

# Plymouth Studio School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

Registration number: 08318068

# **Plymouth Studio School**

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# Plymouth Studio School

## Reference and Administrative Details

<b>Members</b>	P A Davies, representing City College Plymouth K M Cook, representing the University of St Mark & St John N J Cove, representing City College Plymouth M J Starnes, representing Plymouth Argyle Football Club
<b>Trustees (Directors)</b>	S Abbott (appointed 1 September 2015) M W Evans (appointed 1 September 2015 and resigned 7 September 2016) M L Lennon (appointed 1 September 2015 and resigned 8 October 2016) D Gibson (appointed 1 September 2015) G J Marshall (appointed 1 September 2015) G B Golder (appointed 1 September 2015) S T Cinnamond (appointed 1 September 2015) A L Lumley (appointed 1 September 2015) T L Watkinson (appointed 1 September 2015) S Wilson (appointed 1 September 2015) K Nicholls (appointed 9 March 2016) C D Longworth (appointed 9 March 2016) C Chisholm (appointed 17 October 2016)
<b>Senior Management Team</b>	M L Lennon - Principal (resigned 08/10/16) C Chisholm - Principal (appointed 17/10/16)
<b>Principal and Registered Office</b>	C Chisholm City College Plymouth Kings Road Plymouth PL1 5QG
<b>Company Registration Number</b>	08318068
<b>Independent Auditors</b>	PKF Francis Clark Statutory Auditor North Quay House Sutton Harbour Plymouth Devon PL4 0RA

# **Plymouth Studio School**

## **Trustees' Report for the Year Ended 31 August 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

### **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 Plymouth Studio School Limited are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Plymouth Studio School Ltd.

Details of the Trustees 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 company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

#### ***Trustees' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

#### ***Method of recruitment and appointment or election of Trustees***

As per the Articles of Association, the number of Governors shall not be less than 3 but shall not be subject to any maximum.

The Members may appoint up to 9 Governors, provided that in making such appointments the Members shall ensure that representatives of the Sponsors form a majority of the total number of Governors and that one Governor shall be a senior management team member or governor of University of St Mark & St John (for so long as University of St Mark & St John shall remain a Member).

The Members may appoint up to 2 Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

In addition, a minimum of 2 Parent Governors shall be appointed by election of parents of registered pupils at the academy. A Parent Governor must be a parent of a pupil at the academy at the time when he is elected.

The Principal shall be treated for all purposes as being an ex-officio Governor. The Governors may also appoint a maximum of 3 co-opted Governors.

## **Plymouth Studio School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### ***Policies and procedures adopted for the induction and training of Trustees***

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Governors are provided with the means by which to obtain copies of policies from the Academy web site, also procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

#### ***Organisational structure***

The Governors shall appoint the Principal. The Governors delegate such powers and functions as they consider are required by the Principal for the internal organisation, management and control of the academy (including the implementation of all policies approved by the Governors and for the direction of the teaching and curriculum at the Academy).

Governors have a responsibility for determining, monitoring and reviewing the policies, plans and procedures within which the academy operates. The Governing Body as Directors/ Trustees are responsible for ensuring that the relevant statutory documents are delivered to Companies House in a timely manner, administering the Academy's finances and applying the income and property only for the purposes set out in the governing documents and participating in Governing Body meetings. The Governing Body as Directors act within their powers as set out in the Articles and in their capacity as Trustees of the Academy Trust under charity law accept ultimate responsibility for directing the affairs of the academy ensuring it is solvent, well-run and delivering the charitable outcomes for the benefit of the public for which it has been set up.

#### ***Arrangements for setting pay and remuneration of key management personnel***

The staffing structure for the Academy, including the format of the senior leadership team, is approved by the Finance and Resources Committee having regard to pupil numbers and curriculum needs and budgetary resources. During 2015/16, Key Management Personnel was limited to the Principal.

The Principal's pay structure is based on the minimum and maximum points for Head Teachers as determined by the School Teachers Pay and Conditions document. The Finance and Resources Committee is responsible for reviewing the performance of the Principal against previously set objectives. Annual pay progression is not automatic and progression is only considered where there has been a sustained high quality of performance. In deciding the appropriate level of salary the Finance and Resources Committee will take into account the existing level of the Principal's pay, the financial position of the academy, pay awards given to other teaching staff, UK Consumer price index increases (or decreases as the case may be), the competitive position of the Principal's remuneration, whether there has been any change in responsibility and job scope, and any other relevant national data for performance and pay.

The Trustees other than the Principal and staff member did not receive any remuneration.

# **Plymouth Studio School**

## **Trustees' Report for the Year Ended 31 August 2016 (continued)**

### ***Risk management***

The Governors undertake a formal risk management process to identify, assess and, where possible, establish controls for the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. This process involves identifying the types of risk the Academy faces, scoring and prioritising them in terms of their potential operational, compliance, financial and strategic impact, assessing the likelihood of occurrence and identifying means of mitigating or transferring the risks taking into account the costs relative to the benefit obtained.

