

STONE SOUP LEARNS
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2023

STONE SOUP LEARNS
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Aftab Hussain Colin Bradley Chris Manze Dr Tina Byrom
Trustees	Dr Tina Byrom, Chair Kerrie Henton, Accounting Officer Joanna Gillum (resigned 5 December 2022) Claire Turnbull (resigned 28 September 2022) Richard Elston Toni Le Gallez (appointed 30 March 2023) Nicola O'Connor (resigned 31 January 2023) Claire Knee Reuben Williams Nigel Best (appointed 30 March 2023) Barnaby Mulholland (appointed 5 December 2022)
Company registered number	07217174
Company name	Stone Soup Learns
Principal and registered office	14 High Pavement Nottingham NG1 1HN
Company secretary	Susan Murphy
Senior management team	Kerrie Henton, Principal Kevin Wildriane, Senior Vice Principal (resigned 31 December 2022) Younes Henini, Vice Principal Susan Murphy, Head of Operations & Finance
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB
Bankers	Lloyds Bank Plc 12-16 Lower Parliament St Nottingham NG1 3DA
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

STONE SOUP LEARNS
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Trustees' report
For the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report and strategic report under company law.

Stone Soup Learns operates an Alternative Provision Free School serving a catchment area in Nottingham.

Structure, governance and management

a. Constitution

The Academy is a charitable 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.

The Trustees of Stone Soup Learns are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Stone Soup Learns.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal practice the Academy has purchased Risk Protection Arrangement ('RPA') insurance to protect the Trustees and officers from claims answering from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £5 million and in the period under review no sums have been paid out.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Board of Trustees may comprise three member appointed Trustees, up to one LA Trustee, two Parent Trustees, the Principal, up to one Community Trustee and up to three Co-opted Trustees. The Articles of Association require there to be a minimum of three Trustees.

As from 1 September 2020 the ESFA carries out suitability checks on newly appointed chairs of trustees on behalf of the Secretary of State for Education. These checks are intended to provide confidence in the suitability of chairs of academy trusts and support safeguarding requirements set out in:

- The Education (Independent School Standards) Regulations (2014)
- Keeping Children Safe in Education (2023)

The suitability check includes:

- an identity check
- confirmation of the right to work in the United Kingdom
- an enhanced Disclosure and Barring Service (DBS) check
- providing additional information if you have lived outside the United Kingdom for a period of 12 months or longer
- if there is anything which will appear on an enhanced DBS check, the Chair is mandated to advise the ESFA of this matter.

Further information on the new procedures for this appointment can be found at:

<https://www.gov.uk/government/publications/academy-trust-chair-suitability-checks/academy-trust-chair-suitability-checks-guidance-for-applicants>

Parent Trustees are elected by the parents of current pupils of the Academy, subject to provisions in the Articles of Association. The Community Trustee may be appointed by the Board of Trustees provided that the person who is appointed as a Community Trustee is a person who lives or works in the community served by the Academy.

With regard to the appointment of Co-opted Trustees, the Board will give consideration to the skills mix of the Trustees in order to ensure that the Board of Trustees has the necessary skills to contribute fully to the Academy's development.

e. Policies adopted for the induction and training of Trustees

All Trustees undertake training as appropriate to their role. The Academy subscribes to Nottingham City Council Governor Services and Trustees take part in their training programme for new trustees.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

f. Organisational structure

The Board of Trustees establishes an overall framework for the governance of the Academy and agrees membership of Committees and Statutory and other Panels. It receives reports and in particular policy documents from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. It also establishes the Terms of Reference and Procedures for its Committees. The Board of Trustees may also, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved for the Board of Trustees:

To determine any proposals for the alteration, closure or change of category of the Academy, to amend the constitution of the Board of Trustees, to appoint or remove the Chair and/or Vice Chair, to appoint the Secretary to the Trustees, to suspend Trustees, to determine the ethos of the school, to delegate specific responsibilities to any Trustee, Committee, the Principal or other holder of an executive office, and to determine and review annually the terms of reference, constitution and membership of all committees, to publish an annual prospectus, to decide school session times and dates of school terms and holidays, to make arrangement for staff dismissal appeals, to set up panels for the selection of the Principal, to develop, monitor and review the Academy Trust's Freedom of Information Act 2000 Publication Scheme, to approve the annual Development Plan and to monitor the annual Register of Interests.

There are currently four committees which are the full Board of Trustees, Finance, Audit and Risk Committee, Quality of Education, Personal Development, Behaviour, Welfare and Safeguarding Committee and Pay Committee.

The Principal is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Governance Statement. The current Principal is Kerrie Henton. Operationally the Academy is run by the Principal and supported by the senior management team.

g. Arrangements for setting pay and remuneration of key management personnel

Stone Soup Academy follows its own Pay Policy, which has been internally verified by the Trustees. The Pay Policy is endorsed annually by the Trustees, particularly with regards to the setting of key management personnel pay.

Following the conclusion of the annual performance management meetings, which includes the Senior Leadership Team and involves Trustees, pay recommendations are sent to the Finance, Audit and Risk Committee (FAR) and the Board of Trustees together with targets and evidence of targets met. These are currently monitored using standard tracker software. The Finance, Audit and Risk Committee (FAR) along with the trustees make decisions regarding the pay of the Principal. The Principal shared pay recommendations with the Trustees for all staff. The Finance, Audit and Risk Committee (FAR) makes a decision regarding the pay of the Principal following consideration of the recommendations of the Trustees who form the Pay Committee for the Principal's performance review.

The Academy Trustees do not receive any remuneration, save for those Trustees who are members of staff who only receive remuneration in respect of services they provide under their contracts of employment and not in respect of their role as Trustees.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Academy was founded by the Stone Soup Project CIC and maintains a partnership with the organisation on activities that are of benefit to its pupils and staff. The learning company model was developed prior to building the Stone Soup Academy. By rooting all learning in the real world, and by teaching critical life skills, such as information literacy, emotional literacy, and functional work skills we help develop young people who are able to become productive agents of self change.

We also have a related party with The House Project due to the Academy renting property at Richmond House, to support educational outcomes, which has a related party with one of the Members.

