

STOUR VALLEY EDUCATIONAL TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

**Company Registration Number:
07226557 (England and Wales)**

FRIDAY



A4MIS0CZ

A31

18/12/2015

#179

COMPANIES HOUSE

STOUR VALLEY EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 AUGUST 2015

CONTENTS

	Page No.
REFERENCE AND ADMINISTRATIVE INFORMATION	1
TRUSTEES' REPORT	2
GOVERNANCE STATEMENT	6
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE	10
STATEMENT OF TRUSTEES' RESPONSIBILITIES	11
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	12
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY	14
STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME & EXPENDITURE ACCOUNT	15
BALANCE SHEET	16
CASH FLOW STATEMENT	17
NOTES TO THE FINANCIAL STATEMENTS, INCORPORATING:	
ACCOUNTING POLICIES	18
OTHER NOTES TO THE FINANCIAL STATEMENTS	21

STOUR VALLEY EDUCATIONAL TRUST LIMITED
REFERENCE AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 AUGUST 2015

MEMBERS

K Haisman
D J Blake
R M Smith
G Brown (appointed 27 March 2015)
P J Hurrell (appointed 27 March 2015)

TRUSTEES

K Haisman	Chair
R M Smith	Vice Chair
D J Blake	
G Brown	
C G Hawkins	
C Inchley	Ex-Officio
S A Nicoll	
P Stanbury-Jones	
K L Waghorn	(resigned 1 December 2014)
P Garlick	(appointed 9 November 2015)
M Blewitt	Parent Trustee (resigned 15 July 2015)
P J Hurrell	Parent Trustee
G A Lovejoy	Parent Trustee
K J Terry	Staff Trustee

SENIOR MANAGEMENT

Head Teacher:	C Inchley
Deputy Head:	C Bank
Assistant Head Teachers:	B Collins
	L Reynolds
School Business Manager:	S Benson
Site Manager:	S Roberds

REGISTERED OFFICE

Cavendish Road
Clare
SUDBURY
CO10 8PJ

**COMPANY REGISTRATION
NUMBER**

07226557

AUDITORS

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
Suffolk
IP1 1TT

BANKERS

Lloyds TSB
30 Market Street
SUDBURY
CO10 2EL

SOLICITORS

Ashton KCJ
81 Guildhall Street
BURY ST EDMUNDS
IP33 1PZ

STOUR VALLEY EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the audited financial statements of the Academy Trust ('Academy') for the period from 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

Structure, Governance and Management

Constitution

Stour Valley Educational Trust Limited is a company limited by guarantee with no share capital (registration No. 07226557) and is an exempt charity. It is not required to be registered with the Charity Commission but is, however, subject to the Charity Commissioners' regulatory powers which are monitored by the Secretary of State for Education. The Memorandum and Articles of Association of Stour Valley Educational Trust Limited are the primary governing documents of the Trust.

The Trustees are also the directors of Stour Valley Educational Trust Limited for the purposes of company law. Stour Valley Educational Trust Limited is known as Stour Valley Community School.

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

Members' Liability

Each member of Stour Valley Educational Trust Limited undertakes to contribute to the assets of the 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.

Trustees' Indemnities

No indemnities have been given by Trustees during the year.

Principal Activities

The principal activity of Stour Valley Educational Trust Limited is to advance, for the public benefit, education in Clare and the surrounding area by establishing, maintaining and operating a school offering a broad curriculum.

Method of Recruitment and Appointment or Election of Trustees

As and when new Trustees are required for appointment, consideration is made as to the skills needed to augment the effectiveness of the Board. The Trustees are appointed under the terms of Stour Valley Educational Trust Limited's Articles of Association as follows:

- The number of Trustees shall be not less than three
- Up to eleven Trustees (excluding staff, parents, LA, ex officio and co-opted)
- Up to two staff Trustees
- A minimum of two Parent Trustees
- The Local Authority (LA) may appoint an LA Trustee
- The Headteacher as an ex-officio Trustee
- Co-opted Trustees

The Trustees have a breadth of skills which are beneficial to the various sub-committees that support the Board of Trustees. The term of office for all Trustees, except the Headteacher, is four years. The Headteacher's term of office runs parallel with their contract of employment.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the Trustees held 4 full Trustee meetings and 18 meetings of Board committees. The training and induction provided for new Trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the Academy, and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and directors of Stour Valley Educational Trust Limited. As there is normally expected to be only a small number of new Trustees each year induction tends to be done informally and is tailored specifically to the individual.

