

Stratford School Academy

Annual Report and Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
07710532 (England and Wales)

THURSDAY



ABUJPJJF

A13

05/01/2023

#38

COMPANIES HOUSE

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	20
Statement of Regularity, propriety and compliance	24
Statement of Governors' responsibilities	25
Independent auditor's report on the financial statements	26
Independent reporting accountant's report on regularity	31

Financial statements

Statement of financial activities	33
Balance sheet	34
Statement of cash flows	35
Principal accounting policies	36
Notes to the financial statements	42

Reference and administrative information

Members/Governors/Directors/Trustees

Mr H Pruim* (Chair)
Mr C Hewitt (Headteacher & Accounting Officer)
D Ancira*
C Babajide
R Bernstein*
Mr A Ford
Mr I Ibrahim*
Mr N Jepson*
Ms L McInerney
Mr A Patel
Mr J Pillai
Mrs P Sheikh

*Members of the Resources Committee

Company Secretary

Paul Walker
Stratford School Academy
Upton Lane
Forest Gate
London
E7 9PR

Senior Leadership Team

Headteacher and Accounting Officer	Mr C Hewitt
Chief Financial Officer	Mr M Rogers
Deputy Headteacher	Mr M Rogers
Deputy Headteacher	Mr A Dixon
Deputy Headteacher	Mr M Pratt
Assistant Headteacher	Mrs C Robinson
Assistant Headteacher	Ms L Good
Assistant Headteacher	Ms N Salim
Assistant Headteacher	Mrs C Booth
Assistant Headteacher	Mr M Walkinshaw
Facilities Manager	Mr C Gardiner-Graham

Registered address

Upton Lane
Forest Gate
London
E7 9PR

Company registration number

07710532 (England and Wales)

Reference and administrative information

External auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Internal auditors	MHA MacIntyre Hudson New Bridge Street House 30/34 New Bridge Street London EC4V 6BJ
Bankers	Barclays Bank plc The Newham Group 1 Churchill Place London E14 5HP
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

The Governors of Stratford School Academy ('the Academy') present their annual report together with the audited financial statements of the charitable company for the year to 31 August 2022. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 36 to 41 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Stratford School Academy is a company limited by guarantee and was incorporated in England and Wales on 19 July 2011 (Number 7710532). It is also an exempt charity. The Charitable Company's Memorandum and Articles of Association which are the primary governing documents of the academy trust define Stratford School Academy as "The Academy Trust".

The term 'trustees', which has been used throughout these financial statements, covers the role of trustees for the charitable activities of Stratford School Academy and the role of directors of the Charitable Company for the purposes of company law.

Details of the trustees who served throughout the year and up to the date of approval of this report are on page 4.

Members' liability

Each member of Stratford School Academy 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.

Trustees' indemnities

From 1 April 2019, the academy trust opted in to the Department for Education's Risk Protection Arrangement (RPA), an alternative to commercial insurance. Further details are provided in note 8 to the financial statements.

Principal activities

The principal activity of the academy trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors/trustees

Between 19 November 2011 and 27 March 2022, the academy trust's Articles of Association provided for trustees who were also governors and who were also directors of the charitable company for the purposes of the Companies Act 2006. On 28 March 2022, replacement Articles of Association provided, instead, for trustees who were directors of the charitable company for the purposes of the Companies Act 2006 and that remained the case up to the date of approval of this report. The table below shows those governors and trustees who were in office throughout the year up to the date of approval of this report, except where shown.