Stone Soup Academy works and collaborates with over 22 schools and academies across Nottingham who refer young people to us. We also work closely with Nottingham City and Nottingham County for the referral of young people.

Objectives and activities

a. Objects and aims

Stone Soup Academy is dedicated to providing high quality, accredited alternative educational provision.

We continue to drive up attainment and securing appropriate routes for every student. Our aim is to ensure that all students achieve aspirational qualifications which then support their progression into work, training and education post 16. In our most recent Ofsted Inspection on 5 March 2019 we maintained our 'Outstanding' rating.

Our track record in alternative education provision, and the high quality of the learning we provide, has meant that our learning programme is in great demand.

Many young people who are referred to our Academy suffer a variety of emotional and behavioural disorders, and find it difficult to integrate into large class sizes, and to follow a more traditional, academic method of learning, and attitude is the priority. We achieve progress by concentrating on engagement throughout the day, and by making lessons interesting and relevant to our students.

Our school is structured to nurture the social development of all the young people we work with, most of whom experience significant disadvantages which compromise their ability to learn. We facilitate young people's learning, removing the barriers to their learning and developing their ability to maintain good relationships with each other and with the members of staff, caring for and promoting the school and their community.

It is our intention that all young people attending our school will leave with the skills and motivation to become fully independent, contributing members of society. Our vision of 'Creating Unimagined Futures' underpins all that we do as an Academy.

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Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

The Academy is underpinned by 3 key principles:

High expectations – Young people excluded from school generally have low expectations for themselves and this has been reinforced by negative experiences at school. Our ethos is to inspire and raise these expectations and channel this into high achievement.

Respect – Good behaviour and high achievement starts with mutual respect. Our learners should be treated like young adults and staff expect the same respect. Respect leads to trusting relationships which in turn improve pupil behaviour and achievement.

Individual Learning – No two young people are the same. Challenging behaviour often manifests itself when an assignment is pitched at the wrong level. High levels of differentiation in teaching allow each young person to progress at a pace that is suitable for them. Teaching is inspirational and enjoyable.

c. Public benefit

The Academy is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

Achievements and performance

a. Key performance indicators

The Academy has established a robust teacher training programme, which is turning skilled professionals into skilled teachers in a very short space of time. It has modelled a system that suits its future growth targets, and defines its offer more clearly. The expectations of the teachers have been raised in line with our more academic focus for the young people.

Personal Development – Our school aims to not only improve educational attainment, but to develop young people's life skills and to have an understanding of the world in which they live. Challenging a young person's misconceptions of their immediate society is as important as basic skills achievement.

These key principles can be measured through the following outcomes:

- Improved sense of direction and self, including changes in self-esteem, confidence, motivation and health awareness;
- School attendance - overall attendance of 75% this year (2022: 80%) and punctuality of 87% (2022: 88%). It should be noted that as an Alternative Provision, attendance is more nuanced and the Academy also considers different groups of pupils and distance travelled when measuring success against this key performance indicator. Further to this, progress of attendance is considered to be more important than the overall percentage;
- Reductions in disruptive and/or violent behaviours and exclusions, suspensions, or referrals;
- Academic attainment and increase in numbers of learners receiving awards for their performance - see tables on page 7 and page 8 of this report for results;
- Positive progression routes and reductions in those not in Employment, Education or Training;
- Improvement in developing and sustaining relationships (with family, project staff, and peers) including changes in the ability to communicate, cope with authority, and work with others.

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Table 1 shows that there is an improvement from last year in terms of the number of qualifications as 73% of students achieved 10+ qualifications including maths and English (51% improvement from last year). Also improvement of grade 4 and above in maths and English.

Table 1

Analysis of Year 11 Outcomes	2022-2023		
	Number	%	Difference from 21-22 %
Number of Year 11 Students	33.0	100.0	%
% of students who achieved Grade 4 or above in GCSEs or equivalent in 5 or more subjects incl English & Maths	2.0	6.1	-0.2
% of students who achieved Grade 4 or above in both GCSE English and Maths	1.0	3.0	-3.2
% 5 or more GCSEs or equivalents at level 2	2.0	6.1	-3.3
% 1 GCSE 4-9 or Equivalent (level 2)	20.0	60.6	-23.8
% of students who achieved accreditation at any level	33.0	100.0	0.0
% of students who achieved a GCSE in English and Maths at any grade	29.0	87.9	-5.5
% of Students who achieved a Grade 4 or above in GCSE English	2.0	6.9	0.2
% of Students who achieved a Grade 4 or above in GCSE Maths	4.0	13.8	7.3
% of students who achieved a level 1 or above in English and Maths	32.0	97.0	-3.0
% of students who achieved 10 + qualifications including English and Maths at any level	24.0	72.7	50.9
% of students who achieved 9 qualifications including English and Maths at any level	28.0	84.8	28.6
% of students who achieved 8+ qualifications including English and Maths at any level	29.0	90.6	15.6
% of students who achieved 7+ qualifications including English and Maths at any level	31.0	93.9	6.4
% of students who achieved 6+ qualifications including English and Maths at any level	32.0	97.0	0.1
% of students who achieved 5+ qualifications including English and Maths at any level	32.0	97.0	-3.0
% of students who achieved 4+ qualifications including English and Maths at any level	32.0	97.0	-3.0
% of students who achieved 2+ qualifications including English and Maths at any level	32.0	97.0	-3.0
% of students who achieved 1+ qualifications including English and Maths at any level	32.0	97.0	-3.0
% of students who achieved a pass in any qualification	32.0	97.0	-3.0
% of students achieving the EBACC	0.0	0.0	0.0
% of students staying in education, work or training	30.0	90.9	-6.0

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Table 2 shows that all students exceeded their required progress in maths and English apart from one student in English.

Table 2

Analysis of Progress in English and Maths against BKSB on Entry	2022-2023 progress				Difference from 2021-2022	
	ENG N	ENG %	MA N	MA %	MA %	EN %
% No progress made	1.0	3.0	0.0	0.0	0.0	-3.0
% Expected Progress	32.0	97.0	33.0	100.0	0.0	-3.0
% Above Expected Progress	32.0	97.0	33.0	100.0	0.0	-3.0
% expected and above expected progress	32.0	97.0	33.0	100.0	0.0	-3.0

Financial key performance indicators

The Academy's main financial key performance indicators are levels of cash at bank, income, and percentage of income spent on staff costs. These are reviewed by management and Trustees as part of the monthly management accounting process.

