

KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2
Governance statement	10 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25 - 26
Statement of cash flows	27
Notes to the financial statements	28 - 52

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Michael Foley Luke Rake Michael Faulkner Timothy Stephens
Trustees	Kaye Chittenden, Vice Chair Andrew Daw, Chairman Mark Gibbens Joanne Manley Annetta Minard, Executive Principal David Humphreys Rosie Pike
Company registered number	08305242
Company name	Kingston Maurward Studio School Limited
Principal and registered office	Dorset Studio School Kingston Maurward Dorchester Dorset DT2 8PX
Company secretary	Tracey Richards
Accounting Officer	Annetta Minard
Senior management team	Annetta Minard, Executive Principal Paul Green, Principal Jason Malone, Assistant Principal Paul Chapman, Assistant Principal Karen Wisken, Assistant Principal Tracey Richards, School Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Barclays Bank Plc 10 South Street Dorchester Dorset DT1 1TB

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a secondary academy for pupils aged 11 to 16 serving a catchment covering the Dorset area. It has a pupil capacity of 375 and had a roll of 357 in the school census on May 2022.

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 operates as Dorset Studio School.

Details of the Trustees who served throughout the 2021/22, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

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 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 applying.

The Executive Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The reimbursement of the Principal and Accounting Officer is reviewed and agreed by the Members of the Studio School.

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

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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 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	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	
Provide the total pay bill	
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	

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	1 hour per week
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Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 for calculation details.

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 school built on land leased from the College under a long-term agreement. A Service Level Agreement has been put in place to enable Dorset Studio School to access the Kingston Maurward site and share many of its facilities.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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 attracts students from a wide geographical area extending to Castle Cary in the North, Swanage & Portland in the South, Axminster in the West and Christchurch in the East. It is the preferred option for those pupils interested in land-based subjects and the outdoors.

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 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.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Summer Examinations 2022

Combined English and Maths at grade 4 and above		45%	
Combined English and Maths at grade 5 and above		24%	
English and Maths			
	Grade 4 and above	Grade 5 and above	Progress
English	58%	37%	-0.67
Maths	56%	32%	-0.34
Ebacc Subjects			
Geography	39%	23%	-0.53
Science	53%	35%	0.08
Technical subjects			
	% At Pass	% at Merit	% at Distinction
Travel and Tourism	50%	29%	14%
Animal Care	29%	29%	34%
Land Based Studies	40%	33%	28%
Overall cohort score			
Progress 8 – 3 Vocational qualifications have not been included in this score.		-1.16**	
Attainment 8		3.0	
Progress for Disadvantaged and Vulnerable Students			
Pupil premium students		-1.21	
SEND students		-0.48	
Previous High Achieving students – 2 students		-2.21	

**

The 2022 Progress and performance tables, as validated at the 19th October 2022 do not include the results of our three vocational subjects. The justification for this from the DFE is that these results were 'COVID Impacted' and therefore cannot be included (as some constituent parts of the results were arrived at by 'teacher assessment'). All students completed national examinations in these subjects and other assessments were arrived at in the normal manner of BTEC qualifications, all of which was externally quality assured in the normal manner. Despite our protestations with the DFE, these results will not be included, dramatically and negatively skewing our results such that in all cases, students would only have a maximum of 6 subjects counting towards the Progress 8 scores, with zero scores for the other subjects. This renders this set of results incomparable.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Key Performance Indicators

The school development plan identifies the following key priorities for 21/22:

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

The school operates within the context of The National Curriculum, as far as facilities allow. The accommodation is overcrowded but every opportunity is taken to integrate learning opportunities within its existing curriculum. All subjects are taught by qualified subject specialist and the school is fully staffed.

The learning opportunities at Dorset Studio School have attracted students from across Dorset and its adjoining counties. The school continues to be oversubscribed at KS3.

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

Students have the opportunity to study a full academic curriculum, which meets the specifications of progress and attainment 8. In addition, all children follow practical and theoretical learning in relation to our animal and land-based specialism.