STOUR VALLEY EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2015

Organisational Structure

As specified in the Memorandum of Association, Stour Valley Educational Trust Limited is responsible for running the Academy. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Headteacher and Senior Management Team on a regular basis.

The Senior Management Team members of the Academy are the Head Teacher, the Deputy Head Teacher, the two Assistant Head Teachers, the Finance Manager, and the Site Manager. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Management Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a Trustee. Spending control is contained within the Senior Management Team.

Related Parties and Other Connected Charities and Organisations

The Trustees are not aware of any connected organisations or related party transactions during the year other than those disclosed in note 25 to the financial statements.

Objectives and Activities

Objects and Aims

The principal objective and activity of Stour Valley Educational Trust Limited is the operation of the Academy to provide education for pupils of different abilities between the ages of 11 and 16.

In addition to being governed by its Articles of Association, Stour Valley Educational Trust Limited has also entered into a Funding Agreement on 27 May 2011 with the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the school, the catchment area from which the students are drawn, and that the broad and balanced curriculum includes English, Mathematics and Science.

Objectives, Strategies and Activities

The Academy's Vision:

Central to our vision is the belief in the uniqueness of every student, and that every young person has gifts to discover and share with others. We are committed to building brighter futures for our students, our local community and the wider world.

We aim to open students' minds to their full potential so that when they leave us they have a firm foundation on which to build the next phase of their lives, whether that is in further academic study, vocational training or the world of work. We want our students to be happy and confident, but also caring and tolerant. Above all we want them to have a thirst for knowledge and a real enthusiasm for life.

The objectives of the Academy are agreed as:

- To raise the standard of educational achievement of all students
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with local schools and community groups, and;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Public Benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The objective of the Academy is to advance for the public benefit education in Clare and the surrounding area.

STOUR VALLEY EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and Performance

The school continued to receive mid-year transfers of students, and was successful at attracting students for the 2015/16 academic year. The number of students on roll as at 1 September 2015 was below forecast at 534. Mid-year transfers have continued in the autumn term of 2015 with 557 students on roll in November 2015.

Due to the growing popularity of the school and the extensive curriculum on offer, the school had applied to the Condition Improvement Fund for funding for additional classrooms. This bid was unsuccessful which in turn led to a decision to erect temporary classrooms financed from the school's own reserves. These buildings will be completed in the Autumn Term 2015.

Key Performance Indicators

Public Examinations were taken by students for the second year in 2015, with a more representative sized cohort. The Trustees were very pleased with the achievement of 52% A* - C grades.

Major KPI's on which the Trustees receive regular reports include:

- Student numbers.
- Expenditure budgets and cash flow
- Student and parent surveys
- Student behaviour
- Reports on lesson observations evidencing progress in teaching and learning
- Evidence of student progress against Fischer Family Trust D data
- Progress towards school targets from Performance Management reviews with Senior Leadership Team

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Principal Risks and Uncertainties

Financial and Risk Management Objectives and Policies

The Trustees have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see pages 8-9) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

The school has a comprehensive set of policies covering inter alia the teaching of the curriculum, the management of school facilities and operational procedures. These policies were reviewed by the relevant committees in the year under review.

Risk Management

During the year the Trustees completed their project to build comprehensive risk management procedures for the Academy. This will help identify and monitor the risks faced by the Academy. The key risk areas identified for inclusion are Strategy, Governance, Skills, Health and Safety, Safeguarding, IT, Business continuity and Financial Reporting and Management related. A point scoring mechanism has been put in place with a greater emphasis directed towards those areas identified as being higher risk.

Financial Review

Stour Valley Educational Trust Limited's accounting period is from 1 September 2014 to 31 August 2015.

Most of the Academy's income was obtained from the Education Funding Agency (EFA), an executive arm of the Department for Education (DfE), in the form of General Annual Grant (GAG) which is the per capita funding required to run the school and deliver the curriculum. Further funding was received from the EFA in the form of start-up grants the use of which was restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

STOUR VALLEY EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (Continued)

YEAR ENDED 31 AUGUST 2015

Reserves Policy

The Trustees review the reserve levels monthly. The review takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep the level of reserves under review.