This year cash at bank has increased from £2,259,122 to £2,790,951. Total income amounted to £2,629,342 (2022: £2,329,591) and staff costs represented 58.2% of this (2022: 59.6%).

Another key performance indicator is pupil numbers which has increased from 67 at September 2021 to 84 at September 2022 and a further increase has been seen for September 2023, taking paid places to 99.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Financial review

In 2022/23 35% (2021/22 - 36%) of the Academy's income was obtained from ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income amounted to £2,629,342 (2022: £2,329,591) and total expenditure amounted to £2,276,523 (2022: £1,981,373).

Overall net assets have decreased slightly during the year to £3,946,131 at 31 August 2023 (compared to £3,964,773 at 31 August 2022). The main movements in this financial position are:

- a decrease in tangible fixed assets of £430,790, mainly due to an impairment loss of £389,773 on the freehold property;
- a decrease in debtor balances of £113,351;
- an increase in cash balances of £531,829;
- a decrease of £16,900 in the defined benefit pension scheme liability following actuarial valuation (surplus not recognised).

a. Reserves policy

The Academy aims to carry forward a prudent level of resources from the General Annual Grant, the General Non-GAG Restricted Fund and the General Unrestricted Fund to cover the medium and long term needs for renewal and replacement. The amount to be carried forward is subject to the current restrictions operated by the Department for Education. At the end of the period under review the balances held in these funds amounted to £2,765,705 (2022: £2,370,457).

We aim for 6 months operating reserves and current 6 months operating costs are £800,000. Our reserves are currently significantly above the six-month operating costs. This is because the Academy has been accumulating its reserves to enable us to purchase outright a building from which to move our key stage three operation, thus reducing the requirement for a rental building. At this point, we have found a building, exchanged and completed on that building on the 1st of December 2023 at a cost of £1,687,500.

The Trustees review the level of reserves annually and have agreed that the appropriate level of reserves is to aim for 6 months operating reserves. This level will provide sufficient liquid funds to cover committed expenditure, including employee costs, for six months.

In order to align with our charitable objectives, the Trustees have authorised that reserves, where appropriate above the level of six-month running costs, will be used to develop our existing sites and to also seek out further development possibilities. Where this is the case, the Trustees will seek appropriate approval via the ESFA and the DfE.

b. Investment policy

It is the intention to invest any surplus funds in low risk short term bank deposits.

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Trustees' report (continued)
For the year ended 31 August 2023

c. Principal risks and uncertainties

The Trustees consider that the principal risks and uncertainties facing the Academy are:

- Other organisations competing for the same sources of income;
- Meeting requisite standards of education for students in core subjects;
- Complying with legislative requirements regarding employment, law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum;
- Financial risk – not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation;
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information
- Premises becoming unsuitable to safely operate from and within.

The key controls used by the Academy include:

- Ensure high quality partnerships with referring schools;
- Detailed terms of reference for all committees;
- Formal agendas for the academy board and committees;
- Schemes of delegation and formal financial regulations;
- Formal written policies with periodic reviews;
- Clear authorisation and approval levels;
- Policies and procedures required by law to protect the vulnerable;
- Adhere to risk Management policy and risk register that outlines strategic and reputation risk across the academy;
- Health & safety log in place for the academy;
- Maintenance programme in place.

d. Risk management

The Trustees are responsible for the management of risks to which the Academy is exposed, and have undertaken a review of risks associated with its activities. The key controls used by the Academy include:

- Introduction of internal scrutiny processes via an independent internal auditor;
- Formal agendas for Trustee meetings;
- Detailed terms of reference for all committees;
- A clear School Improvement Plan identifying key strategic planning objectives and the resources required to achieve them;
- Comprehensive 3 year budget planning, monitoring and review;
- Clear financial delegation levels;
- Formal written policies reviewed on a regular basis;
- Clear safeguarding and vetting procedures as required by law to protect children and young people;
- Rigorous review of educational achievement to ensure continuing high standards;
- Comprehensive planning and review of admissions processes;
- A clear succession planning policy.

The Board of Trustees have reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and have taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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Trustees' report (continued)
For the year ended 31 August 2023

e. Financial and risk management objectives and policies

The Academy has a Financial Procedures Policy that has been adopted by the Trustees. Resources are used to maintain efficient staffing levels, ensure the continuing effectiveness of the organisation and a good state of repair of the site and buildings.

The Academy's risk management processes aim to minimise all risk to the Academy. The only current risk of any materiality relates to the potential deficit the Academy holds in the Local Government Pension Scheme. However, due to the current market conditions, at 31 August 2023 the actuarial valuation has resulted in a surplus position which has not been recognised within these financial statements.

Fundraising

Stone Soup Academy took part in fundraising activities during 2022/2023 which proved both enjoyable and beneficial for the Academy and made significant changes to the lives of our students and made valuable connections to stakeholders.

The Academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills, so as to increase the number of opportunities open to its students when they move on to further education and ultimately employment. A key aim of the Academy is to develop innovative approaches to education for the young people it works with. The Academy will be exploring research and development activity it can undertake in order to improve and advance its approach.

The Academy has exchanged and completed the purchase of an additional building at 33 Pilcher Gate, Nottingham (completed on 1 December 2023). This purchase was completed to enable the Academy to develop the provision of high quality Key Stage 3 provision.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, PKF Smith Cooper Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on and signed on its behalf by:

13/12/2023



.....
Dr T Byrom
Chair of Trustees

STONE SOUP LEARNS
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Stone Soup Learns 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stone Soup Learns 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 4 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
Dr Tina Byrom, Chair of Trustees	4	4
Kerrie Henton, Accounting Officer	4	4
Joanna Gillum (resigned 5 December 2022)	0	1
Claire Turnbull (resigned 28 September 2022)	0	0
Richard Elston	2	4
Toni Le Gallez (appointed 30 March 2023)	2	2
Nicola O'Connor (resigned 31 January 2023)	0	2
Claire Knee	1	4
Reuben Williams	4	4
Nigel Best (appointed 30 March 2023)	1	2
Barnaby Mulholland (appointed 5 December 2022)	3	3

Coverage of the Board's work includes:

1. Strategic leadership - Ensuring clarity of vision, ethos and strategic direction;
2. Robust accountability - Holding executive leaders to account for the educational performance of the organisation and its pupils, and the effective and efficient performance management of staff; and
3. Value for money - Overseeing the financial performance of the organisation and making sure its money is well spent.