In the opinion of the Governors, the Academy has implemented appropriate and effective systems, procedures and internal controls (including those relating to finance set out in the Statement on Internal Control) to allow the risks identified to be managed or mitigated to an acceptable level to ensure that the Academy's ambitions can be delivered.

### ***Related parties and other connected charities and organisations***

The Members are set out on page 1 and are considered to be the principal connected parties. The members represent the following organisations:

- City College Plymouth
- University of St Mark and St John
- Plymouth Argyle

Details of the related party transactions with these organisations are set out in note 22 to the Financial Statements.

### **Objectives and activities**

#### ***Objects and aims***

Plymouth Studio School is a new Academy school which specialises in sport, leisure and tourism, and hospitality event management.

The vision of our Academy is to create a small school that fosters a culture of high expectation and achievement based on a personalised approach to learning, supported by a range of influential and dynamic partnerships with a variety of stakeholders.

With a maximum of 300 student places, Plymouth Studio School provides small class sizes with a focus on personalised, tailored learning, allowing each student to fulfil their own goals and reach their potential.

The Academy offers a specialist Sport Performance Programme to develop young athletes and help them fulfil their full potential by giving them a chance to combine their sporting achievements and training with academic excellence and a variety of career paths. For non-sports students, our professional route allows students to study for their traditional academic qualifications in a motivating and stimulating environment. In this way, in addition to qualifications, students develop the essential skills they need for life and the workplace like good communication, enterprise, the ability to manage themselves and others and to find solutions that work in real life.

Through fundamental partnerships with the local lifestyle and visitor economy employers, together with parents and the wider community, the academy's ethos, learning environment and curriculum reflects the current and future needs of the employment sectors and the City.

## **Plymouth Studio School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### ***Objectives, strategies and activities***

In accordance with the articles of association the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academy, the area from which students are drawn, and that the curriculum should comply with the national agenda with an emphasis on technical education.

Plymouth Studio School offers a unique new learning environment for those looking to combine academic excellence with a focus on sporting achievement and careers in sport.

The Academy offers a combination of GCSEs, A levels and BTEC qualifications combined with specialist pathways in Sports Performance, Sports Development & Coaching and Sports Management. A specialist Sport Performance Programme is in place to develop young athletes and help them fulfil their full potential by enabling them to effectively combine their sporting achievements and training with academic excellence and a variety of career paths.

The unique sports based environment brings skills like motivation, focus, determination, teamwork, leadership and achievement into the classroom and gives students the skills they need to succeed in their chosen careers, in life and in the workplace.

#### ***Public benefit***

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

## **Plymouth Studio School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

A number of Plymouth Studio School students have represented their clubs and their country at Championships both home and abroad. These include:

- Yr 12 Kay Bryson, 5th position at the British Fencing National Championships
- Yr 12 Elizabeth Stacey, Bronze medal at the West Regional Schools Indoor Rowing Championships; 5th position at the National Indoor Rowing Championships; 2 Bronze medals at the Youth European Championships in Barcelona; Bronze medal at the GB Women's Modern Pentathlon and Mixed Relay
- Yr 12 Tate Budge, 1 Gold medal and 2 Silver medals at the International Taekwondo Federation (ITF) National Championships, securing his place on Team UK.
- Yr 10 Rhys Roffey, Bronze medal in the ITF National UK Championships
- Yr 12 Harry Edwards represented UK at the World Dance Championships at the Blackpool Winter Gardens
- Yr 12 Matt Dixon, Gold medal in the LEN European Diving Championships in Croatia
- Yr 10 Cody Powell-Tuckett, Silver medal for England in the Mediterranean Diving Cup in Italy.

##### ***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.



## **Plymouth Studio School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### ***Key performance indicators***

2015/16 was the first year of operation for the Academy. The Academy opened in temporary accommodation within the university of St Mark and St John campus. During the year there were an average of 70 pupils, against the original approved pupil number of 65, and an in year adjustment (increase) to funding was received in April 2016 following the October and January Census.

The Academy employed 9 FTE staff during the year as follows:

- Teachers 6
- Administration and support 2
- Management 1

At the start of the year, the Academy set out an Improvement Plan for the year. School Improvement Plan priorities are based on the following themes

- Teaching and Learning
- Community
- Strategy and Quality

Although operating from temporary accommodation, the Academy progressed and achieved over 88% of its school improvement plan indicators. Work on achieving the remaining indicators will be progressed following the move to the new building.

The Academy received two monitoring visits from the Department for Education in December 2015 and June 2016, which reviewed the school against the main Ofsted criteria. No significant issues were identified. The main strengths identified included:

- Commitment of senior leaders to succeed
- Work ethic of staff
- Individualised Support
- Staff/student relationships
- Response to self-evaluation
- Elite sports specialism

A small number of areas for further development were also highlighted and these areas have been embedded within the School Improvement Plan for 2016/17.