As the Academy is in its early years of operation the Trustees have agreed to aspire to a level of reserves equivalent to one month's expenditure. The Academy currently holds £114,541 of unrestricted reserves and £169,562 of restricted general funds. These in total represent one month's worth of expenditure.

Investment Policy

The Investment policy has been approved by the Finance and Premises Committee. Surplus funds may only be invested in cash deposits with the leading High Street banks for periods which deliver the best financial returns to the Trust while ensuring that the Trust has access to sufficient liquidity to meet all financial obligations when due.

Plans for Future Periods

The Trust is concentrating its efforts on delivering the best possible educational experience so that the full student roll of 575 students is achieved as soon as possible.

Given the growing student population in junior schools the Trustees will keep under continual review the need to increase the number of buildings on site to cope with anticipated increased demand.

Funds held as Custodian Trustee on behalf of others

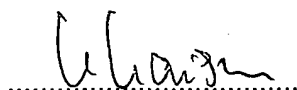
The Trust does not hold any funds as Custodian Trustee.

Auditor


In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 10.12.15 and signed on the board's behalf by:



K Haisman
Trustee



R M Smith
Trustee

STOUR VALLEY EDUCATIONAL TRUST LIMITED

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stour Valley Educational Trust Limited and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance Statement

During the reporting period the board of trustees had 13 members including the Headteacher, 1 staff Trustee and 3 parent Trustees. Two Trustees resigned during the year due to other commitments. The Deputy Headteacher, the Assistant Headteacher and the School Business Manager are associate Trustees and attend full Trustee meetings.

There are committees covering the key risk management areas of the school namely:

Community Committee

Curriculum Committee

Finance and Premises Committee

HR Committee

Pay Committee

Admissions Committee

Student Care and Support Committee

In addition there is a Chairman's Committee which comprises the chairs of the standing committees.

All committees have agreed terms of reference and meet at least once each term. All committees have responsibility for the policies within their remit and they are reviewed in accordance with the stipulations of the Board of Trustees. Attendance at all committees is good and meetings are always quorate.

The Trustees have undertaken a skills audit in the format proposed by the NGA. This audit was undertaken at the same time as a review of the school's strategy and vision. This assessment led to the recruitment of a further community governor with appropriate skills and an action plan for 2015/16 which has been integrated into the School Development Plan.

Attendance at all meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Full Board		
K Haisman (Chairman)	3	4
D J Blake	3	4
R M Smith	4	4
M Blewitt	1	4
G Brown	2	4
C Inchley	4	4
C G Hawkins	4	4
G Lovejoy	4	4
S Nicoll	4	4
P Stanbury-Jones	3	4
P J Hurrell	4	4
K J Terry	4	4
K Waghorn	1	2

STOUR VALLEY EDUCATIONAL TRUST LIMITED
GOVERNANCE STATEMENT (continued)
YEAR ENDED 31 AUGUST 2015

Community

Trustee	Meetings Attended	Out of a possible
R M Smith	3	3
P J Hurrell (Chairman)	3	3
K Haisman	2	3
G Lovejoy	2	3
S Nicoll	3	3

Curriculum

Trustee	Meetings Attended	Out of a possible
G Brown	2	3
K Haisman	3	3
G Lovejoy	1	3
R M Smith (Chairman)	3	3
C Inchley	3	3
P J Hurrell	3	3
K J Terry	2	3

Finance and Premises

Trustee	Meetings Attended	Out of a possible
M Blewitt	2	3
K Haisman (Chairman)	3	3
C Inchley	3	3
C G Hawkins	3	3
P Stanbury-Jones	3	3

HR

Trustee	Meetings Attended	Out of a possible
D J Blake (Chairman)	3	3
C Inchley	3	3
S Nicoll	2	3
P Stanbury-Jones	2	3

Pay

Trustee	Meetings Attended	Out of a possible
K Haisman	2	2
D J Blake (Chairman)	2	2
C Inchley	2	2
S Nicoll	1	2
P Stanbury-Jones	1	2

STOUR VALLEY EDUCATIONAL TRUST LIMITED
GOVERNANCE STATEMENT (continued)
YEAR ENDED 31 AUGUST 2015

Admissions

Trustee	Meetings Attended	Out of a possible
D Blake	1	1
K Haisman (Chairman)	1	1
C Inchley	1	1