The data used by the Board of Trustees in their work is considered to be robust and appropriate by the Trustees.

Conflicts of interest

The Academy has in place a Conflicts of Interest policy. Members, Trustees and senior leaders complete an annual declaration of interests form. All declarations of conflicts of interest are published on the Academy website.

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Governance Statement (continued)

Governance (continued)

Governance review

During the prior year an external review of governance has been undertaken through the local authority on the impact and effectiveness of the Board of Trustees. It was found that the Board has a clear vision of which all Trustees are aware. Trustees recognise the need to focus on the key strategic priorities for furthering the Academy's success and the skills and knowledge of the Board are used to excellent effect.

The committee structure was found to be effective but committees have been renamed to further facilitate focus and compliance in the areas the Board has prioritised for oversight. Additionally, the roles of the Chair and the Vice Chair are to be further developed.

The Academy intends to conduct its next external review of governance in 2023/24.

The Board of Trustees met less than 6 times during the year. They have maintained effective oversight of funds by scrutinising monthly management accounts and reviewing findings from internal scrutiny.

The Finance, Audit and Risk Committee (FAR) is a sub-committee of the main Board of Trustees. Its purpose is to provide oversight and control over the financial performance, direction and strategy of the Academy.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr Tina Byrom, Chair of Trustees	3	4
Richard Elston, Chair of FAR	2	4
Kerrie Henton	3	4
Nicola O'Connor (resigned 31 January 2023)	0	2
Reuben Williams	3	4
Barnaby Mulholland (appointed 5 December 2022)	1	2
Nigel Best (appointed 30 March 2023)	1	2

Mrs S Murphy, Head of Business and Operations for the Academy also attends the Finance, Audit and Risk Committee (FAR) meetings. Mrs S Murphy was appointed to attend as a full member of this committee on 20 May 2015.

The Quality of Education, Personal Development, Behaviour, Welfare & Safeguarding (QoE) is also a sub-committee of the main Board of Trustees. Its purpose is to:

- consider and approve new teacher appointments, remuneration for new and existing teachers, and the staffing needs of the growing Academy; and
- challenge the progress of the academy across quality of education, PDBW and safeguarding.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr Tina Byrom, Chair of Trustees	4	4
Claire Knee, Chair of QoE	2	4
Kerrie Henton	4	4
Joanna Gillum (resigned 5 December 2022)	2	2
Claire Turnbull (resigned 28 September 2022)	0	0
Reuben Williams	3	4
Barnaby Mulholland (appointed 5 December 2022)	1	1
Toni Le Gallez (appointed 30 March 2023)	1	1
Nigel Best (appointed 30 March 2023)	0	1

STONE SOUP LEARNS
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Governance Statement (continued)

Governance (continued)

The Academy's governance overall has improved, and its sub-committees have become more embedded with a greater involvement from the Academy's key personnel. Key performance data on the school is presented by the senior executives at the Quality of Education, Personal Development, Behaviour, Welfare & Safeguarding and Finance, Audit and Risk Committee (FAR), and monthly management accounts are produced by the Academy's independent accountants and circulated to the full Board of Trustees.

The Trustees are encouraged to visit the Academy and to play an active role within their areas of responsibility. This has been evident this year across SEND, Safeguarding and Careers. The Chair of Trustees meets regularly with the Principal and uses this as an opportunity to provide support and challenge and also to review the SCR and other documents and maintain positive communication with the Academy.

The sub-committees feedback their activity to the full Board of Trustees at its regular meetings. This structure creates multiple independent viewpoints of the Academy's performance data allowing for detailed scrutiny at the sub-committee level and high-level review by the Board of Trustees.

The Principal provides comprehensive reports for each FGB within which Quality of Education, PDBW, Leadership and Management, SEND and wellbeing are comprehensively covered with supporting data and tracking. This is alongside reports from staff from all areas of the curriculum.

All independent external reviews of the Academy are shared in full with the Trustees, along with actions.

The academy magazine which also charts activities across the Academy is shared 3 times a year with Trustees so that they are fully aware of the progress of the Academy.

Stone Soup Academy continues to review the Academy's governance and Trustee recruitment.

Review of value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy'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 has delivered improved value for money during the year by ending contracts with suppliers deemed ineffective after a period of audit and analysis with the Business Manager. Effective methods were brought online to allow more effective purchasing whilst still complying with our procurement policy and responsibilities. We continue to reduce insurance costs by 90% by entering into the RPA.

Stone Soup Academy has a second site at Richmond House where we are now using dual fuel with a local provider through Nottingham City Council making this a far cheaper option. The Academy continues to look for cost effective options for gas and electricity for both sites. The academy uses its funding to ensure that the Trust's estate is safe, well maintained and complies with all necessary regulations.

STONE SOUP LEARNS
(A company limited by guarantee)

Governance Statement (continued)

Review of value for money (continued)

Stone Soup Academy is committed to delivering value for money as an integral part of our academic strategy. Under the Terms of its Funding Agreement, the School is required to achieve the best value for money for all supplies and services purchased on its behalf. There is a requirement to obtain correct quality, quantity and time at the best possible price. To ensure the integrity of the public funds being used to purchase these supplies and services the following general principles shall be observed:

- Renegotiating contracts in a timely manner to ensure the best mix of quality and cost effectiveness. Major purchases and contracts are always tendered;
- To integrate Value for Money principles within the Academy's existing management, planning, review and decision-making processes, particularly regarding projects or activities with significant financial implications;
- To adopt recognised good practice where appropriate by exploring various purchasing options, both online and direct through suppliers to find the best value;
- To benchmark the Academy's activities against other similar activities and organisations where this is considered useful;
- Challenge proposals/quotations examining them for effectiveness, efficiency and cost;
- To ensure that all staff recognise their continuing obligation to seek Value for Money as part of their routine activities;
- Working with other schools/academies to share knowledge about experience of best value together with quality of service and reliability.