During the year the Academy has also been subject to various financial / funding monitoring reviews:

- In February 2016, the EFA undertook a Financial Management and Governance Self-Assessment (FMGS) review. The Academy passed 23 of the specific questions asked and conditionally met the remaining nine, for which an action plan was drawn up. All recommendations have now been fully implemented.
- An internal audit review of the main system controls in place during the year was also undertaken and concluded that controls in place were adequate. Two minor recommendations were made and steps have been taken to implement these suggestions for the new academic year.

# Plymouth Studio School

## Trustees' Report for the Year Ended 31 August 2016 (continued)

### Strategic Report

#### Financial review

The majority of the Academy's income is obtained from the Department for Education, distributed and monitored through the Education Funding Agency (EFA) in the form of recurrent grants (based on pupil numbers), the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy has also received significant grant funding from the EFA for the capital new build and acquisition of IT and specialist equipment. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charge over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure against restricted general funds of £608k (excluding the pension reserve) was covered by recurrent grants from the EFA of £617k and other income of £4k leading to a surplus in the restricted general fund in the year of £13k. Reserves brought forward of £87k contribute to the balance of restricted reserves of £100k at the balance sheet date

At 31 August 2016 the net book value of fixed assets was £3,929k. Movements in tangible fixed assets are shown in note 11 to the accounts. The assets relate to the costs of the temporary accommodation, the new build, IT and specialist equipment. Intangible assets totalling £12k were held at the balance sheet date wholly relating to software. With the exception of the new build which is still under construction as at 31 August 2016, all assets were used exclusively for providing education and the associated support services to the pupils of the Academy. The accumulated fixed asset reserve at the balance sheet date, after allowing for depreciation was £3,941k.

#### *Financial and risk management objectives and policies*

The principal risk facing the academy trust is the future level of government funding. This risk is carefully managed by careful control over budgeted expenditure.

#### *Reserves policy*

During the early years of operation as the roll builds, GAG Funding levels create little opportunity to achieve a surplus. Accordingly, the reserves policy of the Academy Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the Department for Education. The academy currently has £100k of restricted reserves. In addition, the Academy has £1k of unrestricted reserves. The policy, adopted in September 2015, will be subject to review by the Finance & Resources Committee on a 3-yearly cycle.

#### *Investment policy*

Investments must be made only in accordance with written procedures approved by the Governing Body. At the current time, investment arrangements approved by the Governing Body are limited to low risk short term bank deposits, with the academies banking partner, Barclays Bank PLC.

## **Plymouth Studio School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### ***Principal risks and uncertainties***

The Governors undertake a formal risk management process to identify, assess and, where possible, establish controls for the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. This process involves identifying the types of risk the academy faces, scoring and prioritising them in terms of their potential operational, compliance, financial and strategic impact, assessing the likelihood of occurrence and identifying means of mitigating or transferring the risks taking into account the costs relative to the benefit obtained.

Outlined below is a description of the principal risk factors that may affect the academy; other factors besides those listed below may also adversely affect the academy.

- Pupil recruitment - The academy is now in its second year of opening and continues recruitment of pupils over the next few years towards full capacity of 300 pupils. In order to enable the academy to deliver its aims and objectives, recruitment must be sufficient to support the requisite staffing and other resource requirements over the medium term. Trustees receive monthly management accounts, which include a forecast for the year. A separate medium term financial plan is in place.
- Government funding – The academy has considerable reliance on continued Government funding. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk is carefully managed through effective control of expenditure in order to match the available resource.
- Permanent accommodation – The academy opened its new permanent site at the University of St Mark & St John campus in November 2016. There is a risk that the building after handover may not be sufficiently devoid of snags that effective learning and teaching cannot be delivered. Progress against the building contract / snag list is monitored at each Trustee meeting.

In the opinion of the Governors, the academy has implemented appropriate and effective systems, procedures and internal controls (including those relating to finance set out in the Statement on Internal Control) to allow the risks identified to be managed or mitigated to an acceptable level to ensure that the academy's ambitions can be delivered.

## Plymouth Studio School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report

##### *Plans for future periods*

The Academy will strive to improve the levels of performance of its students at all levels and make efforts to ensure its students achieve the exam successes they require to progress on to higher education, apprenticeships or to full time employment.

In November 2016, the new building was successfully opened and has the necessary space to implement small focused groups for those students requiring additional support.

The School Improvement Plan for 2016/17 maintains the focus on inclusion and will deliver performance improvements against a number of key themes set out below. In addition, through membership of the South West Teaching Schools Alliance (SWTSA), the academy will benchmark performance against other leading schools, work with others on joint developments and to learn from supporting others.

Key themes for 2016/17 include:

- Assessment for learning
- Providing stretch and challenge for most able
- Increasing the proportion of outstanding teaching
- Improving attendance
- Further student recruitment towards full roll
- Improving engagement with parents

##### **Funds held as Custodian Trustee on behalf of others**


The Academy has no reportable arrangements where it is acting as custodian trustee.

##### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees, as the company directors, on 13/11/16 and signed on its behalf by:

  
.....  
S Abbott  
Trustee

# Plymouth Studio School

## Governance Statement

### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Plymouth Studio School 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 C Chisholm, 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 Plymouth Studio School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Abbott	4	5
S T Cinnamond	4	5
M W Evans	3	5
D Gibson	5	5
G B Golder	4	5
M L Lennon	5	5
C D Longworth	2	3
A L Lumley	1	5
G J Marshall	4	5
K Nicholls	3	3
T L Watkinson	3	5
S Wilson	5	5

### Governance reviews

During the year the Academy Trust was subject to a Financial Management and Governance Self-Assessment (FMGS) review. The Academy Trust passed 23 of the specific questions asked and conditionally met the remaining 9 for which an action plan was drawn up. The results of the review were reported to the trustees who immediately took steps to implement the action plan.

New trustees complete a self assessment questionnaire and specific training is given as required in addition to basic induction training. Various specific training sessions have been delivered to the trustees over the year, such as safeguarding training, and all trustees are required to complete an online safeguarding module ensuring that all trustees are fully aware of their role and responsibilities in this area.

The entire board was appointed during the financial year.

## Plymouth Studio School

### Governance Statement (continued)

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor financial performance and control systems. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Wilson	5	5
M L Lennon	5	5
C D Longworth	1	3
A L Lumley	3	5
G J Marshall	5	5
T L Watkinson	4	5
N J Cove	5	5

#### Review of value for money

As accounting officer the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. 2015/16 was the first year of operation for the School. The main focus has been on implementing systems and procedures to support the teaching and learning of the students.

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 during the year by:

- Considering the most cost effective method of delivering support services.

Financial management and other support is provided under an agreement with City College Plymouth. This has enabled the school to utilise the expertise of the college managers and staff not only to ensure effective controls are built into all financial processes, but to use the college buying power to negotiate favourable rates for supplies and services through tender and quotation exercises.

All financial transactions are processed through the college finance system, under a separate company set up, ensuring quality and timeliness of financial management information at a minimal cost.

The trust has negotiated an IT support arrangement from a local company ensuring a high level of technical support is available as required to minimise any disruption to teaching and learning and general business processes.

## **Plymouth Studio School**

### **Governance Statement (continued)**

Working with the local University, the trust has employed a degree student to provide the science technician support, providing a cost effective service whilst providing valuable work experience for the student.

Undertaking an options appraisal for facilities management, catering and cleaning for the new building and selecting the most cost effective method of delivery. An in house appointment was made for facilities management whilst catering and cleaning will be provided under an SLA with the University of St Mark and St John.

- Negotiating with specialist coaches to provide sessions and workshops for students in return for work experience and use of facilities and equipment.
- Providing staff cover for absences from internal resources as a first call.
- Ensuring teaching resources are matched to need, utilising part time contracts where necessary.

#### **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 ongoing 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 Plymouth Studio School for the year ended 31 August 2016 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 ending 31 August 2016 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 Resources 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 considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed PKF Francis Clark, the external auditor, to perform additional checks

## Plymouth Studio School

### Governance Statement (continued)

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase and payment systems
- testing of bank and other reconciliations
- testing of management reporting

The auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Academy Trust received one report on internal control checks during the year. There were no material control or other issues reported by PKF Francis Clark during the year.


#### Review of effectiveness

As Accounting Officer, C Chisholm has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the programme of internal control checks performed by the external auditor;
- the work of the external auditor;
- 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 Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources 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 on ...13/12/16... and signed on its behalf by:

  
.....  
S Abbott  
Trustee



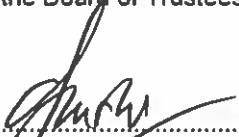
## Plymouth Studio School

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Plymouth Studio School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

  
.....  
C Chisholm  
Accounting officer

Date: 13/12/16.

## Plymouth Studio School

### Statement of Trustees' Responsibilities

The Trustees (who are 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 Annual Accounts Direction published by the Education 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13/12/16 and signed on its behalf by:

  
.....  
S Abbott  
Trustee

## **Plymouth Studio School**

### **Independent Auditor's Report on the Financial Statements to the Members of Plymouth Studio School**

We have audited the financial statements of Plymouth Studio School for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's Trustees, 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 charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and Auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 16), the Trustees (who are also the directors of the charitable company 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

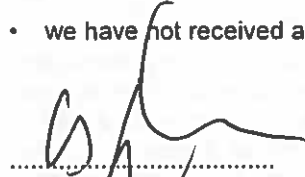
#### **Matters on which we are required to report by exception**

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

## Plymouth Studio School

### Independent Auditor's Report on the Financial Statements to the Members of Plymouth Studio School (continued)

- 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.