Work experience and applied learning opportunities enhance careers advice and guidance and provide opportunities to increase employer engagement across the rural industries.

Attainment across our vocational qualifications in specialist subjects, add value to the progress made by all students in KS4.

Key Performance Indicators	2021-22
Total Staff Costs (£)	2,438,969
Total Staff Costs to EFA Revenue Income (%)	78%
Total Staff Costs to Total Income (%)	70%
Total Staff Costs as a Proportion of Total Expense (%)	64%

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 the 2021/22 financial year was to establish the Studio School in its main building and open a second site on the Poundbury estate. This arrangement provided sufficient accommodation for the number of students but is not a sustainable solution for the future as numbers continue to increase. In addition, travel between sites makes constraints on the timetable, which will not be sustainable over time.

For the year the operating surplus, which excludes depreciation, capital grants and FRS 102 pension transactions, was £175k (2021- surplus £187k). The depreciation in the year was £137k (2021 - £72k) and the non- cash FRS 102 charges relating to the Local Government Pension Scheme were £155k (2021 - £129k). Total funds at the year-end were £3,208k (2021 - £2,452).

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Reserves Policy

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

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the school's primary objective is preserved. At the same time, the school wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Governors will monitor levels of reserves in financial reports provided by the Business Manager and in the annual financial statement prepared by the Auditor. Governors will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Governors will take into account the following:

- two month salary bill.
- the school's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years.

As at the Balance Sheet date the reserves stood at £3,208k, of which £30k are unrestricted.

This policy will be reviewed every 3 years or as required.

Investment Policy

The Trustees are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Trustees 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.

PRINCIPAL RISKS AND UNCERTAINTIES

During the financial year there were the following risks and risk management strategies relating to the 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 an area of focus for the School. This risk is mitigated by:

- Health, Safety and Welfare policies and procedures implemented
- Roles of the Health and Safety management team 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:

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

- Safeguarding policy and procedures being implemented
- Role of Safeguarding Officer clearly defined
- An increase in the number of safeguarding officers to incorporate the split site arrangements.
- 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 size of the original building accommodates 170 students but the Funding Level Agreement is for 375. A second site was opened in 2021, which has enabled the school to continue to operate. However, the issue of overcrowding still exists and the combined accommodation over both sites still does 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 The DfE.
- Continued Application to Complex Capital Team to address the need for expansion
- Adapting the timetable to enable staff to travel between sites, for the benefit of the students.

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
- The provision of county wide transport
- Continuing to develop a specialist provision that meets the needs of a rural community.

5. Failure to Maintain Financial Viability

In common with all public sector organisations the School faces challenges in respect of its funding. However, the school remains financially viable. This risk is mitigated by:

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

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 11 to 16. 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 Language, Literature, Maths, Geography and double/triple Sciences
- 3 Vocational L2 qualifications
- Preparation for real work experience
- Personal, moral, social and cultural understanding
- Enrichment opportunities

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Auditor

In so far 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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them 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 .8 December 2022.. and signed on its behalf by:



Andrew Daw
Chairman

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees 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 Ltd 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.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
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GOVERNANCE STATEMENT (CONTINUED)

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:

Trustee	Meetings attended	Out of a possible
Kaye Chittenden, Vice Chair	4	5
Andrew Daw, Chairman	5	5
Mark Gibbens	5	5
Joanne Manley	2	5
Annetta Minard, Executive Principal	5	5
David Humphreys	3	5
Rosie Pike	3	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 and reviewed on 5 December 2019;
- In accordance with the DSS Standing Orders adopted on 24 September 2015 and reviewed on 5 December 2019;
- Having due regard to the UK Corporate governance Code insofar as it is applicable to the Academy sector.

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

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 Kingston Maurward 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 Trustees in a timely manner, prior to Board meetings via the GVO system.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Trustees have agreed to fulfil all their duties as a Full Board, rather than any delegation to Committees, which will be reviewed as the Studio School grows. An Audit & Finance Committee has been established for and met 2 times within 2021/22 academic year. Full minutes of all meetings are published on the school website www.dorsetstudioschool.co.uk.