Probity: Accountability: Fairness:

It must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy. The Academy is publicly accountable for its expenditure and the conduct of its affairs. The Board should ensure that those dealt with by the Academy are treated on a fair and equitable basis. Additionally, in line with the Academy's Environmental responsibilities/policy, purchasing of goods and services shall also take into account where practicable:

1. Sustainability of source (e.g. unbleached/recycled paper, reclaimed wood);
2. Locality of the source (e.g. locally grown food/produce, reducing air miles/carbon footprint);
3. Waste generated (e.g. excessive packaging, recyclable or returnable packaging or product).

Compliance with UK Procurement Rules and Regulations

The Academy has in place their own procurement policy and shall observe this and the current procurement rules and thresholds in the Public Contract Regulations 2015 and Find a Tender Service. The Board understands that failure to comply with this legislation carries penalties for which the Academy shall be held accountable.

Tender consideration

The following shall be taken into consideration when selecting a suitable tender:

- Financial considerations – The overall price and the individual items or services which make up that price.
- Like for like must be considered at all times. If in the event of a lower price this means a reduced service or lower quality, this must be borne in mind when reaching a decision.
- Care will be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Where there is scope for negotiation this should be considered, whilst being fair to all tenderers.

STONE SOUP LEARNS
(A company limited by guarantee)

Governance Statement (continued)

Review of value for money (continued)

Technical/Suitability

- Qualifications of the contractor.
- Relevant experience of the contractor.
- Descriptions of technical and service facilities.
- Certificates of quality/conformity with standards.
- Quality control procedures.
- Certificates of quantity.
- Details of previous sales and references from past customers (ideally other Schools/Academies).
- For significant capitalised building works, a six months/one year (depending on size of project) defects period is in place for snagging.
- Withholding of a percentage of the total payment until a project is 'signed over'.

Other considerations

- Written reference from other schools/academies.
- Pre-sales demonstrations.
- After Sales service.
- Charges for servicing in future years.
- Proximity/physical location to the school.
- Financial status of the supplier.
- Previous satisfactory experience of the supplier.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Stone Soup Learns for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 management process is led by the Board of Trustees, with direction from the Accounting Officer as required.

Academy staff are trained and equipped to manage risk in a way appropriate to their authorities and duties. Guidance is provided to them by the Accounting Officer and by other senior managers.

STONE SOUP LEARNS
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework

The Academy'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 Trustees 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
- comprehensive five-year budget plans presented to and agreed by the Board of Trustees
- where a purchase is deemed to be contentious, even if it falls within the delegated responsibility of the Accounting Officer, it will be discussed and unpicked by the Finance, Audit and Risk Committee prior to approval.

The Board of Trustees considered the need for a specific internal audit function and appointed JF Business Services as internal auditor in 2021. The Board are satisfied that they have access to information on the operation of the systems of control and on the discharge of the Board's financial responsibilities, but see the benefit of appointing an internal auditor, and obtaining specialist internal auditor services from a third-party provider, on a periodic basis.

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

- Governance
- Budget planning and monitoring
- Procurement
- Risk management
- Payroll
- Fixed assets
- Cash control
- Benchmarking

The internal auditor reports to the Board of Trustees three times a year through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned.

STONE SOUP LEARNS
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

Stone Soup Academy Internal Audit Schedule 2023-2024:

Autumn term

Last Internal Audit
Governance
Budget Planning & Monitoring
Procurement

Spring Term

Review of recommendations/comments from previous check
External Audit
Risk Management
Payroll
Assets

Summer Term

Review of recommendations/comments from previous check
Cash Control
Income
Catering
Benchmarking

Review of effectiveness

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

- the work of the internal auditor;
- the work of professional book-keepers and management accountants provided by external bodies;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors;
- the Risk Register;
- the FAR Committee;
- correspondence from ESFA.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by these various parties and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



.....
Dr Tina Byrom
Chair of Trustees



.....
Kerrie Henton
Accounting Officer

Date: 13/12/2023

STONE SOUP LEARNS
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

As accounting officer of Stone Soup Learns I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and to the ESFA by our Reporting Accountant. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

During the year, the Academy held an event for which alcohol costing £1,200 was purchased.



.....
K Henton
Accounting Officer

Date: 13/12/2023

STONE SOUP LEARNS
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



.....
Dr T Byrom
Chair of Trustees

Date: 13/12/2023

STONE SOUP LEARNS
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Stone Soup Learns

Opinion

We have audited the financial statements of Stone Soup Learns (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

STONE SOUP LEARNS
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Stone Soup Learns
(continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

STONE SOUP LEARNS
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Stone Soup Learns
(continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Academy and industry, we identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of control;
- Posting of unusual journals or transactions;
- Non-compliance with the Academy Trust Handbook and Academies Accounts Direction.

We focussed on those areas that could give rise to a material misstatement in the financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular, in relation to the LGPS valuation;
- A separate limited scope regularity review has been undertaken in respect of compliance with the Academy Trust Handbook and our report in respect of this is contained within these financial statements.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

STONE SOUP LEARNS
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Stone Soup Learns
(continued)

Use of our report

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



Sarah Flear (Senior statutory auditor)

for and on behalf of

PKF Smith Cooper Audit Limited

Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 14 December 2023

STONE SOUP LEARNS
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Stone Soup Learns and the
Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 6 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stone Soup Learns during the year 1 September 2022 to 31 August 2023 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 Stone Soup Learns and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stone Soup Learns and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stone Soup Learns and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stone Soup Learns's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stone Soup Learns's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions was as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

STONE SOUP LEARNS
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Stone Soup Learns and the
Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year, the Academy held an event for which alcohol costing £1,200 was purchased.