.....  
Charles Evans FCA (Senior Statutory Auditor)  
For and on behalf of PKF Francis Clark, Statutory Auditor

North Quay House  
Sutton Harbour  
Plymouth  
Devon  
PL4 0RA

Date: 15/12/16.....

## **Plymouth Studio School**

### **Independent Reporting Accountant's Report on Regularity to Plymouth Studio School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 5 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Plymouth Studio School during the period 1 September 2015 to 31 August 2016 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 the Board of Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Board of Trustees and the EFA 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 the Board of Trustees and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's Accounting Officer and the reporting Accountant**

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 26 March 2015 and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

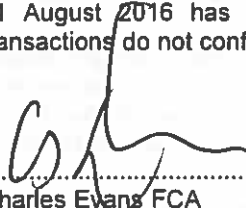
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## Plymouth Studio School

### Independent Reporting Accountant's Report on Regularity to Plymouth Studio School and the Education Funding Agency (continued)

#### Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Charles Evans FCA

For and on behalf of PKF Francis Clark, Chartered Accountants

North Quay House  
Sutton Harbour  
Plymouth  
Devon  
PL4 0RA

Date: 15/12/16 .....

## Plymouth Studio School

### Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2016 £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	3,640	3,640
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	3	621	-	625
Other trading activities	4	1	-	-	1
<b>Total</b>		<b>4</b>	<b>621</b>	<b>3,640</b>	<b>4,266</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	3	614	118	735
<b>Net income</b>		<b>1</b>	<b>8</b>	<b>3,523</b>	<b>3,531</b>
<b>Other recognised gains and losses</b>					
Opening defined benefit pension scheme liability		-	(72)	-	(72)
Actuarial loss on defined benefit pension schemes	24	-	(60)	-	(60)
<b>Net movement in funds/(deficit)</b>		<b>1</b>	<b>(124)</b>	<b>3,523</b>	<b>3,399</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2015		1	87	418	505
<b>Total funds/(deficit) carried forward at 31 August 2016</b>		<b>1</b>	<b>(38)</b>	<b>3,941</b>	<b>3,904</b>

## Plymouth Studio School

### Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	420	420
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	300	-	300
Other trading activities	4	1	-	-	1
<b>Total</b>		<b>1</b>	<b>300</b>	<b>420</b>	<b>720</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	213	2	215
<b>Net income</b>		<b>1</b>	<b>87</b>	<b>418</b>	<b>505</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>1</b>	<b>87</b>	<b>418</b>	<b>505</b>
<b>Reconciliation of funds</b>					
Total funds carried forward at 31 August 2015		1	87	418	505




# Plymouth Studio School

## (Registration number: 08318068) Balance Sheet as at 31 August 2016

	Note	2016 £ 000	2015 £ 000
<b>Fixed assets</b>			
Intangible assets	10	12	14
Tangible assets	11	3,929	404
		<u>3,941</u>	<u>418</u>
<b>Current assets</b>			
Stocks	12	2	-
Debtors	13	681	328
Cash at bank and in hand		173	204
		<u>856</u>	<u>531</u>
Creditors: Amounts falling due within one year	14	<u>(751)</u>	<u>(444)</u>
Net current assets		<u>105</u>	<u>87</u>
Total assets less current liabilities		4,046	505
Provisions	15	<u>(4)</u>	<u>-</u>
Net assets excluding pension liability		4,042	505
Defined benefit pension scheme liability	24	<u>(138)</u>	<u>-</u>
Total assets		<u>3,904</u>	<u>505</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		100	87
Restricted fixed asset fund		3,941	418
Restricted pension fund		<u>(138)</u>	<u>-</u>
		<u>3,903</u>	<u>505</u>
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>1</u>	<u>1</u>
Total funds		<u>3,904</u>	<u>505</u>

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue on 13/12/16 and signed on their behalf by:

  
.....  
S Abbott  
Trustee

## Plymouth Studio School

### Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £ 000	2015 £ 000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	(31)	204
Cash flows from investing activities	21	<u>          </u>	<u>          </u> -
Change in cash and cash equivalents in the year		(31)	204
Cash and cash equivalents at 1 September		<u>204</u>	<u>          </u> -
Cash and cash equivalents at 31 August	22	<u>173</u>	<u>204</u>

# **Plymouth Studio School**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

### **1 Accounting policies**

#### **Statement of accounting policies**

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

#### **Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Plymouth Studio School meets the definition of a public benefit entity under FRS 102. These financial statements are the first financial statements of Plymouth Studio School prepared in accordance with FRS 102. Refer to note 28 for more details on the first time adoption and explanation of transition to FRS 102.

#### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income**

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

## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### ***Grants***

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

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

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

##### ***Sponsorship income***

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

##### ***Donations***

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

##### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### ***Donated goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 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.

# Plymouth Studio School

## Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

### 1 Accounting policies (continued)

#### **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.

All resources expended are inclusive of irrecoverable VAT.