The Clerk has maintained a register of financial and personal interests of the Trustees, and it is available for inspection upon request.

The Audit Committee and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure the integrity of the financial reporting and audit process and to oversee the maintenance of sound internal control and risk management systems.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Daw	2	2
Dr Annetta Minard	2	2
Kaye Chittenden	1	2
Mark Gibbens	1	2

REVIEW OF VALUE FOR MONEY

As accounting officer, the Executive 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 Academy 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 has delivered improved 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.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Working with the DfE appointed Schools Management Resource Advisor to quality assure the costings of operating a split site provision in preparation for the 2021/22 academic year.
- Completing option appraisals to consider the multifarious solutions to managing overcrowding in the original school building.
- Implementing clear responsibility and accountability structures throughout the school, to ensure that students receive the highest standard of education within the context of financial efficiency.
- Managing the pandemic and the additional associated costs in a way that maintained learning, supported the most vulnerable and prioritised the safety and welfare of stakeholders.

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 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 2021 to 31 August 2022 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees will appoint a trustee to carry out a program of internal checks. A specific Governance Review was carried out by Internal Auditors, ICCA Education & Skills in 2021/22 and an independent Financial review with the department for education.

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.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

As accounting officer, the Executive 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Andrew Daw
Chair of Trustees
Date: 8 December 2022



Dr Annetta Minard
Accounting Officer

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
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STATEMENT ON 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are 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 2021.

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



Dr Annetta Minard
Accounting Officer
Date: 8 December 2022

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 and signed on its behalf by:



Andrew Daw
(Chair of Trustees)
Date: 8 December 2022

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSTON MAURWARD STUDIO SCHOOL LIMITED**

OPINION

We have audited the financial statements of Kingston Maurward Studio School Limited (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSTON MAURWARD STUDIO SCHOOL LIMITED (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (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.
- the Trustees' Report has 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, 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 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSTON MAURWARD STUDIO SCHOOL LIMITED (CONTINUED)**

AUDITORS' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSTON MAURWARD STUDIO SCHOOL LIMITED (CONTINUED)**

with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing substantive procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' report.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSTON MAURWARD STUDIO SCHOOL LIMITED (CONTINUED)**

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Mark Munro FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: *16/12/2022*

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGSTON MAURWARD STUDIO SCHOOL LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingston Maurward Studio School Limited during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kingston Maurward Studio School Limited and 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 Limited 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 Kingston Maurward Studio School Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF KINGSTON MAURWARD STUDIO SCHOOL LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Kingston Maurward Studio School Limited's funding agreement with the Secretary of State for Education dated 25 August 2021 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGSTON
MAURWARD STUDIO SCHOOL LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

CONCLUSION

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

Bishop Fleming LLP

Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: *16/12/2022*

KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	258,193	258,193	51,701
Other trading activities	5	746	-	-	746	8,235
Investments	6	112	-	-	112	9
Charitable activities	4	267,392	3,199,842	-	3,467,234	2,709,943
Total income		268,250	3,199,842	258,193	3,726,285	2,769,888
Expenditure on:						
Charitable activities	8	317,517	3,130,437	137,507	3,585,461	2,783,876
Total expenditure		317,517	3,130,437	137,507	3,585,461	2,783,876
Net (expenditure)/ income		(49,267)	69,405	120,686	140,824	(13,988)
Transfers between funds	17	-	(21,970)	21,970	-	-
Net movement in funds before other recognised gains/(losses)		(49,267)	47,435	142,656	140,824	(13,988)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	615,000	-	-	615,000	(74,000)
Net movement in funds		565,733	47,435	142,656	755,824	(87,988)
Reconciliation of funds:						
Total funds brought forward		79,007	(150,766)	2,524,212	2,452,453	2,540,441
Net movement in funds		565,733	47,435	142,656	755,824	(87,988)
Total funds carried forward		644,740	(103,331)	2,666,868	3,208,277	2,452,453

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 52 form part of these financial statements.

KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08305242

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	2,666,868	2,523,571
		<u>2,666,868</u>	<u>2,523,571</u>
Current assets			
Debtors	15	294,985	20,025
Cash at bank and in hand		586,814	621,259
		<u>881,799</u>	<u>641,284</u>
Creditors: amounts falling due within one year	16	(194,390)	(106,402)
Net current assets		<u>687,409</u>	<u>534,882</u>
Total assets less current liabilities		<u>3,354,277</u>	<u>3,058,453</u>
Net assets excluding pension liability		<u>3,354,277</u>	<u>3,058,453</u>
Defined benefit pension scheme liability	23	(146,000)	(606,000)
Total net assets		<u><u>3,208,277</u></u>	<u><u>2,452,453</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	2,666,868	2,524,212
Restricted income funds	17	657,669	455,234
		<u>3,324,537</u>	<u>2,979,446</u>
Restricted funds excluding pension asset	17	3,324,537	2,979,446
Pension reserve	17	(146,000)	(606,000)
Total restricted funds	17	<u>3,178,537</u>	<u>2,373,446</u>
Unrestricted income funds	17	<u>29,740</u>	<u>79,007</u>
Total funds		<u><u>3,208,277</u></u>	<u><u>2,452,453</u></u>

KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08305242

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 24 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Andrew Daw
(Chair of Trustees)
Date: 8 December 2022

The notes on pages 28 to 52 form part of these financial statements.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	503,910	203,200
Cash flows from financing activities	20	(538,355)	(81,771)
Change in cash and cash equivalents in the year		(34,445)	121,429
Cash and cash equivalents at the beginning of the year		621,259	499,830
Cash and cash equivalents at the end of the year	21, 22	586,814	621,259

The notes on pages 28 to 52 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kingston Maurward Studio School Limited meets the definition of a public benefit 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 Academy Trust 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 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.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where 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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

Assets costing £1000 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 carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% per annum
Furniture and equipment	-	25% per annum
Computer equipment	-	33% per annum

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

1.11 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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. 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 period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to 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 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.

1.13 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
ESFA Laptop Donation	-	-	20,999
Capital Grants	258,193	258,193	30,702
TOTAL 2022	<u>258,193</u>	<u>258,193</u>	<u>51,701</u>
TOTAL 2021	<u>51,701</u>	<u>51,701</u>	

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant (GAG)	-	2,333,634	2,333,634	2,076,432
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	126,384	126,384	103,749
Teachers' Pay/Pension	-	-	-	151,142
Other Grants	-	142,788	142,788	67,522
Earmarked Annual Grant (EAG)	-	504,989	504,989	-
	-	3,107,795	3,107,795	2,398,845
OTHER GOVERNMENT GRANTS				
SEN Funding	-	112,026	112,026	75,379
Other Local Authority Grants	-	1,785	1,785	-
	-	113,811	113,811	75,379
Other income from the Academy Trust's education	267,392	(35,184)	232,208	161,294
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	-	-	49,345
Mass Testing	-	13,420	13,420	25,080
	-	13,420	13,420	74,425
	267,392	3,199,842	3,467,234	2,709,943
	267,392	3,199,842	3,467,234	2,709,943
TOTAL 2021	161,294	2,548,649	2,709,943	

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other Income	746	746	8,235

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	112	112	9

7. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
EDUCATION:					
Direct costs	1,949,507	95,805	392,005	2,437,317	1,911,467
Support costs	489,462	313,537	345,145	1,148,144	872,409
TOTAL 2022	2,438,969	409,342	737,150	3,585,461	2,783,876
TOTAL 2021	1,935,586	380,406	467,884	2,783,876	