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited
Statutory Auditors

2 Lace Market Square
Nottingham
NG1 1PB

Date: 14 December 2023

STONE SOUP LEARNS
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>	
Income from:						
Donations and capital grants	4	4,311	-	20,409	24,720	9,393
Investments	6	257	-	-	257	218
Charitable activities: Funding for the Academy's educational operations	5	1,592,849	1,011,516	-	2,604,365	2,319,980
Total income	1,597,417	1,011,516	20,409	2,629,342	2,329,591	
Expenditure on:						
Charitable activities: Academy educational operations	7	1,513,737	701,635	61,151	2,276,523	1,981,373
Total expenditure	1,513,737	701,635	61,151	2,276,523	1,981,373	
Net income/(expenditure)	83,680	309,881	(40,742)	352,819	348,218	
Transfers between funds	16	275	-	(275)	-	-
Net income/ expenditure	83,955	309,881	(41,017)	352,819	348,218	
Other recognised gains/(losses):						
Fixed asset impairment losses	13	-	-	(389,773)	(389,773)	-
Actuarial gains on defined benefit pension schemes	22	-	41,765	-	41,765	697,681
Derecognition of defined benefit pension scheme asset	22	-	(23,453)	-	(23,453)	-
Net movement in funds	83,955	328,193	(430,790)	(18,642)	1,045,899	
Reconciliation of funds:						
Total funds brought forward	1,412,460	941,097	1,611,216	3,964,773	2,918,874	
Net movement in funds	83,955	328,193	(430,790)	(18,642)	1,045,899	
Total funds carried forward	1,496,415	1,269,290	1,180,426	3,946,131	3,964,773	

STONE SOUP LEARNS
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2023

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 54 form part of these financial statements.

STONE SOUP LEARNS
(A company limited by guarantee)
Registered number: 07217174

Balance sheet
As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	1,180,426	1,611,216
Current assets			
Debtors	14	90,764	204,115
Cash at bank and in hand	20	2,790,951	2,259,122
		2,881,715	2,463,237
Creditors: amounts falling due within one year	15	(116,010)	(92,780)
Net current assets		2,765,705	2,370,457
Net assets excluding pension asset / liability		3,946,131	3,981,673
Defined benefit pension scheme asset / liability	22	-	(16,900)
Total net assets		3,946,131	3,964,773
 Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	1,180,426	1,611,216
Restricted income funds	16	1,269,290	957,997
Pension reserve	16	-	(16,900)
Total restricted funds	16	2,449,716	2,552,313
Unrestricted income funds	16	1,496,415	1,412,460
Total funds		3,946,131	3,964,773

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

The financial statements on pages 27 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
Dr T Byrom
Chair of Trustees

Date: 13/12/2023

The notes on pages 31 to 54 form part of these financial statements.

STONE SOUP LEARNS
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	18	532,329	419,769
Cash flows from investing activities			
	19	(500)	(67,291)
Change in cash and cash equivalents in the year		531,829	352,478
Cash and cash equivalents at the beginning of the year		2,259,122	1,906,644
Cash and cash equivalents at the end of the year	20	2,790,951	2,259,122

The notes on pages 31 to 54 form part of these financial statements

STONE SOUP LEARNS
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

1. General information

Stone Soup Learns is a charitable company limited by guarantee, incorporated in England, United Kingdom. The address of its principal place of business and registered number are given on page 1 of these financial statements. The nature of its operations are set out in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Academy and are rounded to the nearest £1.

2.2 Going concern

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

2.3 Income

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

• **Grants**

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

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

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

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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.3 Income (continued)

• **Referral income**

Referral income is recognised in the Statement of financial activities in the year in which the services are rendered and where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

2.4 Interest receivable

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

2.5 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.6 Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Freehold property	- 2% straight line
Property improvements	- 2% straight line
Other assets	- 10%-20% reducing balance

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.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Provisions

Provisions are recognised when the Academy 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.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.11 Operating leases

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

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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.12 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Taxation

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

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Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

As a result of the assumptions applied by the actuary, the actuarial valuation at the year-end has resulted in a surplus position. The recognition of a surplus under FRS102 should only be made to the extent that an employer can expect to secure economic benefit from it, either by paying a reduced rate of contributions or taking a refund. It is not anticipated that the next actuarial valuation will result in a reduction to contributions and the Trust has no option to take a refund. The surpluses have therefore been removed and are shown as a breakeven position at the year-end. The derecognition adjustment is shown as other recognised gains/losses.

2.15 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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Notes to the financial statements
For the year ended 31 August 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

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Notes to the financial statements
For the year ended 31 August 2023

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	4,311	-	-	4,311	3,081
Capital grants	-	-	20,409	20,409	6,312
	<u>4,311</u>	<u>-</u>	<u>20,409</u>	<u>24,720</u>	<u>9,393</u>
<i>Total 2022</i>	<u>3,000</u>	<u>81</u>	<u>6,312</u>	<u>9,393</u>	

5. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	900,000	900,000	800,000
Other DfE/ESFA grants				
Other DfE group grants	-	9,751	9,751	35,970
	<u>-</u>	<u>909,751</u>	<u>909,751</u>	<u>835,970</u>
Other Government grants				
Local authority grants	-	57,023	57,023	53,148
Other government grants	-	-	-	7,475
	<u>-</u>	<u>57,023</u>	<u>57,023</u>	<u>60,623</u>
Other income from the Academy's educational operations				
Referral income	1,592,849	-	1,592,849	1,401,006
Other income	-	44,742	44,742	22,381
	<u>1,592,849</u>	<u>1,011,516</u>	<u>2,604,365</u>	<u>2,319,980</u>
<i>Total 2022</i>	<u>1,401,711</u>	<u>918,269</u>	<u>2,319,980</u>	

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Notes to the financial statements
For the year ended 31 August 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Short term deposits	257	257	218
<i>Total 2022</i>	<u>218</u>	<u>218</u>	

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Academy's educational operations:					
Direct costs	1,290,665	-	223,072	1,513,737	1,225,132
Allocated support costs	238,707	247,565	276,514	762,786	756,241
	<u>1,529,372</u>	<u>247,565</u>	<u>499,586</u>	<u>2,276,523</u>	<u>1,981,373</u>
<i>Total 2022</i>	<u>1,388,681</u>	<u>199,960</u>	<u>392,732</u>	<u>1,981,373</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Academy's educational operations	1,513,737	762,786	2,276,523	1,981,373
<i>Total 2022</i>	<u>1,225,132</u>	<u>756,241</u>	<u>1,981,373</u>	

