- Having due regard to the UK Corporate governance Code insofar as it is applicable to the academy sector.

The governing board has met five times during the year and observed the following core strategic functions:

Governance Statement (continued)

Establishing the strategic direction, by:

- Setting the vision, values, and objectives for the school;
- Agreeing the school improvement strategy with priorities and targets;
- Meeting statutory duties.

Ensuring accountability, by:

- Appointing the Principal;
- Monitoring progress towards targets;
- Performance managing the Principal;
- Engaging with stakeholders;
- Contributing to school self-evaluation.

Ensuring financial probity, by:

- Setting the budget;
- Monitoring spending against budget;
- Ensuring value for money is obtained;
- Ensuring risks to the organisation are managed.

Every Member and Trustee of the Dorset Studio School has access to an online portal Governors' Virtual Office (GVO) where they have been provided with regular and timely information on the financial performance of the Studio School together with other information such as performance against funding targets, quality, curriculum and personnel matters. Formal papers and reports are supplied to the Governors in a timely manner, prior to Board meetings via the GVO system.

The Governing Body has agreed to fulfil all its duties as a Full Board, rather than any delegation to Committees, which will be reviewed as the Studio School grows. It has now been agreed to implement an Audit Committee from the 2018/19 academic year. Full minutes of all meetings are published on the school website www.dorsetstudioschool.co.uk and are also available from the Clerk to the Studio School at Kingston Maurward College, Dorchester, Dorset DT2 8PY.

The Clerk has maintained a register of financial and personal interests of the Governors, and it is available for inspection at the above address.

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust ensures value for money is delivered adopting the following principles:

Challenge - why, how and by whom and activity is carried out;
Compare - performance against other schools;
Consult - involving stakeholders, pupils and parents;
Compete - as a means of securing efficient and effective services.

Governance Statement (continued)

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 the 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 Kingston Maurward Studio School Limited for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific audit function and has decided not to appoint an internal auditor. However, the Trustees will appoint a trustee to carry out a program of internal checks.

The appointee's role will include giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a regular basis, the appointee will report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness


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

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

Governance Statement (continued)

The accounting officer will be advised of the implications of the result of the review of the system of internal control by the Responsible Officer and a plan to address weaknesses and ensure continuous improvement of the system will be put in place.

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:

PS 
Chair of Trustees


A. Minard
Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer of Kingston Maurward Studio School Limited I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



Dr Annetta Minard

Accounting Officer

6 December 2018

Statement of Trustees' Responsibilities

The trustees (who act as governors of Kingston Maurward Studio School Limited along with the directors of the charitable company) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

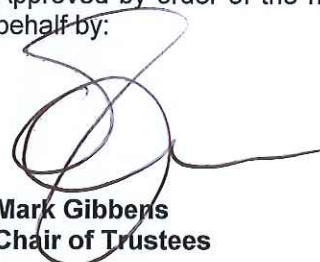
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 finance 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 6 December 2018 and signed on its behalf by:


Mark Gibbens
Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of Kingston Maurward Studio School Limited

We have audited the financial statements of Kingston Maurward Studio School Limited ("the trust") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 company'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.

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 auditors' reports 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

Independent Auditor's Report on the Financial Statements to the Members of Kingston Maurward Studio School Limited (continued)

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 16, the Trustees (who are directors 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 company'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 company 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

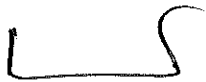
Independent Auditor's Report on the Financial Statements to the Members of Kingston Maurward Studio School Limited (continued)

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of the audit report

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



Richard Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol, BS1 6DP.

Date 10/11/18

Independent Reporting Accountant's Assurance Report on Regularity to Kingston Maurward Studio School Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingston Maurward Studio School during the year 1 September 2017 to 31 August 2018 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 Kingston Maurward Studio School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingston Maurward Studio School and the 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 Kingston Maurward Studio School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kingston Maurward Studio School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Kingston Maurward Studio School's funding agreement with the Secretary of State for Education dated 28 January 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

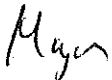
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure. A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

Independent Reporting Accountant's Assurance Report on Regularity to Kingston Maurward Studio School Limited 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP
Chartered accountants and statutory auditors
90 Victoria Street
Bristol
BS1 6DP