#### **Expenditure on raising funds**

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

#### **Charitable activities**

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

#### **Intangible fixed assets**

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Software	33% straight line

# Plymouth Studio School

## Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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.

Asset class	Depreciation method and rate
Land	Not depreciated
Fixtures, fittings and equipment	15% straight line
ICT equipment	33% straight line
Leasehold land and buildings	2.5% straight line

The temporary leasehold land and buildings, in use whilst the main academy building is under construction, are being depreciated over the 2 year lease.

#### Liabilities

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

#### Provisions

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

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

## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### **Leased assets**

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

##### **Stock**

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

##### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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.

## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### **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 Education Funding Agency/Department for Education.

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.



## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### ***Critical areas of judgement***

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by The Academy Trust either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of The Academy Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

##### **Other key sources of estimation uncertainty**

###### **• Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

##### **Agency accounting**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 2 Donations and capital grants

	Restricted fixed asset funds £ 000	Total 2016 £ 000	Total 2015 £ 000
Capital grants	<u>3,640</u>	<u>3,640</u>	<u>420</u>

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
<b>DfE/EFA revenue grants</b>				
Project development grant	-	-	-	300
General Annual Grant	-	559	559	-
Other DfE/EFA grants	-	58	58	-
	<u>-</u>	<u>617</u>	<u>617</u>	<u>300</u>
<b>Other government grants</b>				
Local authority grants	-	3	3	-
<b>Non-government grants and other income</b>				
Other income for The Academy Trust's educational operations	3	2	5	-
<b>Total grants</b>	<u>3</u>	<u>621</u>	<u>625</u>	<u>300</u>

#### 4 Other trading activities

	Unrestricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
Other income	<u>1</u>	<u>1</u>	<u>1</u>

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 5 Expenditure

	Non Pay Expenditure			Total 2016 £ 000	Total 2015 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
<b>Academy's educational operations</b>					
Direct costs	348	-	61	409	-
Allocated support costs	25	182	117	325	215
	<u>374</u>	<u>182</u>	<u>178</u>	<u>735</u>	<u>215</u>

#### Net incoming/outgoing resources for the year include:

	2016 £ 000	2015 £ 000
Operating leases - other leases	47	-
Amortisation of intangible fixed assets	6	-
Fees payable to auditor - audit	6	2
- other audit services	1	1
Depreciation of tangible fixed assets	<u>112</u>	<u>-</u>

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 6 Charitable activities

		Total 2016 £ 000	Total 2015 £ 000
<b>Direct costs - educational operations</b>		409	-
<b>Support costs - educational operations</b>		<u>325</u>	<u>215</u>
		<u>735</u>	<u>215</u>
	<b>Educational operations £ 000</b>	<b>Total 2016 £ 000</b>	<b>Total 2015 £ 000</b>
<b>Analysis of support costs</b>			
Support staff costs	25	25	86
Depreciation and amortisation	118	118	-
Technology costs	9	9	15
Premises costs	65	65	-
Other support costs	99	99	114
Governance costs	<u>9</u>	<u>9</u>	<u>-</u>
<b>Total support costs</b>	<u>325</u>	<u>325</u>	<u>215</u>

Within direct costs £1,000 (2015: £Nil) of the expenditure is unrestricted and £408,000 (2015: £Nil) restricted. Within support costs £2,000 (2015: £Nil) of the expenditure is unrestricted and £323,000 (2015: £215,000) is restricted.

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 7 Staff

##### Staff costs

	2016 £ 000	2015 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	294	71
Social security costs	21	6
Pension costs	51	9
	<u>367</u>	<u>86</u>
Supply teacher costs	2	-
Staff restructuring costs	5	-
	<u>374</u>	<u>86</u>

2016  
£ 000

##### Staff restructuring costs comprise:

Redundancy payments	<u>5</u>
---------------------	----------

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015: £Nil).

##### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2016 No
<b>Charitable Activities</b>	
Teachers	7
Administration and support	3
Management	<u>1</u>
	<u>11</u>

##### Higher paid staff

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

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 7 Staff (continued)

	2016 No
£70,001 - £80,000	<u>1</u>

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) received by key management personnel for their services to the Academy Trust was £87,360 (2015: £62,313).

#### 8 Related party transactions - 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, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

M L Lennon (Principal):

Remuneration: £75,000 - £80,000 (2015 - £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £5,000 - £10,000)

The remuneration disclosed for the 2015 year related to 8 months of employment.

During the year ended 31 August 2016, travel and subsistence expenses totalling £182 (2015 - £Nil) were reimbursed or paid directly to 1 Trustees (2015 - 0).

Other related party transactions involving the Trustees are set out in note 25.