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Notes to the financial statements
For the year ended 31 August 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	238,707	318,076
Depreciation	61,151	60,976
Technology costs	24,000	16,469
Governance costs	39,643	33,264
Premises costs	247,565	199,960
Other support costs	151,720	127,496
	<u>762,786</u>	<u>756,241</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	<i>2022 £</i>
Operating lease rentals	41,250	30,000
Depreciation of tangible fixed assets	61,151	60,976
Loss on disposal of tangible fixed assets	1,032	-
Fees paid to auditors for:		
- audit	8,195	6,500
- other services	1,045	1,600
	<u>111,573</u>	<u>99,076</u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Gifts made by the Academy
- Fixed asset losses
- Stock losses
- Cash losses
- Ex-gratia payments

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Notes to the financial statements
For the year ended 31 August 2023

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	<i>2022</i>
	£	£
Wages and salaries	1,139,002	964,148
Social security costs	110,417	92,431
Pension costs	188,122	283,725
	1,437,541	<i>1,340,304</i>
Agency staff costs	91,831	48,377
	1,529,372	<i>1,388,681</i>

b. Staff numbers

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

	2023	<i>2022</i>
	No.	No.
Teachers	12	14
Administration and support	20	18
Management	4	3
	36	<i>35</i>

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Notes to the financial statements
For the year ended 31 August 2023

10. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	1	1
	=====	=====

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £290,121 (2022 - £311,635).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	<i>£</i>
K Henton, Principal	Remuneration	85,000 -	80,000 -
		90,000	85,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2023, expenses totalling £263 were reimbursed or paid directly to 3 Trustees (2022 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023 was £1,890 (2022 - £1,520). The cost of this insurance is included in the total insurance cost.

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Notes to the financial statements
For the year ended 31 August 2023

13. Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Fixtures, fittings, ICT and computer equipment £	Total £
Cost or valuation				
At 1 September 2022	1,615,548	62,187	381,107	2,058,842
Additions	-	-	21,166	21,166
Disposals	-	-	(1,290)	(1,290)
Impairment loss	(389,773)	-	-	(389,773)
At 31 August 2023	<u>1,225,775</u>	<u>62,187</u>	<u>400,983</u>	<u>1,688,945</u>
Depreciation				
At 1 September 2022	215,775	3,757	228,094	447,626
Charge for the year	28,667	1,243	31,241	61,151
On disposals	-	-	(258)	(258)
At 31 August 2023	<u>244,442</u>	<u>5,000</u>	<u>259,077</u>	<u>508,519</u>
Net book value				
At 31 August 2023	<u>981,333</u>	<u>57,187</u>	<u>141,906</u>	<u>1,180,426</u>
At 31 August 2022	<u>1,399,773</u>	<u>58,430</u>	<u>153,013</u>	<u>1,611,216</u>

The land and buildings are secured by mortgage to the Secretary of State for Education.

Included in land and buildings is £200,000 (2022 - £400,000) of land that is not depreciated.

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Notes to the financial statements
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14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	58,021	157,119
Other debtors	26,615	43,042
Prepayments and accrued income	6,128	3,954
	<u>90,764</u>	<u>204,115</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	10,122	7,919
Other taxation and social security	34,711	21,637
Other creditors	48,789	41,586
Accruals	22,388	21,638
	<u>116,010</u>	<u>92,780</u>

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Notes to the financial statements
For the year ended 31 August 2023

16. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	1,412,460	1,597,417	(1,513,737)	275	-	1,496,415
Restricted general funds						
General Annual Grant (GAG)	957,997	900,000	(588,707)	-	-	1,269,290
Teachers' pay and pension grant	-	57,023	(57,023)	-	-	-
Other DfE grants	-	9,751	(9,751)	-	-	-
Other income	-	44,742	(44,742)	-	-	-
Pension reserve	(16,900)	-	(1,412)	-	18,312	-
	<u>941,097</u>	<u>1,011,516</u>	<u>(701,635)</u>	<u>-</u>	<u>18,312</u>	<u>1,269,290</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,411,901	20,409	(28,910)	-	(389,773)	1,013,627
Capital expenditure from GAG	4,632	-	(926)	-	-	3,706
Capital expenditure from general funds	194,683	-	(31,315)	(275)	-	163,093
	<u>1,611,216</u>	<u>20,409</u>	<u>(61,151)</u>	<u>(275)</u>	<u>(389,773)</u>	<u>1,180,426</u>
Total Restricted funds	<u>2,552,313</u>	<u>1,031,925</u>	<u>(762,786)</u>	<u>(275)</u>	<u>(371,461)</u>	<u>2,449,716</u>
Total funds	<u><u>3,964,773</u></u>	<u><u>2,629,342</u></u>	<u><u>(2,276,523)</u></u>	<u><u>-</u></u>	<u><u>(371,461)</u></u>	<u><u>3,946,131</u></u>

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Notes to the financial statements
For the year ended 31 August 2023

16. Statement of funds (continued)

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

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

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

Restricted general funds comprise of all other restricted funds received and include grants from the Department for Education and will only be used for the purpose that the grants were intended. The main grant received within these funds is the GAG.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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Notes to the financial statements
For the year ended 31 August 2023

