
The Stephenson Studio School Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2015

Company Registration No. 07662709

The Stephenson Studio School Trust
REFERENCE AND ADMINISTRATIVE DETAILS

Members	W Devitt G Tacey N Leigh	
Governors (Trustees)	M Anderson*	appointed 7 March 2012 resigned 10 July 2015
	A Collard**	appointed 30 January 2014 resigned 10 July 2015
	W Devitt**	appointed 14 December 2011
	G Gudger**	appointed 7 March 2012 resigned 10 December 2014
	R Kelly*	appointed 14 December 2011
	S Kibble**	appointed 1 August 2013
	G Laird*	appointed 1 January 2013
	N Leigh*	appointed 8 June 2011
	S Forbes	appointed 10 December 2014
	G Tacey*	appointed 8 June 2011
Co-optee	V Creedon	appointed 10 December 2014
* members of the Performance & Review Committee		
** members of the Audit Committee		
Chair	N Leigh	
Accounting Officer	G Laird	
Company Secretary	S Royle	

Principal and Registered Office: The Stephenson Studio School Trust
C/O Stephenson College
Thornborough Road
Coalville
LE67 3TN

Company Registration Number: 07662709

The Stephenson Studio School Trust
REFERENCE AND ADMINISTRATIVE DETAILS

Professional advisors:

Independent Auditor:
RSM UK Audit LLP
(formerly Baker Tilly UK Audit LLP)
St Philips Point
Temple Row
Birmingham
B2 5AF

Bankers:
Lloyds Bank plc
PO Box 908
125 Colmore Row
Birmingham
B3 2DS

Solicitors:
Marrons
1 Meridian South
Meridian Business Park
Leicester
LE19 1WY

Internal Auditor:
Mazars LLP
45 Church Street
Birmingham
B3 2RT

Martineau Johnson LLP
No. 1 Colmore Square
Birmingham
B4 6AA

The Stephenson Studio School Trust GOVERNORS' REPORT

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Stephenson Studio School 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 Stephenson Studio School Trust.

The Governors act as trustees for charitable activities of The Stephenson Studio School Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Stephenson Studio School.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The Charitable Company has purchased Governors and Officers insurance, details of which can be found in note 10 of the accounts.

Principal activities

The Trust's object is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of governors

The Studio School Trust has the capacity to have as governors:

- Up to six Sponsor Governors
- Any Staff Governors
- A minimum of one Parent Governor
- The Headteacher (deemed Principal and Accounting Officer)
- Whilst additional governor(s) can be appointed by the Secretary of State, the Secretary of State has not exercised this right for The Stephenson Studio School Trust.

The total number of governors (including the Headteacher) who are employees of The Stephenson Studio School Trust must not exceed one third of the total number of governors.

The Parent Governors are nominated by parents of registered pupils at the school.

Policies and procedures adopted for the induction and training of governors

New governor training takes place through meetings held with the Clerk to the Corporation.

The Stephenson Studio School Trust GOVERNORS' REPORT (continued)

Organisational structure

Under Section 94 of the Articles of Association, the business of The Studio School Trust is managed by the Governors, the Governing Body and its makeup is defined by the Articles of Association.

The Governing Body's primary role is to approve the strategic direction and objectives of The Stephenson Studio School and monitor its progress towards those objectives. To do this effectively, the Governing Body has formed the following two committees: Performance & Review and Audit.

The makeup and function of the committees are as stated in the standing orders of the Governing Body.

The Governors have delegated to the Headteacher the internal organisation, management and control of the school (including implementation of all policies approved by the Governors and for the teaching and curriculum of the school).

The Headteacher was appointed Accounting Officer on 1 January 2013.

At the meeting on 7 March 2012, the holder of Chair of the Audit Committee had been appointed Responsible Officer of The Stephenson Studio School Trust. At the Board of Trustees meeting of 13 March 2013 it was agreed that as the Academies Financial Handbook no longer made this appointment a requirement and in view of internal audit arrangements put in place by the Board, the role of Responsible Officer would be discontinued.

Risk management

The Governors have assessed the major risks to which The Stephenson Studio School is currently exposed and ensure that steps are taken to mitigate risks. This is done through the sub-committees and includes Educational risks such as The Stephenson Studio School not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. Some significant risks such as public and employee liability are covered by The Stephenson Studio School's insurance policy. Governors have directed the creation of a formal risk register that will be reviewed at least annually.