Trustee	In-year appointments and resignations		Appointing body
	Appointed	Resigned	
Hamilton Pruim (Chair)			Members under Article 50
Dorothee Ancira	24 January 2022		Members under Article 50
Abid Abdul-Bari		3 June 2022	Members under Article 50
Christianah Babajide	4 July 2022		Members under Article 50
Richard Bernstein	24 January 2022		Members under Article 50
Andrew Ford			Co-opted under Article 59
			Members under Article 50
Craig Hewitt			Ex-officio Until 27 March 2022 under Article 54
			Members from 28 March 2022 under Article 57
Idris Ibrahim			Members under Article 50
Joshua Jarvis		13 December 2021	Co-opted by trustees under Article 59 as an employee of the academy trust
			Members from 28 March 2022 under Article 50
Neil Jepson			Co-opted under Article 59
			Members under Article 50
Laura McInerney			Co-opted under Article 59
			Members under Article 50
Abid Patel			Until 27 March 2022, parent governor elected under Article 53
			From 28 March 2022, parent trustee elected under Article 46(c)
Jayadevan Pillai			Members under Article 50
Alex Shapland-Howes		28 March 2022	Members under Article 50
Parvez Sheikh			Until 27 March 2022, parent governor elected under Article 53
			From 28 March 2022, parent trustee elected under Article 46(c)

Method of recruitment and appointment or election of trustees

From 28 March 2022, the number of trustees may not be fewer than three and, unless determined by ordinary resolution, the total number of trustees is not subject to any maximum.

The Articles of Association provide for the appointment or election of the undernoted principal categories of trustees:

- ◆ Up to nine trustees appointed by members
- ◆ A minimum of two parent trustees elected by parents or, where a vacancy cannot be filled by election, on appointment by the trustees
- ◆ Any number of trustees co-opted by non-co-opted trustees

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees (continued)

- ◆ If they wish to act as a trustee and if members choose to appoint them as such, the Principal

The election of parent trustees is outside the control of the trustees, except for the administrative arrangements.

The appointment of trustees which fall within the jurisdiction of the members and of non-copted trustees are made on the basis of what knowledge, skills, behaviours and experience new trustees can contribute to the Board of Trustees in the conduct of the business of the academy trust.

Policies and procedures adopted for the induction and training of trustees

On an appointment or election, each new trustee is issued with a handbook giving details relevant to being a trustee at Stratford School Academy and they are supported through an induction programme.

Arranged induction meetings include:

- ◆ a meeting with the Chair who will explain the structure and workings of the academy trust; and
- ◆ Meetings with the Headteacher who will
 - ◇ discuss all current issues being dealt with the Board of Trustees
 - ◇ explain the roles and responsibilities of managers within the academy trust
 - ◇ take the new trustee on a tour of the academy, and
 - ◇ introduce the new trustee to personnel within the academy trust.

Trustees are made aware of what training courses are available and are encouraged to attend courses to enhance their contribution to their role as a trustee of Stratford School Academy.

Organisational structure

Board of Trustees

The Board of Trustees is responsible for furthering the charitable objects of the charitable company, including through strategic planning and monitoring the actions taken by the Headteacher in the implementation of those plans.

Organisational structure (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Committees of the Board of Trustees

The Board of Trustees has constituted committees. These have oversight of

- ◆ resources (until 27 March 2022) and resources, audit and risk (from 28 March 2022), and
- ◆ curriculum and standards.

Headteacher and Senior Leadership Team

The Headteacher in association with the Senior Leadership Team is responsible for the day-to-day management of the academy trust and for the implementation of the strategic decisions of the Board of Trustees.

Accounting Officer

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

With the exception of the Headteacher, who is remunerated in their capacity as an academy trust employee, no trustees are remunerated by the academy trust.

The Senior Leadership Team is employed as one of the following: education support; administrator; premises; classroom teacher; senior classroom teacher; and academy leader. Each category of employment has associated pay scales and pay ranges.

The academy trust's Pay Policy sets out the arrangements for applying limited discretion in regard to determining the salary range awarded to key management personnel. The most significant facts over which discretion can be exercised are: prevailing conditions in the employment market, cost pressures on the academy trust and matching the existing salaries of newly appointed staff.

The Pay Policy also sets out the circumstances in which any member of staff (including the Headteacher) may have an incremental increase in salary withheld.

The academy trust does not operate any form of bonus payments or use any other forms of remuneration.

The appraisal arrangements for all staff are set out in the academy trust's Performance Management Policy and Procedure.

Trade union facility time

No employees of the academy trust were relevant union officials during the relevant period.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

Objects and aims

As defined in the Articles of Association, the principal object of the academy trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

This principal objective incorporates the provision and maintenance of the highest attainable education standards for its students.