Student Care and Support

Trustee	Meetings Attended	Out of a possible
D Blake	3	3
G Brown	3	3
K Haisman	1	3
C Hawkins	2	3

Review of Value for Money

The accounting officer 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 the educational and wider societal outcomes 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 available. The accounting officer for the academy has delivered improved value for money during the year by implementing a robust Performance Management system to ensure staff salaries are based on individual performance and student outcomes, with an annual review of staffing requirements. All expenditure is reviewed annually to identify cost savings and benchmarking strategies are used to identify areas where further value for money can be achieved. Contracts are revisited annually by the Finance Committee as part of their internal controls.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy's 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 Stour Valley Educational Trust Limited for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

STOUR VALLEY EDUCATIONAL TRUST LIMITED

GOVERNANCE STATEMENT (continued)

YEAR ENDED 31 AUGUST 2015

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed an external finance expert as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.


Review of Effectiveness

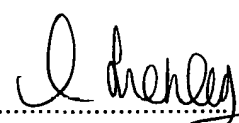
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the key components of the review system has been informed by:

- Weekly meetings between the Chair of the Finance and Premises Committee, the School Business Manager and the Headteacher to review financial reports and risk issues raised in the previous week.
- Termly reports by the School Business Manager to the Finance and Premises Committee
- One-to-one discussions each term between the RO and the Chair of the Finance and Premises Committee to enable concerns to be raised directly with a senior trustee.
- The RO provides written reports each term directly to the full Trustees Meeting and is called to the meeting by trustees as necessary.
- There are annual reviews of the effectiveness of all school policies by the relevant committee and a whole school risk assessment has been completed, reviewed and approved by the Finance and Premises Committee.

The Accounting Officer will be advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10.12.2015 and signed on its behalf by:


.....
K Haisman
Trustee

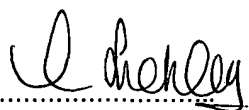

.....
C Inchley
Accounting Officer

STOUR VALLEY EDUCATIONAL TRUST LIMITED
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2015

As accounting officer of Stour Valley Educational Trust Limited I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



.....
C Inchley
Accounting Officer

STOUR VALLEY EDUCATIONAL TRUST LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2015

The trustees (who act as governors of Stour Valley Educational Trust Limited and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and 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 operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

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 board of trustees on 10.12.2015 and signed on its behalf by:



K Haisman
Chair

STOUR VALLEY EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOUR VALLEY EDUCATIONAL TRUST LIMITED

YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of Stour Valley Educational Trust Limited for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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, and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

STOUR VALLEY EDUCATIONAL TRUST LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
STOUR VALLEY EDUCATIONAL TRUST LIMITED (Continued)**

YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

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

- 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.

.....
Helen Rumsey FCA – Senior Statutory Auditor

Date 15/12/2015.....

For and on behalf of:

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

STOUR VALLEY EDUCATIONAL TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STOUR VALLEY EDUCATIONAL TRUST LTD AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 25 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stour Valley Educational Trust Limited during the period 1 September 2014 to 31 August 2015 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 Stour Valley Educational Trust Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stour Valley Educational Trust Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stour Valley Educational Trust Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stour Valley Educational Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stour Valley Educational Trust Limited's funding agreement with the Secretary of State for Education dated May 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Ensors Accountants LLP
Reporting Accountant

Date 15/12/2015

For and on behalf of:
Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

STOUR VALLEY EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming Resources						
<i>Incoming Resources from generated funds:</i>						
Voluntary Income	2	-	23,938	2,067	26,005	15,040
Transfer of land and buildings from local authority	12	-	-	-	-	6,795,699
Activities for generating funds	3	36,160	-	-	36,160	43,071
Investment Income	4	1,847	1,000	-	2,847	4,006
<i>Incoming Resources from charitable activities:</i>						
Funding for the Academy's educational operations	5a	-	2,865,202	23,720	2,888,922	2,786,311
Other educational income	5b	-	94,466	-	94,466	56,764
Total Incoming Resources		38,007	2,984,606	25,787	3,048,400	9,700,891
Resources Expended						
<i>Cost of generating funds</i>						
		-	5,147	-	5,147	9,235
<i>Charitable activities:</i>						
Academy's educational operations	7	8,005	2,887,403	185,955	3,081,363	2,877,896
Governance costs	8	-	99,643	-	99,643	100,557
Total Resources Expended	6	8,005	2,992,193	185,955	3,186,153	2,987,688
Net incoming/(outgoing) resources before transfers		30,002	(7,587)	(160,168)	(137,753)	6,713,203
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		30,002	(7,587)	(160,168)	(137,753)	6,713,203
Other recognised gains and losses						
Actuarial gains/ (losses) on defined benefit pension schemes	24	-	5,000	-	5,000	(104,000)
Net movement in funds		30,002	(2,587)	(160,168)	(132,753)	6,609,203
Reconciliation of Funds						
Total funds brought forward at 1 September 2014		84,539	(7,851)	6,835,281	6,911,969	302,766
Funds carried forward at 31 August 2015		114,541	(10,438)	6,675,113	6,779,216	6,911,969