Connected organisations, including related party relationships

The Stephenson Studio School has strong connections with Stephenson College. When The Stephenson Studio School was created in September 2011, the Stephenson College was the lead sponsor of the Studio School. The Chair of Governors and the Principal of the College sit on the Governing Body of the School.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Stephenson Studio School is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balanced and broad curriculum, provides curriculum emphasis on the English Baccalaureate and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. The Governors confirm that they have had due regard to the Charity Commission's guidance on public benefit.

Stephenson Studio School opened in September 2011. The main objectives of the Stephenson Studio School for the year ended 31 August 2015 are summarised as follows:

- to provide value for money for the funds expended;
- to ensure that the Stephenson Studio School is suitably staffed;
- to comply with all statutory and curriculum requirements;
- to develop and maintain links with local industry and the wider community including working with other educational establishments;
- to conduct the Stephenson Studio School's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Stephenson Studio School's Mission is: excellence and enterprise in learning. The corporate objectives, core values and core behaviours designed to deliver the mission during 2014/15 were:

Corporate Objectives

Quality	Our school will establish a reputation as best performing school in the locations in which we operate. It is our aim that all students progress to further education, higher education or employment.
Growth	We will recruit the target number of students into the school within three years.
Efficiency	We will attract employer sponsors to the school. We will achieve the best value standards aligned to those of the College.
Corporate Social Responsibility	We will operate an admissions policy to maximise opportunity. We will promote student ambassadors. We will seek to support economic recovery through the promotion of entrepreneurship.

Core Values:

- Strive to be the best
- To be the School of choice
- Help each other and our environment
- Use our resources to the benefit of our students

The Stephenson Studio School Trust
GOVERNORS' REPORT (continued)

Core Behaviours:

- Lead by example
- Promote the Studio School
- Question and Challenge
- Accept responsibility and be accountable

Public benefit

The Stephenson Studio School Trust recognises its legal requirement to be able to demonstrate that its aims are for the public benefit; in this case specifically the school has as its main charitable purpose the advancement of education.

Achievements and Performance

In the year up to the 31 August 2015 the following were achieved by the School:

- 97 students were on the school role in the year ended 31 August 2015
- The invalidated results for key stage 4 Students for 2015 are:

	%
Percentage of Students Achieving 5 or more A*-C grades including English and mathematics	33
Percentage of students achieving 5 or more A*-C GCSE grades	33
Percentage of students achieving 3+ A*-A grades	0
Percentage of students achieving 5A*-G grades including English and mathematics	88
Students making 3 or more levels of progress in English between Key Stage 2 and Key Stage 4	75
Students making 3 or more levels of progress in mathematics between Key Stage 2 and Key Stage 4	50
Percentage of students achieving A*-C in English	64
Percentage of students achieving A*-C in mathematics	55

It should be noted that the above results do not highlight the progress made between entry to the school (student starting points) and completion at the end of KS4.

The data below evidences student progress from entry to the school:-

Expected progress from baseline English 94%

- 1.5 grades of progress over one Key Stage equivalent to 3 full grades of progress KS2 to KS4

Good progress from baseline English 75%

- full grades of progress over one Key Stage equivalent to 4 full grades of progress KS2 to KS4

Expected progress from baseline mathematics 78%

- 1.5 grades of progress over one Key Stage equivalent to 3 full grades of progress KS2 to KS4

Good progress from baseline mathematics 50%

2 full grades of progress over one Key Stage equivalent to 4 full grades of progress KS2 to KS4

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that The Stephenson Studio School 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.

It should however be noted that after the year end The Stephenson Studio School Trust was inspected by Ofsted and has been placed into special measures. Following on from discussions with Ofsted and the regional schools commissioner, there are no plans to close or remove the sponsor of The Stephenson Studio School Trust. The Stephenson Studio School Trust will need to secure improvements to ensure its existence post 31st August 2016. Actions have already taken place to strengthen The Stephenson Studio School Trust, by both The Stephenson Studio School Trust and its sponsor to secure the required improvements. On this basis The Stephenson Studio School Trust continues to adopt the going concern basis

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Performance Indicators - Financial Review

During the year ended 31 August 2015, the School received income of £896,000 (2013/14: £1,051,000) from DfE in respect of General Annual Grant and other Government funding, £6,000 (2013/14: £6,000) in the form of DfE capital grants and £37,000 (2013/14: £17,000) other income, giving a total income of £939,000 (2013/14: £1,074,000) for the year. Expenditure for the year amounted to £1,097,000 (2013/14: £1,162,000).