Date: 1.12.18

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:						
Charitable activities:						
Funding for Studio School's educational operations	3	106,536	1,064,541	16,646	1,187,723	1,154,614
Investment income	2	104	-	-	104	117
Total		106,640	1,064,541	16,646	1,187,827	1,154,731
Expenditure on:						
Charitable activities:						
Studio School's educational operations	4	(121,747)	(1,134,872)	(140,576)	(1,397,195)	(1,373,448)
Total		(121,747)	(1,134,872)	(140,576)	(1,397,195)	(1,373,448)
Net income / (expenditure)		(15,107)	(70,331)	(123,930)	(209,368)	(218,717)
Transfer of Fixed Assets			(12,810)	12,810		-
Other recognised gains / (losses)						
Actuarial gain / (losses) on defined benefit pension schemes		-	40,000	-	40,000	(17,059)
Net movement in funds		(15,107)	(43,141)	(111,120)	(169,368)	(235,776)
Reconciliation of funds						
Total funds brought forward		29,780	(38,751)	2,760,634	2,751,663	2,987,439
Total funds carried forward		14,673	(81,892)	2,649,514	2,582,295	2,751,663

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

Registered number: 08305242

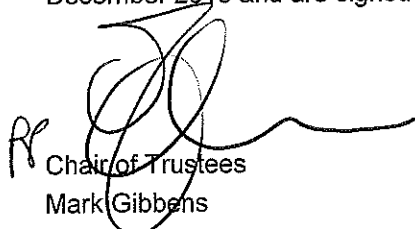
(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	2,649,514	2,760,634
Current assets			
Debtors	10	31,018	19,585
Cash at bank and in hand		98,898	300,009
		<u>129,916</u>	<u>319,594</u>
Liabilities			
Creditors: amounts falling due within one year	11	<u>(86,135)</u>	<u>(211,565)</u>
Net current assets		<u>43,781</u>	<u>108,029</u>
Total assets less current liabilities		2,693,295	2,868,663
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net assets excluding pension liability		2,693,295	2,868,663
Defined benefit pension scheme liability		<u>(111,000)</u>	<u>(117,000)</u>
Total net assets		<u>2,582,295</u>	<u>2,751,663</u>
Funds of the academy			
Restricted funds:			
Restricted income fund		29,108	78,249
Restricted fixed asset fund		2,649,514	2,760,634
Pension reserve		<u>(111,000)</u>	<u>(117,000)</u>
Total restricted funds		2,567,622	2,721,883
Unrestricted funds		<u>14,673</u>	<u>29,780</u>
Total funds		<u>2,582,295</u>	<u>2,751,663</u>

The financial statements on pages 18 to 37 were approved by the Trustees and authorised for issue, on 6 December 2018 and are signed on their behalf by:


Chair of Trustees
Mark Gibbens

KINGSTON MAURWARD STUDIO SCHOOL LIMITED**(A Company Limited by Guarantee)****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 AUGUST 2018**

		31 August 2018 £	31 August 2017 £
	Note		
Cash flows from operating activities			
Net cash provided by (used in) operating activities	14	(171,656)	78,878
Cash flows from investing activities	15	(29,455)	0
Cash flows from financing activities		0	0
Change in cash and cash equivalents in the reporting period		(201,111)	78,878
Cash and cash equivalents at 1 September 2017		300,009	221,131
Cash and cash equivalents at 31 August 2018		98,898	300,009

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

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.

1.1 Basis of preparation

The financial statements of the Studio School, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kingston Maurward Studio School Trust meets the definition of a public entity under FRS 102.

1.2 Going Concern

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

1.3 Income

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

Grants

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

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

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. Statement of accounting policies (continued)

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

Sponsorship Income

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

Donations

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

Other Income

Other Income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Studio School has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. Statement of accounting policies (continued)

1.5 Tangible Fixed Assets

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

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

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

Freehold property	- 2% per annum
Office equipment	- 25% per annum
Computer equipment	- 33% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

1.6 Liabilities

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

1.7 Taxation

The Studio School 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 Studio School 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.

1.8 Pensions Benefits

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

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. Statement of accounting policies (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Studio School 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 22, the TPS is a multi-employer scheme there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Studio School 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 scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.9 Fund Accounting

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

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 Funding Agency.

1.10 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.

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. Statement of accounting policies (continued)

Critical accounting estimates and assumptions

The Studio School 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 22, 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 2018. 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.

2. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	<u>104</u>	<u>-</u>	<u>104</u>	<u>117</u>

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/EFA grants				
General Annual Grant (GAG)	-	940,566	940,566	885,848
Start Up Grants	-	51,000	51,000	61,500
Other DfE/EFA grants	-	71,480	71,480	73,200
Capital Grants	-	16,646	16,646	-
	-	1,079,692	1,079,692	1,020,548
Other Government grants				
Local authority grants	-	1,495	1,495	37,875
	-	1,495	1,495	37,875
Other incoming resources from educational operations	106,536	-	106,536	96,191
	106,536	1,081,187	1,187,723	1,154,614

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG that could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balances being available for premises/capital purposes. The Studio School has not exceeded these limits during the year ended 31 August 2018.