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds - all funds	1,427,346	1,404,929	(1,225,132)	(194,683)	-	1,412,460
Restricted general funds						
General Annual Grant (GAG)	601,304	800,000	(443,307)	-	-	957,997
Teachers' pay and pension grant	-	53,148	(53,148)	-	-	-
Other DfE grants	-	35,970	(35,970)	-	-	-
Other income	-	7,475	(7,475)	-	-	-
Donations	-	81	(81)	-	-	-
Other income	-	21,676	(21,676)	-	-	-
Pension reserve	(580,973)	-	(133,608)	-	697,681	(16,900)
	<u>20,331</u>	<u>918,350</u>	<u>(695,265)</u>	<u>-</u>	<u>697,681</u>	<u>941,097</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,465,407	6,312	(59,818)	-	-	1,411,901
Capital expenditure from GAG	5,790	-	(1,158)	-	-	4,632
Capital expenditure from general funds	-	-	-	194,683	-	194,683
	<u>1,471,197</u>	<u>6,312</u>	<u>(60,976)</u>	<u>194,683</u>	<u>-</u>	<u>1,611,216</u>
Total Restricted funds	<u>1,491,528</u>	<u>924,662</u>	<u>(756,241)</u>	<u>194,683</u>	<u>697,681</u>	<u>2,552,313</u>
Total funds	<u><u>2,918,874</u></u>	<u><u>2,329,591</u></u>	<u><u>(1,981,373)</u></u>	<u><u>-</u></u>	<u><u>697,681</u></u>	<u><u>3,964,773</u></u>

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Notes to the financial statements
For the year ended 31 August 2023

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	1,180,426	1,180,426
Current assets	1,496,415	1,385,300	-	2,881,715
Creditors due within one year	-	(116,010)	-	(116,010)
Total	1,496,415	1,269,290	1,180,426	3,946,131

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	1,611,216	1,611,216
Current assets	1,412,460	1,050,777	-	2,463,237
Creditors due within one year	-	(92,780)	-	(92,780)
Provisions for liabilities and charges	-	(16,900)	-	(16,900)
Total	1,412,460	941,097	1,611,216	3,964,773

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Notes to the financial statements
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18. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	352,819	348,218
Adjustments for:		
Depreciation	61,151	60,976
Capital grants from DfE/ESFA and other capital income	(20,409)	(6,312)
Interest receivable	(257)	(218)
Defined benefit pension scheme cost less contributions payable	1,975	124,092
Defined benefit pension scheme finance cost	(563)	9,516
Loss on disposal of tangible fixed assets	1,032	-
Decrease/(increase) in debtors	113,351	(112,100)
Increase/(decrease) in creditors	23,230	(4,403)
Net cash provided by operating activities	532,329	419,769

19. Cash flows from investing activities

	2023 £	2022 £
Interest receivable from investments	257	218
Purchase of tangible fixed assets	(21,166)	(73,821)
Capital grants from DfE/ESFA	20,409	6,312
Net cash used in investing activities	(500)	(67,291)

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	2,790,951	2,259,122

21. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,259,122	531,829	2,790,951

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22. Pension commitments

The Academy'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 Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £115,024 (2022 - £97,691).

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

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

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22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £91,926 (2022 - £80,280), of which employer's contributions totalled £71,172 (2022 - £62,056) and employees' contributions totalled £20,754 (2022 - £18,224). The agreed contribution rates for future years are 21.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

The LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

As at 31 August 2023, the actuarial valuation for the Academy shows a surplus totalling £23,453. This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rate which contributed to the closing surplus position. There is no specific guidance in FRS102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the Academy, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the Academy, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g., to 1% of pay per year. This suggests minimum funding requirements are applicable to the Academy as determined by IAS19. Actuary asset ceiling calculations which assume minimum funding requirements exist, provide an asset ceiling adjustment resulting in a closing position of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

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22. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.9	3.90
Rate of increase for pensions in payment/ inflation	2.9	2.90
Discount rate for scheme liabilities	5.25	4.20

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.4	21.7
Females	23.2	24.4
<i>Retiring in 20 years</i>		
Males	21.7	23.0
Females	24.6	25.8

Sensitivity analysis

	2023	2022
	£	£
Discount rate +0.1%	407,712	414,136
Discount rate -0.1%	437,356	447,938
Mortality assumption - 1 year increase	432,525	441,893
Mortality assumption - 1 year decrease	412,184	419,785

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22. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	£
Equities	261,925	242,545
Gilts	8,721	9,737
Bonds	24,749	28,583
Property	51,921	59,973
Cash and other liquid assets	27,256	23,648
Other	71,113	49,311
Total market value of assets	445,685	413,797

The actual return on scheme assets was £363 (2022 - £-2,407).

The amounts recognised in the Statement of financial activities are as follows:

	2023	<i>2022</i>
	£	£
Current service cost	73,147	186,148
Net interest cost	(769)	9,351
Administrative expenses	206	165
Total amount recognised in the Statement of financial activities	72,584	195,664

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

	2023	<i>2022</i>
	£	£
At 1 September	430,697	917,062
Current service cost	73,147	186,148
Interest cost	18,521	15,744
Employee contributions	20,754	18,224
Actuarial gains	(60,692)	(706,481)
Other actuarial gains	(60,195)	-
At 31 August	422,232	430,697

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22. Pension commitments (continued)

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

	2023	<i>2022</i>
	£	£
At 1 September	413,797	336,089
Administration expenses	(206)	(165)
Interest income	19,290	6,393
Actuarial losses	(18,927)	(8,800)
Employee contributions	20,754	18,224
Contributions by employer including unfunded	71,172	62,056
Other actuarial losses	(60,195)	-
Derecognition of pension asset	(23,453)	-
At 31 August	422,232	413,797

23. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	<i>2022</i>
	£	£
Not later than 1 year	45,000	30,000
Later than 1 year and not later than 5 years	69,375	-
	114,375	30,000

24. Members' liability

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

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25. Related party transactions

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

The House Project Limited is a related party as it is a company of which Chris Manze, a Member, is a director. During the year the Academy paid rent to The House Project Limited for a school building amounting to £41,250 (2022 - £30,000).

Greenwood Academies Trust is a related party due to there being a Trustee (Claire Knee) in common. During the year the Academy raised sales invoices totalling £157,817 (2022 - £187,157) to schools within Greenwood Academies Trust. As at 31 August 2023 an amount of £5,400 (2022 - £19,424) was due from schools within Greenwood Academies Trust.

Related party transactions were conducted in accordance with the requirements of the Academy Trust Handbook and with the Academy's financial regulations and procurement procedures.

26. Post balance sheet events

On 1 December 2023, the Academy exchanged and completed on the purchase of a property at 33 Pilcher Gate, Nottingham. The cost of the purchase was £1,687,500 and the additional building will enable the Academy to continue to develop high quality Key Stage 3 provision.