In setting objectives and planning activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Objectives, strategies and activities

Target measure	Historical performance (2019 2020 2021 2022)	Target for 2022
Progress 8 score	+0.07 +0.47 +0.27 +0.61 (nb figures for 2020 and 2021 are GAGs, CAGs and TAGs)	+0.25
Progress 8 Gender	2019 Girls +0.4 Boys -0.06 2020 Girls 0.74 Boys 0.36 2021 Girls +0.73 Boys +0.07 2022 Girls +1.11 Boys +0.38	Girls: +0.55 Boys: +0.15
Percentage of students of students reading at or above chronological age	Year 7 49%; 64% Year 8 38%; 53% Year 9 50%; 65% Year 10 47%; 62% Year 11 47% 62%	All year groups increase by 15%
Attendance	2019: 94.3% 2020: 94.7% 2021: 90.3% 2022: 93.1%	95% (National Average 89.7%)
No. of exclusions (fixed term)	2018-2019 = 88 2019-2020 = 36 (until March) 2020-2021 = 57 2021-2022 = 47	30
No. of exclusions (permanent)	2018-2019 = 7 2019-2020 = 6 (until March) 2020-2021 = 1 2021-2022 = 2	2
No. of AP places	2019-2020 61 (690 days) 2020-2021 7 (150 days) 2021-2022 23 (829 days)	6 (100 days)
Percentage of students staying on in education	2019* = 90% 2020 = Not yet published, 2021 = *2 year lag – pupils actually finished year 2 years before this date. 2022 = Current projection is 98%	98%

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

The academy trust's School Development Plan sets out the way it plans to go about meeting its objectives, in particular it seeks to:

1. Improve the curriculum:

- ◆ Review and improve curriculum plans in subject areas to ensure they are rigorous, well-sequenced, have the correct scope and coherence and enable learning over time leading to excellent outcomes
- ◆ Ensure that our curriculum is 'knowledge-rich'
- ◆ Ensure our approach to the curriculum is effectively communicated to students and parents in order to support engagement and progress
- ◆ Develop a coherent approach to content that overlaps more than one subject
- ◆ Plan and build more opportunities for students to develop their cultural capital in and beyond lessons
- ◆ Plan opportunities for departments to develop cross-curricular links

2. Improve reading and literacy:

- ◆ Continue to embed and fine tune reading age tests and subsequent interventions and evaluation
- ◆ Ensure every student always carries a book and reads regularly including developing systems to monitor and evaluate this
- ◆ Continue to work at developing a school culture of loving reading
- ◆ Develop departmental approaches to disciplinary literacy, targeted vocabulary instruction and students' ability to read complex tasks (EEF pillars 1-3)

3. Improve teaching and learning

- ◆ Outline a clear vision of what excellent teaching and learning looks like based on the most robust and relevant research
- ◆ Ensure staff understanding of this approach and of the principles from cognitive science which underpin it
- ◆ Further develop key aspects of classroom practice, particularly engagement, checking for understanding, feedback and metacognition
- ◆ Further develop the use of instructional coaching to support teacher development
- ◆ Improve the effectiveness of homework and its impact on student progress
- ◆ Develop a new assessment policy and embed these processes
- ◆ Ensure teachers are using data effectively to plan and evaluate

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

3. Improve teaching and learning (continued)

- ♦ The academy trust has exceeded its Pupil Admission Number and is fully staffed. Absence is below both national and local averages.

It was clear that there were a number of historical issues at the school which required some attention from September 2020, below is an overview of the progress thus far in addressing some of the most pressing issues.