4. Expenditure

	Staff costs 2018 £	Non Pay Expenditure Other costs 2018 £	Total 2018 £	Total 2017 £
Studio School's educational operations:				
Direct costs	806,044	162,665	968,708	901,354
Allocated support costs	86,723	341,763	428,487	472,094
	892,767	504,428	1,397,195	1,373,448

Net income/(expenditure) for the period includes:

	2018 £	2017 £
Depreciation	140,576	139,043
Fees payable to auditor for:		
- Audit	8,490	7,460
- Preparation of Annual Return	1,055	525

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

5. Charitable activities

	Total 2018 £	Total 2017 £
Direct costs - educational operations	968,708	901,354
Support costs - educational operations	428,487	472,094
	1,397,195	1,373,448

Analysis of support costs

	Educational operations £	Total 2018 £	Total 2017 £
Sponsor recharge costs	92,881	92,881	89,398
Support staff costs	86,723	86,723	103,114
Depreciation	140,576	140,576	139,043
Technology costs	29,821	29,821	31,016
Premises costs	28,634	28,634	37,567
Other support costs	40,307	40,307	63,971
Governance costs	9,545	9,545	7,985
Total support costs	428,487	428,487	472,094

6. Staff

a. Staff costs

Staff costs during the period were:

	2018 £	2017 £
Wages and salaries	675,560	648,392
Social security costs	64,678	58,793
Operating costs of defined benefit pension schemes	145,029	147,688
	885,267	854,873
Supply staff costs	7,500	22,515
	892,767	877,388

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

6. Staff (continued)

b. Staff numbers

The average number of persons employed by the academy during the period expressed as actual employees and full time equivalents was as follows:

	2018 No.	2018 FTE	2017 No.	2017 FTE
Teachers	12	10	10	8
Administration and support	8	5	9	6
Management	4	4	4	4
	<u>24</u>	<u>19</u>	<u>23</u>	<u>18</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Studio School comprise of the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer NIC and pension contributions) received by key management personnel for their services to the Studio School was £334,769. (2017: £311,814).

7. Related parties transactions - remuneration and expenses

The Principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their roles as governors. Legal authority under which the payment is given is by the Articles of Association. The value of trustees' remuneration and other benefits was as follows:

A Minard (principal and trustee):

Remuneration £70,000 - £80,000 (2017: £70,000 - £80,000)

Employer's pension contributions paid £10,000 - £15,000 (2017: £10,000 - £15,000)

No other trustees were paid remuneration or received other benefits from an employment with Studio School.

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

8. Trustees' and officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees 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 Period ended 31 August 2018 was £2,720 (2017 - £3,280). The cost of this insurance is included in the total insurance cost.

9. Tangible fixed assets

	Assets under Construction £	Leasehold Property £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2017	-	2,785,036	4,672	249,012	3,038,720
Additions/Transfers	-	24,935	-	4,520	29,455
Disposals	-	-	-	-	-
At 31 August 2018	-	2,809,971	4,672	253,532	3,068,175
Depreciation					
At 1 September 2017	-	111,402	2,336	164,348	278,086
Charge in the year	-	55,742	1,168	83,665	140,575
At 31 August 2018	-	167,144	3,504	248,013	418,661
Net book value					
At 31 August 2018	-	2,642,827	1,168	5,519	2,649,514
At 31 August 2017	-	2,673,634	2,336	84,664	2,760,634

10. Debtors

	2018 £	2017 £
Other debtors	27,837	19,585
Prepayments and accrued income	3,181	-
	31,018	19,585

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	23,424	15,155
Other taxation and social security	18,745	15,383
Amount due to connected entity	18,622	18,835
Other creditors	15,731	13,486
EFA Creditor	-	141,914
Accruals	9,613	6,792
	86,135	211,565