#### 9 Trustees' and officers' insurance

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

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 10 Intangible fixed assets

	Software £ 000	Total £ 000
<b>Cost</b>		
At 1 September 2015	14	14
Additions	<u>3</u>	<u>3</u>
At 31 August 2016	<u>17</u>	<u>17</u>
<b>Amortisation</b>		
Charge for the year	<u>6</u>	<u>6</u>
At 31 August 2016	<u>6</u>	<u>6</u>
<b>Net book value</b>		
At 31 August 2016	<u>12</u>	<u>12</u>
At 31 August 2015	<u>14</u>	<u>14</u>

#### 11 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
<b>Cost</b>				
At 1 September 2015	283	33	88	404
Additions	<u>3,546</u>	<u>34</u>	<u>57</u>	<u>3,637</u>
At 31 August 2016	<u>3,829</u>	<u>67</u>	<u>145</u>	<u>4,041</u>
<b>Depreciation</b>				
Charge for the year	<u>56</u>	<u>8</u>	<u>48</u>	<u>112</u>
At 31 August 2016	<u>56</u>	<u>8</u>	<u>48</u>	<u>112</u>
<b>Net book value</b>				
At 31 August 2016	<u>3,773</u>	<u>59</u>	<u>96</u>	<u>3,929</u>
At 31 August 2015	<u>283</u>	<u>33</u>	<u>88</u>	<u>404</u>

#### 12 Stock

Clothing	<u>2</u>
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## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 13 Debtors

	2016 £ 000	2015 £ 000
Trade debtors	-	1
Prepayments	8	10
Accrued grant and other income	447	229
VAT recoverable	224	88
Other debtors	3	-
	<u>681</u>	<u>328</u>

#### 14 Creditors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade creditors	5	242
Other taxation and social security	8	-
VAT grant repayable	238	36
Other creditors	35	-
Accruals	466	166
	<u>751</u>	<u>444</u>

#### 15 Provisions

	Redundancy Provision £ 000	Total £ 000
Charged to SOFA	4	4
At 31 August 2016	<u>4</u>	<u>4</u>



## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 16 Funds

	Balance at 1 September 2015 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2016 £ 000
<b>Restricted general funds</b>					
DfE Project development grant	87	-	-	(87)	-
General Annual Grant	-	559	(545)	87	100
Other DfE/EFA grants	-	58	(58)	-	-
Local authority grants	-	3	(3)	-	-
Other restricted income	-	2	(2)	-	-
	<u>87</u>	<u>621</u>	<u>(608)</u>	<u>-</u>	<u>100</u>
<b>Restricted fixed asset funds</b>					
EFA Capital grant	418	3,640	(118)	-	3,941
<b>Restricted pension funds</b>					
Restricted Pension Fund	-	-	(6)	(132)	(138)
Total restricted funds	<u>505</u>	<u>4,262</u>	<u>(731)</u>	<u>(132)</u>	<u>3,903</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>1</u>	<u>4</u>	<u>(3)</u>	<u>-</u>	<u>1</u>
Total funds	<u>505</u>	<u>4,266</u>	<u>(735)</u>	<u>(132)</u>	<u>3,904</u>

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

**Restricted fixed asset funds** - This represents grant funding received and receivable from the EFA for construction of the new school building. This building was under the course of construction at the year end date and so no depreciation has yet been charged on the asset. The depreciation that has been charged is on temporary accommodation that has been used in the interim period.

**Restricted general funds** - The project development grant from the DfE has been utilised in line with the agreement. Funds carried forward are to be used for future development of the academy. These funds have been transferred to General Annual Grants in the year to be used in line with the general educational objectives of the academy, as permitted.

**Unrestricted funds** - Unrestricted funds are generated by food, beverage and uniform sales which may be used towards meeting any of the charitable objects of the academy trust.

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	12	12
Tangible fixed assets	-	-	3,929	3,929
Current assets	1	855	-	856
Current liabilities	-	(751)	-	(751)
Provisions	-	(4)	-	(4)
Pension scheme liability	-	(138)	-	(138)
Total net assets	<u>1</u>	<u>(38)</u>	<u>3,941</u>	<u>3,904</u>

#### 18 Capital commitments

	2016 £ 000	2015 £ 000
Contracted for, but not provided in the financial statements	<u>608</u>	<u>76</u>

#### 19 Financial commitments

##### *Operating leases*

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £ 000	2015 £ 000
Amounts due within one year	<u>26</u>	<u>47</u>

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2016 £ 000	2015 £ 000
Net income	3,531	505
Amortisation	6	-
Depreciation	112	-
Capital grants from DfE and other capital income	(3,640)	(418)
Defined benefit pension scheme cost less contributions payable	3	-
Defined benefit pension scheme finance cost	3	-
Increase in stocks	(2)	-
Increase in debtors	(354)	(328)
Increase in creditors	307	444
Increase in provisions	4	-
Net cash (used in)/provided by Operating Activities	<u>(31)</u>	<u>204</u>