All of the Academy's activities derive from continuing operating during the above two financial periods.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

STOUR VALLEY EDUCATIONAL TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	6,675,113	6,835,281
Current assets			
Debtors	13	103,394	33,074
Cash at bank and in hand		257,913	258,125
		<u>361,307</u>	<u>291,199</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>(77,204)</u>	<u>(68,511)</u>
Net current assets		284,103	222,688
Net assets excluding pension liability		6,959,216	7,057,969
Pension scheme liability	24	<u>(180,000)</u>	<u>(146,000)</u>
Net assets including pension liability		6,779,216	6,911,969
Funds of the academy:			
Restricted funds			
Fixed asset funds	15	6,675,113	6,835,281
General funds	15	169,562	138,149
Pension reserve	15	<u>(180,000)</u>	<u>(146,000)</u>
		6,664,675	6,827,430
Unrestricted funds			
General fund	15	114,541	84,539
Total funds		6,779,216	6,911,969

The financial statements on pages 15 to 33 were approved by the trustees, and authorised for issue on 10.12.2015 and are signed on their behalf by:



K Haisman
Trustee



R M Smith
Trustee

Company Limited by Guarantee
Registration Number: 07226557

STOUR VALLEY EDUCATIONAL TRUST LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net Cash Inflow/(Outflow) from Operating Activities	18	21,661	(17,866)
Returns on Investment and Servicing of Finance	19	1,847	3,006
Capital (Expenditure)/Income	20	(23,720)	9,930
(Decrease)/Increase in Cash in the Period		<u>(212)</u>	<u>(4,930)</u>
Reconciliation of Net Cash Flow to Movement In Net Funds			
Net Funds at 1 September 2014	21	258,125	263,055
Net Funds at 31 August 2015	21	<u>257,913</u>	<u>258,125</u>

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 one year from the date of approval of the financial statements.

Per the Statement of Financial Activities the Academy has restricted general reserves of (£10,438). This is due to the pension reserve of (£180,000), which is payable out of future annual income and therefore does not cause any issues for the going concern of the Academy.

Incoming Resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- ***Grants Receivable***

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in restricted general funds. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in restricted fixed asset funds

- ***Donations***

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

- ***Donated Services and Gifts in Kind***

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

STOUR VALLEY EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015 (Continued)

1 Accounting Policies (continued)

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets, 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:

Long leasehold land and buildings	2% straight line
ICT equipment	3 years straight line
Furniture, fixtures and equipment	3 years straight line

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.

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

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 Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

1 Accounting Policies (continued)

Pensions Benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 funder where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education. Restricted general funds also includes the funds associated with the Local Government Pension Scheme FRS 17 pension liability as detailed per note 24.

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

2 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
General donations	-	3,905	3,905	918
Transport donations	-	22,100	22,100	14,122
	<u>-</u>	<u>26,005</u>	<u>26,005</u>	<u>15,040</u>

3 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Hire of facilities	4,693	-	4,693	5,149
Other income	31,467	-	31,467	37,922
	<u>36,160</u>	<u>-</u>	<u>36,160</u>	<u>43,071</u>

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Short term deposits	1,847	-	1,847	3,006
Pension finance income	-	1,000	1,000	1,000
	<u>1,847</u>	<u>1,000</u>	<u>2,847</u>	<u>4,006</u>