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

12. Funds

	Note	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds		29,780	106,640	(121,747)	-	14,673
		<u>29,780</u>	<u>106,640</u>	<u>(121,747)</u>	<u>-</u>	<u>14,673</u>
Restricted general funds						
General Annual Grant (GAG)		(19,538)	940,566	(976,897)	77,190	21,321
Start up grant		97,787	51,000	(51,000)	- 90,000	7,787
Pupil Premium		-	32,875	(32,875)	-	-
Other grants		-	40,100	(40,100)	-	-
Pension reserve	21	(117,000)	-	(34,000)	40,000	(111,000)
		<u>(38,751)</u>	<u>1,064,541</u>	<u>(1,134,872)</u>	<u>27,190</u>	<u>(81,892)</u>
Restricted fixed asset funds						
DfE/EFA capital grants		2,760,634	16,646	(140,576)	12,810	2,649,514
Other DfE/EFA funding		-	-	-	-	-
		<u>2,760,634</u>	<u>16,646</u>	<u>(140,576)</u>	<u>12,810</u>	<u>2,649,514</u>
Total restricted funds		<u>2,721,883</u>	<u>1,081,187</u>	<u>(1,275,448)</u>	<u>40,000</u>	<u>2,567,622</u>
Total of funds		<u><u>2,751,663</u></u>	<u><u>1,187,827</u></u>	<u><u>(1,397,195)</u></u>	<u><u>40,000</u></u>	<u><u>2,582,295</u></u>

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

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

- Restricted funds (excluding pension reserve) represent funds received from the Department for Education and is specifically spent on the running of the Academies;

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

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

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

Note	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Unrestricted funds					
General Funds - all funds	9,197	96,308	(75,725)	-	29,780
	<u>9,197</u>	<u>96,308</u>	<u>(75,725)</u>	<u>-</u>	<u>29,780</u>
Restricted general funds					
General Annual Grant (GAG)	40,719	885,848	(946,105)	-	(19,538)
Start up grant	97,787	61,500	(61,500)	-	97,787
Pupil Premium	-	37,775	(37,775)	-	-
Other grants	-	73,300	(73,300)	-	-
Pension reserve	21 (59,941)	-	(40,000)	(17,059)	(117,000)
	<u>78,565</u>	<u>1,058,423</u>	<u>(1,158,680)</u>	<u>(17,059)</u>	<u>(38,751)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	2,899,677	-	(139,043)	-	2,760,634
Other DfE/EFA funding	-	-	-	-	-
	<u>2,899,677</u>	<u>-</u>	<u>(139,043)</u>	<u>-</u>	<u>2,760,634</u>
Total restricted funds	<u>2,978,242</u>	<u>1,058,423</u>	<u>(1,297,723)</u>	<u>(17,059)</u>	<u>2,721,883</u>
Total of funds	<u>2,987,439</u>	<u>1,154,731</u>	<u>(1,373,448)</u>	<u>(17,059)</u>	<u>2,751,663</u>

A current year 12 months and prior year 12 months combined position is as follows:

Note	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Unrestricted funds					
General Funds - all funds	9,197	202,948	(197,472)	-	14,673
	<u>9,197</u>	<u>202,948</u>	<u>(197,472)</u>	<u>-</u>	<u>14,673</u>
Restricted general funds					
General Annual Grant (GAG)	40,719	1,826,414	(1,923,002)	77,190	21,320
Start up grant	97,787	112,500	(112,500)	- 90,000	7,787
Pupil Premium	-	70,650	(70,650)	-	-
Other grants	-	113,400	(113,400)	-	-
Pension reserve	21 (59,941)	-	(74,000)	22,941	(111,000)
	<u>78,565</u>	<u>2,122,964</u>	<u>(2,293,552)</u>	<u>10,131</u>	<u>(81,893)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	2,899,677	16,646	(279,619)	12,810	2,649,514
Other DfE/EFA funding	-	-	0	-	-
	<u>2,899,677</u>	<u>16,646</u>	<u>(279,619)</u>	<u>12,810</u>	<u>2,649,514</u>
Total restricted funds	<u>2,978,242</u>	<u>2,139,609</u>	<u>(2,573,171)</u>	<u>22,941</u>	<u>2,567,622</u>
Total of funds	<u>2,987,439</u>	<u>2,342,557</u>	<u>(2,770,643)</u>	<u>22,941</u>	<u>2,582,295</u>

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

13. Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	-	-	2,649,514	2,649,514	2,760,634
Current assets	14,673	115,243	-	129,916	319,595
Current liabilities	-	(86,135)	-	(86,135)	(211,566)
Pension scheme liabilities	-	(111,000)	-	(111,000)	(117,000)
Total net assets	14,673	(81,892)	2,649,514	2,582,296	2,751,663