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Education	317,517	3,267,944	3,585,461	2,783,876
TOTAL 2021	90,531	2,693,345	2,783,876	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	2,437,317	1,148,144	3,585,461	2,783,876
TOTAL 2021	1,911,467	872,409	2,783,876	

ANALYSIS OF DIRECT COSTS

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	9,000	9,000	7,000
Staff costs	1,892,849	1,892,849	1,522,506
Depreciation	95,805	95,805	51,791
Educational supplies	79,738	79,738	25,135
Examination fees	31,407	31,407	42,386
Staff development	5,372	5,372	3,445
Other costs	266,488	266,488	229,857
Supply teachers	56,658	56,658	29,347
TOTAL 2022	2,437,317	2,437,317	1,911,467

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	489,462	489,462	383,733
Depreciation	41,701	41,701	20,294
Bad debt write off	3,693	3,693	5,739
Sponsor recharge costs	-	-	30,440
Recruitment and other staff costs	1,049	1,049	12,712
Maintenance of premises and equipment	31,294	31,294	42,794
Cleaning	49,957	49,957	31,075
Rent and rates	284,459	284,459	209,615
Energy costs	32,009	32,009	23,555
Insurance	10,980	10,980	7,074
Security and transport	28,906	28,906	1,282
Catering	32,867	32,867	19,284
Technology costs	23,897	23,897	7,904
Office overheads	78,758	78,758	56,128
Non-education contracts	14,294	14,294	-
Bank interest and charges	3,383	3,383	347
Governance costs	8,810	8,810	20,433
Auditors' remuneration	12,625	12,625	-
TOTAL 2022	1,148,144	1,148,144	872,409

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	136,865	72,085
Fees paid to auditors for:		
- audit	10,000	9,250
- other services	2,325	2,245

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	1,705,368	1,355,510
Social security costs	172,270	136,298
Pension costs	504,673	414,431
	2,382,311	1,906,239
Supply staff costs	56,658	29,347
	2,438,969	1,935,586

b. STAFF NUMBERS

The average number of persons employed by the Academy Trust during the year was as follows:

	2022	2021
	No.	No.
Teachers	25	24
Administration and Support	42	11
Management	6	5
	73	40

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	23	24
Educational Support	16	8
Admin	5	3
Management	6	5
	50	40

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees 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 £428,719 (2021 - £348,185).

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: A Minard: Remuneration £90,000 - £100,000 (2021: £90,000 - £100,000), Employer's pension contributions £20,000 - £25,000 (2020: £10,000 - £15,000).

No other trustees were paid remuneration or received other benefits from an employment with the Trust.

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust 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 year ended 31 August 2022 was £6,821 (2021 - £6,264). The cost of this insurance is included in the total insurance cost.

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2021	2,812,070	31,179	291,866	3,135,115
Additions	-	32,036	248,126	280,162
At 31 August 2022	<u>2,812,070</u>	<u>63,215</u>	<u>539,992</u>	<u>3,415,277</u>
DEPRECIATION				
At 1 September 2021	335,746	10,738	265,060	611,544
Charge for the year	56,241	11,979	68,645	136,865
At 31 August 2022	<u>391,987</u>	<u>22,717</u>	<u>333,705</u>	<u>748,409</u>
NET BOOK VALUE				
At 31 August 2022	<u>2,420,083</u>	<u>40,498</u>	<u>206,287</u>	<u>2,666,868</u>
At 31 August 2021	<u>2,476,324</u>	<u>20,441</u>	<u>26,806</u>	<u>2,523,571</u>

15. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	5,486	2,191
Other debtors	790	417
Prepayments and accrued income	267,330	11,015
Tax recoverable	21,379	6,402
	<u>294,985</u>	<u>20,025</u>

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	93,596	21,619
Amounts owed to connected entity	-	540
Other taxation and social security	45,140	37,333
Other creditors	41,887	35,415
Accruals and deferred income	13,767	11,495
	<hr/> 194,390 <hr/>	<hr/> 106,402 <hr/>

KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General funds	79,007	268,250	(317,517)	-	-	29,740
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	455,234	2,333,636	(2,109,231)	(21,970)	-	657,669
Pupil Premium	-	126,384	(126,384)	-	-	-
Other DfE/ESFA Grants	-	627,796	(627,796)	-	-	-
SEN Funding	-	112,026	(112,026)	-	-	-
Pension reserve	(606,000)	-	(155,000)	-	615,000	(146,000)
	(150,766)	3,199,842	(3,130,437)	(21,970)	615,000	511,669
RESTRICTED FIXED ASSET FUNDS						
DfE/EFA capital grants	2,508,067	258,193	(130,577)	21,970	-	2,657,653
Other capital grants and donations	16,145	-	(6,930)	-	-	9,215
	2,524,212	258,193	(137,507)	21,970	-	2,666,868
TOTAL RESTRICTED FUNDS	2,373,446	3,458,035	(3,267,944)	-	615,000	3,178,537
TOTAL FUNDS	2,452,453	3,726,285	(3,585,461)	-	615,000	3,208,277

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. STATEMENT OF FUNDS (CONTINUED)

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

UNRESTRICTED FUNDS

Unrestricted funds represent funds which may be used towards meeting any of the charitable objectives of the Trust at the discretion of the Trustees

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Start up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

SEN Funding - Funding received by the Local Authority to fund further support for students with additional needs.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

DfE/ESFA Capital Grants - These funds are received from the DfE/ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Other capital grants and donations - These funds were received from third parties for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Fixed assets purchased from GAG - This represents funds transferred from the restricted GAG fund to purchases fixed assets. The fixed asset fund balance at the year end represents the Net Book Value of assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS					
General funds	-	169,538	(90,531)	-	79,007
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	391,058	2,076,432	(2,012,256)	-	455,234
Start up grant	7,787	-	(7,787)	-	-
Pupil Premium	-	103,749	(103,749)	-	-
Teachers' Pay/Pension	-	151,142	(151,142)	-	-
Other DfE/ESFA Grants	-	67,522	(67,522)	-	-
SEN Funding	-	75,379	(75,379)	-	-
Covid related grants	-	74,425	(74,425)	-	-
Pension reserve	(403,000)	-	(129,000)	(74,000)	(606,000)
	(4,155)	2,548,649	(2,621,260)	(74,000)	(150,766)
RESTRICTED FIXED ASSET FUNDS					
DfE/EFA capital grants	2,544,596	30,702	(67,231)	-	2,508,067
Other capital grants and donations	-	20,999	(4,854)	-	16,145
	2,544,596	51,701	(72,085)	-	2,524,212
TOTAL RESTRICTED FUNDS	2,540,441	2,600,350	(2,693,345)	(74,000)	2,373,446
TOTAL FUNDS	2,540,441	2,769,888	(2,783,876)	(74,000)	2,452,453

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,666,868	2,666,868
Current assets	29,740	852,059	-	881,799
Creditors due within one year	-	(194,390)	-	(194,390)
Provisions for liabilities and charges	-	(146,000)	-	(146,000)
TOTAL	<u>29,740</u>	<u>511,669</u>	<u>2,666,868</u>	<u>3,208,277</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,523,571	2,523,571
Current assets	79,007	561,636	641	641,284
Creditors due within one year	-	(106,402)	-	(106,402)
Provisions for liabilities and charges	-	(606,000)	-	(606,000)
TOTAL	<u>79,007</u>	<u>(150,766)</u>	<u>2,524,212</u>	<u>2,452,453</u>