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

5a Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,694,497	2,694,497	2,465,454
EFA Start Up Grants	-	44,805	44,805	60,020
Other DfE/EFA grants	-	11,779	11,779	14,925
	<u>-</u>	<u>2,751,081</u>	<u>2,751,081</u>	<u>2,540,399</u>
DfE/YPLA/EFA capital grants				
Partnership For Schools Grant	-	-	-	60,472
Other Government grants				
Local authority grants	-	28,790	28,790	128,855
Other				
Trips Funds	-	109,051	109,051	56,585
	<u>-</u>	<u>2,888,922</u>	<u>2,888,922</u>	<u>2,786,311</u>

5b Other educational income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Insurance claim	-	-	-	1,082
Transport reimbursements	-	74,400	74,400	39,095
Uniform income	-	383	383	416
Music Fees	-	19,683	19,683	16,171
	<u>-</u>	<u>94,466</u>	<u>94,466</u>	<u>56,764</u>

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

6 Resources Expended

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2015 £	Total 2014 £
<i>Cost of generating funds</i>	-	-	5,147	5,147	9,235
<i>Charitable activities:</i>					
Academy's educational operations					
Direct costs	2,040,437	-	367,898	2,408,335	2,107,540
Allocated support costs	157,746	87,529	427,753	673,028	770,356
	<u>2,198,183</u>	<u>87,529</u>	<u>795,651</u>	<u>3,081,363</u>	<u>2,877,896</u>
Governance costs including allocated support costs	80,955	-	18,688	99,643	100,557
	<u>2,279,138</u>	<u>87,529</u>	<u>819,486</u>	<u>3,186,153</u>	<u>2,987,688</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

	2015 £	2014 £
Incoming/outgoing resources for the year include:		
Operating leases land and buildings	-	123,284
other	17,644	16,330
Fees payable to auditor		
Audit	5,720	5,500
Other services	3,015	6,208
Depreciation	<u>185,955</u>	<u>163,992</u>

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Direct costs				
Minibus rental and running costs	-	6,089	6,089	6,382
Office and Administration costs	-	19,692	19,692	13,543
Staff Costs	-	2,040,437	2,040,437	1,845,404
Recruitment	-	740	740	6,056
Induction arrangements	-	531	531	1,430
Financial and Information Systems	-	9,723	9,723	15,304
Advertising	-	1,070	1,070	395
Curriculum Delivery	7,317	320,793	328,110	205,652
Information Technology	-	1,943	1,943	13,374
	<u>7,317</u>	<u>2,401,018</u>	<u>2,408,335</u>	<u>2,107,540</u>
Allocated support costs				
Support staff costs	-	157,746	157,746	138,069
Depreciation	-	185,955	185,955	163,992
Maintenance of premises and equipment	-	38,492	38,492	72,324
Cleaning	-	3,868	3,868	5,146
Rent & rates	-	18,941	18,941	137,107
Insurance	-	26,227	26,227	23,897
Security and transport	-	88,748	88,748	66,300
Catering	-	19,145	19,145	16,344
Other support costs	688	133,218	133,906	147,177
	<u>688</u>	<u>672,340</u>	<u>673,028</u>	<u>770,356</u>
Total	<u>8,005</u>	<u>3,073,358</u>	<u>3,081,363</u>	<u>2,877,896</u>

8 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Staff costs	-	80,955	80,955	79,702
Audit fee	-	5,720	5,720	5,500
Accountancy fee	-	4,080	4,080	6,208
Legal and professional fees	-	8,888	8,888	8,407
Trustees' reimbursed expenses	-	-	-	740
	<u>-</u>	<u>99,643</u>	<u>99,643</u>	<u>100,557</u>

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

9 Staff Costs

	2015 £	2014 £
Staff costs during the year were:		
Wages and salaries	1,841,791	1,672,480
Social security costs	137,540	124,201
Pension costs	299,807	266,494
	<u>2,279,138</u>	<u>2,063,175</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows:

	2015 Number	2015 Full-time equivalent	2014 Number	2014 Full-time equivalent
Charitable Activities				
Teachers	35	35	32	31
Administration and support	31	22	31	24
Management	2	2	2	2
	<u>68</u>	<u>59</u>	<u>65</u>	<u>57</u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>2</u>	<u>2</u>

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £19,118 (2014: £18,471).

10 Related Party Transactions - Trustees' Remuneration and Expenses

The Principal and staff trustees only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

C Inchley - Principal and Trustee	£85,000 - £90,000	(2014: £80,000 - £85,000)
K J Terry - Staff Trustee	£45,000 - £50,000	(2014: £50,000 - £55,000)

The above remuneration includes £16,618 (2014: £18,656) of pension contributions.