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	-	2,760,634	2,760,634	2,899,677
Current assets	29,780	289,815	-	319,595	241,784
Current liabilities	-	(211,566)	-	(211,566)	(94,081)
Pension scheme liabilities	-	(117,000)	-	(117,000)	(59,941)
Total net assets	29,780	(38,751)	2,760,634	2,751,663	2,987,439

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

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

	2018	2017
	£	£
Net incoming resources before revaluations	(209,368)	(218,717)
Depreciation [note 9]	140,576	139,043
Capital grants from DfE	-	-
Interest receivable [note 2]	-	-
Defined benefit pension scheme cost less contributions payable	32,000	39,000
Defined benefit pension scheme finance cost	2,000	1,000
(Increase)/decrease in debtors	(11,433)	1,068
(Decrease)/increase in creditors	(125,430)	117,484
Net cash inflow from operations	(171,656)	78,878

15. Analysis of cash flows for headings netted in cash flow statement

	2018	2017
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(29,455)	-
Capital grants from DfE	-	-
Net cash inflow/(outflow) capital expenditure	(29,455)	-

16. Analysis of changes in net funds

	1 September 2017	Cash flow	Other non-cash changes	31 August 2018
	£	£	£	£
Cash at bank and in hand	300,009	(201,111)	-	98,898
Net funds	300,009	(201,111)	-	98,898

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

17. Capital commitments

At 31 August 2018 the academy had no capital commitments (2017: £nil)

18. Related party transactions

Owing to the nature of the academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year Kingston Maurward College (Sponsor of Kingston Maurward Studio School Limited, and the entity which L Rake is Principal) provided services to Kingston Maurward Studio School Limited under agreed service level agreements. The services provided were in respect of finance, governance, IT, premises and exams, these services amounted to £92,881 (2017: £89,398). In addition to these services Kingston Maurward College also charged the Studio School transport costs of £88,290 relating to students utilising the College's bus network for travel to and from the College (2017: £59,165) and other miscellaneous expenses of £6,308 (2017: £9,356).

At the balance sheet date amount owed to Kingston Maurward College was £18,622 (2017: £18,835).

During the year The Thomas Hardye School (sponsor of Kingston Maurward Studio School Limited) did not provide services in respect of teaching (2017: nil). At the balance sheet date the amount due to Thomas Hardye School was nil (2017: nil).

During the year Knighton Countryside Management, a company in which Mr Mark Gibbens has a majority interest did not provide any services (2017: £1,920). At the balance sheet date the amount due to Knighton Countryside Management was nil (2017: nil).

During the year DASP, a company in which Michael Foley is a Director provided services costing £3,400 (2017: nil). Income received £89.50 (£2017: nil)

There were no other related party transactions other than certain trustees' remuneration and expenses already disclosed in note 7.

19. 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

20. Events after the end of the reporting period

The Studio School does not have any events to report.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

21. 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 Dorset County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £15,362 were payable to the schemes at 31 August 2018 (2017: £13,188) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teacher' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

21. Pension and similar obligations (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, where upon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employers' pension costs paid to TP in the period amounted to £91,991 (2017: £81,351).

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

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2018 was £27,885 (2017: £36,341), of which employer's contributions totalled £21,038 (2017: £27,337) and employees' contributions totalled £6,847 (2017: £9,004). The agreed contributions rates for future years are 13.7 % for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.70%	2.60%
Inflation assumption (CPI)	2.30%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

21. Pension and similar obligations (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 2018	At 31 August 2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

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

	Fair Value at 31 August 2018 £'000	Fair Value at 31 August 2017 £'000
Equity instruments	62	46
Debt instruments	40	30
Property	11	7
Total market value of assets	113	83

The actual return on scheme assets was £8,000 (2016: £3,000)

Amount recognised in the statement of financial activities

	2018 £'000	2017 £'000
Current service cost (net of employee contributions)	53	66
Net interest cost	3	2
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	56	68

KINGSTON MAURWARD STUDIO SCHOOL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

21. Pension and similar obligations (continued)

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

	2018 £'000	2017 £'000
At 1 September		
Upon conversion	200	114
Current service cost	53	66
Interest cost	5	3
Employee contributions	7	9
Actuarial loss/(gains)	-	2
Benefits paid	-	-
Changes in financial assumptions	(41)	6
At 31 August	224	200

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

	2018 £'000	2017 £'000
At 1 September		
Upon conversion	83	54
Interest income	3	2
Return on plan assets (excluding net interest on the net defined pension liability)	(1)	8
Actuarial (loss)/gain	-	(17)
Employer contributions	21	27
Employee contributions	7	9
Benefits paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	113	83