#### 21 Capital expenditure and financial investment

	2016 £ 000	2015 £ 000
Purchase of intangible fixed assets	(3)	-
Purchase of tangible fixed assets	(3,637)	(418)
Capital grants from DfE/EFA	<u>3,640</u>	<u>418</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>

#### 22 Analysis of cash and cash equivalents

	At 31 August 2016 £ 000	At 31 August 2015 £ 000
Cash at bank and in hand	<u>173</u>	<u>204</u>
Total cash and cash equivalents	<u>173</u>	<u>204</u>

#### 23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **24 Pension and similar obligations**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 24 Pension and similar obligations (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £42,022 (2015: £Nil).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £8,000 (2015 - £Nil), of which employer's contributions totalled £6,000 (2015 - £Nil) and employees' contributions totalled £2,000 (2015 - £Nil). The agreed contribution rates for future years are 14.3 per cent for employers and 5.5 - 12.5 per cent for employees.

#### Principal actuarial assumptions

	At 31 August 2016 %
Rate of increase in salaries	4.10
Rate of increase for pensions in payment/inflation	2.30
Discount rate for scheme liabilities	2.20
Inflation assumptions (CPI)	2.30
RPI increases	3.20
Commutation of pensions to lump sums	<u>50.00</u>

#### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
<b>Adjustment to discount rate</b>			
Present value of total obligation	192	199	206
Projected service cost	39	40	41
<b>Adjustment to pension increases and deferred revaluation</b>	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Present value of total obligation	204	199	194
Projected service cost	<u>41</u>	<u>40</u>	<u>39</u>

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 24 Pension and similar obligations (continued)

	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
<b>Adjustment to rate of salary growth</b>			
Present value of total obligation	201	199	197
Projected service cost	<u>40</u>	<u>40</u>	<u>40</u>
	<b>+ 1 Year</b>	<b>None</b>	<b>- 1 Year</b>
	£ 000	£ 000	£ 000
<b>Adjustment to mortality age rating assumption</b>			
Present value of total obligation	204	199	194
Projected service cost	<u>41</u>	<u>40</u>	<u>39</u>

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

	At 31 August 2016
<b>Retiring today</b>	
Males retiring today	22.90
Females retiring today	26.20
<b>Retiring in 20 years</b>	
Males retiring in 20 years	25.20
Females retiring in 20 years	<u>28.60</u>

The Academy Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2016 £ 000
Equities	36
Gilts	2
Other bonds	2
Property	6
Cash	1
Other	<u>14</u>
Total market value of assets	61
Present value of scheme liabilities - funded	<u>(199)</u>
Deficit in the scheme	<u>(138)</u>

The actual return on scheme assets was £7,000 (2015 - £Nil).

## Plymouth Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 24 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2016 £ 000
Current service cost	9
Net interest cost	3
	<hr/>
Total operating charge	12

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

	2016 £ 000
At 1 September	118
Current service cost	9
Interest cost	5
Employee contributions	2
Actuarial losses	65
	<hr/>
At 31 August	199

##### Movements in the fair value of Academy Trust's share of scheme assets

	2016 £ 000
At 1 September	46
Interest income	2
Return on plan assets (excluding net interest on the net defined pension liability)	5
Employer contributions	6
Employee contributions	2
	<hr/>
At 31 August	61

#### 25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **25 Related party transactions (continued)**

During the year the Academy Trust made the following related party transactions:

##### **City College Plymouth**

(City College Plymouth is a sponsor of Plymouth Studio School)

During the year costs incurred of £18,778 (2015 - £187,194) were recharged to Plymouth Studio School and income of £Nil (2015 - £600) was received by Plymouth Studio School. At the balance sheet date the amount due to City College Plymouth was £Nil (2015 - £17,621).

##### **University of St Mark and St John**

(Sponsor of Plymouth Studio School)

During the year costs incurred of £85,491 (2015 - £Nil) were recharged to Plymouth Studio School for the lease of the temporary accommodation, and the hire of room, catering and other facilities. At the balance sheet date the amount due to University of St Mark and St John was £2,429 (2015 - £Nil).

#### **26 Events after the end of the reporting period**

M W Lennon resigned as Principal with his last day of employment being 7 October 2016. E Herod, Deputy Principal, stepped up to Acting Principal until C Chisholm was appointed as Interim Principal on 17 October 2016.

The Academy Trust building was completed and opened for use at the beginning of November 2016.

#### **27 Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £3,969 and disbursed £2,593 from the fund. An amount of £1,376 is included in other creditors relating to undistributed funds that is repayable to EFA.



## **Plymouth Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **28 Transition to FRS 102**

##### **First time adoption of FRS 102**

These financial statements are the first financial statements of Plymouth Studio School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Plymouth Studio School for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

##### **Explanation of transition to FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31/08/2015 and the date of transition to FRS 102 and SORP 2015 was therefore 01/09/2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

No adjustments were required or recognised in order to transition the academy's accounting to FRS 102 and SORP 2015. Accordingly, no reconciliations are presented.