During the year ended 31 August 2015, travel and subsistence expenses totalling £nil (2014: £740) were reimbursed to 0 (2014 - 4) trustees. Related party transactions involving the trustees are set out in note 25.

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

11 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 £2,000,000 (2014: £2,000,000) on any one claim and the cost for the year ended 31 August 2015 was £677 (2014: £677). The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture, Fixtures & Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2014	6,795,699	26,680	397,515	7,219,894
Additions	-	12,454	13,333	25,787
Transfers	-	-	-	-
At 31 August 2015	6,795,699	39,134	410,848	7,245,681
Depreciation				
At 1 September 2014	22,652	17,786	344,175	384,613
Charge for the year	135,914	11,211	38,830	185,955
At 31 August 2015	158,566	28,997	383,005	570,568
Net book values				
At 31 August 2015	6,637,133	10,137	27,843	6,675,113
At 31 August 2014	6,773,047	8,894	53,340	6,835,281

On 1 September 2011 the Academy entered into an agreement to operate from the Clare Middle School site owned by Suffolk County Council (SCC). The Academy had a licence to occupy this site until the building and refurbishment phase was complete. The work was completed on 30 June 2014 and SCC granted the Academy a 125 year lease on 1 July 2014 for the land and buildings. In the opinion of the members the substance of the position at 31 August 2014 was that the Academy had control over the land and buildings and substantially all the significant risks and rewards associated with ownership had been transferred to the academy. As such the land and buildings have been recognised in the financial statements at their fair value at the date of conversion of £6,795,699.

13 Debtors

	2015 £	2014 £
Trade debtors	4,450	1,354
Prepayments	88,940	1,874
Other debtors	10,004	29,846
	<u>103,394</u>	<u>33,074</u>

STOUR VALLEY EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015 (Continued)

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	304	-
Other taxation and social security	40,342	37,779
Other creditors	20,259	16,995
Accruals and deferred income	16,299	13,737
	<u>77,204</u>	<u>68,511</u>

15 Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	129,399	2,670,777	(2,576,189)	(72,000)	151,987
EFA start-up grant	-	44,805	(44,805)	-	-
Other DfE/EFA grants	4,471	11,779	(11,779)	-	4,471
Other grants	-	28,790	(28,790)	-	-
Transport fund	3,919	96,500	(88,748)	-	11,671
Trips fund	-	109,251	(109,251)	-	-
Other amounts	360	21,704	(20,631)	-	1,433
	<u>138,149</u>	<u>2,983,606</u>	<u>(2,880,193)</u>	<u>(72,000)</u>	<u>169,562</u>
Pension reserve	(146,000)	1,000	(112,000)	77,000	(180,000)
	<u>(7,851)</u>	<u>2,984,606</u>	<u>(2,992,193)</u>	<u>5,000</u>	<u>(10,438)</u>
Restricted fixed asset funds					
Donations	-	2,067	(459)	-	1,608
Partnership For Schools	57,242	-	(40,394)	-	16,848
GAG funded assets	4,992	23,720	(9,187)	-	19,525
Gifted assets on conversion	6,773,047	-	(135,915)	-	6,637,132
	<u>6,835,281</u>	<u>25,787</u>	<u>(185,955)</u>	<u>-</u>	<u>6,675,113</u>
Total restricted funds	<u>6,827,430</u>	<u>3,010,393</u>	<u>(3,178,148)</u>	<u>5,000</u>	<u>6,662,675</u>
Unrestricted funds	84,539	38,007	(8,005)	-	114,541
Total funds	<u>6,911,969</u>	<u>3,048,400</u>	<u>(3,186,153)</u>	<u>5,000</u>	<u>6,779,216</u>

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

The General Annual Grant (GAG) is used for the normal running costs of the Academy.

The Start Up Grant – Lead In Grant was used to assist with getting the Academy operational.

Other EFA grants are various specific grants provided to the Academy from the EFA.

Other restricted funds include income and expenditure on trips and transport.