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2022	2021
	£	£
Net income/(expenditure) for the year (as per Statement of financial activities)	140,824	(13,988)
ADJUSTMENTS FOR:		
Depreciation	136,865	72,085
Capital grants from DfE and other capital income	258,193	30,702
Interest receivable	-	9
Defined benefit pension scheme cost less contributions payable	146,000	122,000
Defined benefit pension scheme finance cost	9,000	7,000
(Increase)/decrease in debtors	(274,960)	32,965
Increase/(decrease) in creditors	87,988	(47,573)
NET CASH PROVIDED BY OPERATING ACTIVITIES	503,910	203,200
20. CASH FLOWS FROM FINANCING ACTIVITIES		
	2022	2021
	£	£
Purchase of tangible fixed assets	(280,162)	(51,060)
Interest receivable	-	(9)
Capital grants from DfE and other capital income	(258,193)	(30,702)
NET CASH USED IN FINANCING ACTIVITIES	(538,355)	(81,771)
21. ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2022	2021
	£	£
Cash in hand and at bank	586,814	621,259
TOTAL CASH AND CASH EQUIVALENTS	586,814	621,259

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	621,259	(34,445)	586,814
	621,259	(34,445)	586,814

23. PENSION COMMITMENTS

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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £41,376 were payable to the schemes at 31 August 2022 (2021 - £35,415) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £281,618 (2021 - £250,972).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £112,000 (2021 - £54,000), of which employer's contributions totalled £88,000 (2021 - £41,000) and employees' contributions totalled £24,000 (2021 - £13,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 to 12.5 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.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2022	2021
	%	%
Rate of increase in salaries	4.20	3.85
Rate of increase for pensions in payment/inflation	2.90	2.85
Discount rate for scheme liabilities	3.90	1.70
Inflation assumption (CPI)	2.90	2.85

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. PENSION COMMITMENTS (CONTINUED)

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

	2022	2021
	Years	Years
RETIRING TODAY		
Males	22.1	23.4
Females	24.2	24.8
RETIRING IN 20 YEARS		
Males	23.4	24.8
Females	25.6	26.3

SENSITIVITY ANALYSIS

	2022	2021
	£000	£000
Discount rate +0.1%	(18)	(30)
Discount rate -0.1%	19	31
Mortality assumption - 1 year increase	19	40
Mortality assumption - 1 year decrease	(18)	(26)
CPI rate +0.1%	17	4
CPI rate -0.1%	(17)	(4)

SHARE OF SCHEME ASSETS

The Academy Trust's share of the assets in the scheme was:

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	259,000	219,000
Bonds	22,000	22,000
Property	49,000	35,000
Cash and other liquid assets	7,000	6,000
Liability Driven Investments	52,000	47,000
Infrastructure and alternative assets	90,000	70,000
TOTAL MARKET VALUE OF ASSETS	479,000	399,000

The actual return on scheme assets was a gain of £9,000 (2021 - a gain of 7,000).

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Statement of Financial Activities are as follows:

	2022	2021
	£	£
Current service cost	234,000	163,000
Net interest	9,000	7,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	243,000	170,000

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

	2022	2021
	£	£
AT 1 SEPTEMBER	1,005,000	619,000
Current service cost	234,000	99,000
Interest cost	17,000	12,000
Employee contributions	24,000	13,000
Actuarial (gains)/losses	(642,000)	134,000
Benefits paid	(13,000)	(5,000)
Settlements	-	133,000
AT 31 AUGUST	625,000	1,005,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2022	2021
	£	£
AT 1 SEPTEMBER	399,000	216,000
Interest income	8,000	5,000
Actuarial (losses)/gains	(27,000)	60,000
Employer contributions	88,000	41,000
Employee contributions	24,000	13,000
Benefits paid	(13,000)	(5,000)
Settlements	-	69,000
AT 31 AUGUST	479,000	399,000

**KINGSTON MAURWARD STUDIO SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

24. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	As restated
	£	2021 £
Not later than 1 year	160,251	140,000
Later than 1 year and not later than 5 years	408,151	525,000
	<u>568,402</u>	<u>665,000</u>

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

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year other than certain Trustees' remuneration and expenses already disclosed in note 12.

27. GENERAL INFORMATION

Kingston Maurward Studio School is a company limited by guarantee, incorporated in England and Wales. The registered office is Dorset Studio School, Kingston Maurward, Dorchester, Dorset, DT2 8PX.