At 31 August 2015 the net book value of fixed assets was £171,000 (2013/14: £248,000) and movements in tangible fixed assets are shown in note 11 to the financial statements.

The School held fund balances at 31 August 2015 of £257,000 (2013/14: £415,000) comprising of surplus of £1,000 (2013/14: £116,000) of restricted general funds, surplus of £207,000 (2013/14: £285,000) of restricted fixed assets and surplus of £49,000 (2013/14: £14,000) of unrestricted general funds.

Financial and risk management objectives and policies

The Governors aim to minimise financial risk as part of their overall responsibilities for risk management. The measures used by the Governors to manage financial risk are included in the separate statement on internal control on page 10.

Principal risks and uncertainties

The School has undertaken work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the School's assets and reputation.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the School is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the School. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

The Stephenson Studio School Trust
GOVERNORS' REPORT (continued)

A risk register is maintained at the School level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the School and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the School. Not all the factors are within the School's control. Other factors besides those listed below may also adversely affect the School.

Liquidity risk

The School manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk

In the absence of borrowings and with low prevailing interest rates, the School is not exposed to significant interest rate risk.

Other risks

The School is exposed to price risks, but is funded by government on the same basis as other schools and budgets accordingly. Nearly all funding comes from government so credit risk is considered to be negligible.

Reserves policy

The College seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. Free reserves at the period end totalled £49,000.

Investment policy

The Stephenson Studio School Trust has no current plans to move surplus funds into separate investment funds.

Plans for Future Periods

The future plans for the Studio School include focusing on:

- Strengthening the excellent links with local businesses.
- Embedding core projects that develop student contribution to their community.
- Increase roll numbers by promoting positive relationships within the community.

Auditors

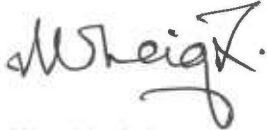
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Stephenson Studio School Trust
GOVERNORS' REPORT (continued)

Approved by order of the Governing Board at its meeting on 9 December 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'N. Leigh', with a stylized flourish at the end.

Nigel Leigh
Chair
18 December 2015

The Stephenson Studio School Trust
GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Stephenson Studio School Trust has effective and appropriate systems 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 The Stephenson Studio School Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met three times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
M Anderson	4	4
A Collard	4	4
V Creedon	1	3
W Devitt	3	4
S Forbes	1	3
S Kibble	4	4
R Kelly	2	4
G Laird	4	4
N Leigh	3	4
G Tacey	3	4

The Performance & Review committee is a sub-committee of the main governing body. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Anderson	3	3
R Kelly	2	3
G Laird	3	3
N Leigh	1	3
G Tacey	3	3

The Audit Committee is also a sub-committee of the main governing body. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
A Collard	1	3
W Devitt	1	3
S Forbes	1	2
S Kibble	2	3

Governance reviews

There will be a review of Governance during the 2015/16 Academic Year.

Review of Value for Money

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

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year demonstrated by:

1. Key Stage 4 student progress was broadly average or above in most subject areas (based upon value added).
2. The proportion of disadvantaged students making and exceeding expected progress in English and mathematics was similar to that of other pupils nationally.
3. Ensuring that students at The Stephenson Studio School Trust have a positive experience and enjoy their time with The Stephenson Studio School Trust. This is evidenced by above average attendance statistics, 0% of students leaving the The Stephenson Studio School Trust are classified at NEET (Not in Employment, Education or Training) and 100% of Key Stage 5 got into their first choice university (50% of the cohort).

The Stephenson Studio School Trust has identified that it can further improve value for money through providing early intervention to new students who have not made sufficient progress from Key Stage 2 to ensure these students reach their full potential and achieve there expected outcomes.

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 Studio School 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 The Stephenson Studio School Trust for the year ended 31 August 2015 and up to the date of approval of The Stephenson Studio School Trust's annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Studio School Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Studio School Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.