Partnership For Schools is money spent on refurbishment works on the houses and site, not covered under the building contract, and also contributions towards the school computers that we have been able to reclaim from PFS.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	6,675,113	6,675,113
Current assets	117,191	244,116	-	361,307
Current liabilities	(2,650)	(74,554)	-	(77,204)
Pension scheme liability	-	(180,000)	-	(180,000)
Total net assets	114,541	(10,438)	6,675,113	6,779,216

17 Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Other		
Expiring within one year	427	-
Expiring within two and five years inclusive	1,561	5,451
Expiring in more than five years	6,928	6,928

18 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income/(expenditure)	(137,753)	6,713,203
Depreciation (note 12)	185,955	163,992
Interest receivable (note 4)	(1,847)	(3,006)
Capital grants from EFA and other capital income	(2,067)	(60,472)
Transfer of land and buildings from local authority	-	(6,795,699)
FRS 17 pension cost less contributions payable (note 24)	40,000	25,000
FRS 17 pension finance income (note 24)	(1,000)	(1,000)
(Increase)/Decrease in debtors	(70,320)	39,581
Increase/(Decrease) in creditors	8,693	(99,465)
Net cash inflow/(outflow) from operating activities	21,661	(17,866)

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

19 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	1,847	3,006
Net cash inflow from returns on investment and servicing of finance	<u>1,847</u>	<u>3,006</u>

20 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(25,787)	(50,542)
Capital donations and grants	2,067	60,472
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(23,720)</u>	<u>9,930</u>

21 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash in hand and at bank	<u>258,125</u>	<u>(212)</u>	<u>257,913</u>

22 Contingent Liabilities

During the year of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23 Members' Liability

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

STOUR VALLEY EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015 (Continued)

24 Pension and similar obligations

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 Suffolk County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £207,561 (2014: £191,850).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

STOUR VALLEY EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015 (Continued)

24 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £92,246 (2014: £74,644), of which employer's contributions totalled £69,333 (2014: £56,157), and employees' contributions totalled £22,913 (2014: £18,487). The agreed contribution rates for future years are 17.8% for employers and 5.5-12.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.6%	4.5%
Rate of increase for pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Expected return on assets	3.8%	5.5%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.3
Females	26.9	26.9

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	3.8%	304,000	6.4%	236,000
Bonds	3.8%	96,000	3.4%	72,000
Property	3.8%	50,000	4.5%	34,000
Cash	3.8%	5,000	3.3%	3,000
Total market value of assets		455,000		345,000
Present value of scheme liabilities				
- Funded		(635,000)		(491,000)
Surplus/(deficit) in the scheme		(180,000)		(146,000)

The actual return on scheme assets was £15,000 (2014: £21,000).

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

24 Pension and similar obligations (Continued)

Local Government Pension Scheme (Continued)

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	112,000	96,000
Past service cost	-	-
Total operating charge	<u>112,000</u>	<u>96,000</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	22,000	11,000
Interest on pension liabilities	<u>(21,000)</u>	<u>(10,000)</u>
Pension finance income / (costs)	<u>1,000</u>	<u>1,000</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £105,000 loss (2014: £110,000 loss).

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

	2015 £	2014 £
At 1 September 2014	491,000	153,000
Current service cost	112,000	96,000
Past service cost	-	-
Interest cost	21,000	10,000
Employee contributions	23,000	23,000
Actuarial (gains)/loss	(12,000)	209,000
Curtailments and settlements	-	-
Benefits paid	-	-
At 31 August 2015	<u>635,000</u>	<u>491,000</u>

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

	2015 £	2014 £
At 1 September 2014	345,000	135,000
Expected return on assets	22,000	11,000
Actuarial gains	(7,000)	105,000
Employer contributions	72,000	71,000
Employee contributions	23,000	23,000
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	-	-
At 31 August 2015	<u>455,000</u>	<u>345,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £75,000.

STOUR VALLEY EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015 (Continued)

24 Pension and similar obligations (Continued)

Local Government Pension Scheme (Continued)

The five-year history of experience adjustments is as follows:

	2015 £	2014 £	2013 £
Present value of defined benefit obligations	(635,000)	(491,000)	(153,000)
Fair value of share of scheme assets	455,000	345,000	135,000
Surplus/(Deficit) in the scheme	<u>(180,000)</u>	<u>(146,000)</u>	<u>(18,000)</u>
Experience adjustments on share of scheme assets	(7,000)	105,000	7,000
Experience adjustments on scheme liabilities	-	(117,000)	-

25 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.