Issue	September 2020	Progress	Next steps/updates
Vision and values	No set of agreed school values, no published vision	Consulted with staff, students and parents to create a new vision and values statement	Needs embedding more widely so these are 'lived' in the school This is now happening eg display, rewards policy, etc.
Policies	A number of statutory policies were not up-to-date and the general organisation of the policy schedule was significantly lacking	All statutory policies are now in place both internally and on the website and we have a comprehensive process in place for reviewing them.	We still need to confirm our HR bundle of policies – we are currently going through these with our solicitors
Website	Looked poor, was out of date, was not compliant	Compliant (externally reviewed) New website in place	Finalise few remaining compliance issues (mainly governance related) Staff intranet
Curriculum	Significant issues at KS4 - all students taking triple science with average/below average outcomes; all students doing French/Spanish in Year 10 with very poor outcomes; Sciences taught separately throughout the school taking up a disproportionate amount of time; questionable grouping policies in some subjects; '5 year GCSE' approach in many subjects; lack of widespread, embedded understanding of current curriculum thinking and links to T&L and achievement	KS4 curriculum adjusted so most students study combined science; French an option; students now have greater choice of subjects; significant re-planning happening in departments focussed on schema-building and LTM; removal of GCSE content/references from KS3; setting in Maths; agreed direction of travel and approach to curriculum External review	Continued update of curriculum in subject areas; greater development of cultural capital; address the EBacc issue – now guiding high attainers to take it next year Greater focus on sequencing, rigour, etc.
Assessment and reporting	There had been a number of changes to data collection and reporting in recent years but solutions were still not satisfactory	Brought in a new reporting format, road tested with HoDs and parents.	Embed this over the next year Assessment policy has been rewritten by staff working group
Self-evaluation processes	No systematic processes in place for middle leaders SLT processes lacked rigour eg learning walks which did not actually go into classrooms	Dept SEFs established More frequent SLT evaluations with greater rigour but not adding to workload	This need to be embedded, more consistently across departments and lead to appropriate follow-up eg targeted CPD
Analysis of data	Limited analysis (eg. weak exam review format, variable ongoing analysis, etc.) and an emphasis on attainment which missed a lot of issues eg HPAs underachieving	New exam analysis format and meetings to review these including trustees More in-year review of data and actions Data manager appointed 4Matrix installed for analysis	Further development of individual dept and subject teacher understanding and ownership of data analysis
Trips	Policy in place which meant virtually no trips or extra-curricular activities in school time happened	Have signalled this will change once Covid restrictions are lifted Music per lessons started Extra EBTC role created Evolve software for admin now in place	More trips are now happening but we need to extend our offer further

STRATEGIC REPORT

Objectives, strategies and activities (continued)

Issue	September 2020	Progress	Next steps/updates
Rewards	No system for rewards in the school other than a few ad hoc ones	New policy written and system in place	Monitor implementation and impact
Display	None in the school	Permanent subject decals now installed, notice boards have gone up along with quotes reflecting our vision and values chosen by students	Student photos with our values / motto on about to go up soon
Performance management/advancement to SCT scale	Historical processes lacked sufficient rigour	These have now been overhauled	Continue to embed these processes next year
Literacy	Lack of impact on this despite being on the SDP for 3 years	More rigorous action plan in place on SDP with AHT leading Reading tests in place Hackney lit launched	Extend the interventions further Development of disciplinary literacy in departments a key focus for CPD this year
Support for students in school	Historically there was virtually no support for early indications of behaviour issues, etc. Students were moved very swiftly to AP	We have introduced a menu of in-school support and shared strategies with staff Introduction of Headstart and Counselling through Place2BE, introduction of a support 'Panel' to gatekeep and monitor the impact of support	Monitor implementation and impact
Support for staff		Employee Assistance scheme; working towards the wellbeing award CPD; Homework	
Leadership structures	SLT responsibilities not always coherent and clear cut Some middle leaders randomly leading 2 departments	New SLT responsibilities agreed for September Reorganisation of Science as one department Reorganisation of middle leadership roles to have individual HoDs in place	Review pastoral structure at a later date – explore a move to year based system
Student leadership	Nothing in place	Student leadership team in place and active	Further extend the range and impact of student voice
External communications	Relatively weak and paper-based, no PTA	Much improved presence on social media, use of Parentmail established, website much improved, parent information evenings being rolled out	Ensure Parentmail is used by – almost – all parents; establish a PTA,
Permanent exclusions and use of AP	Rates of permanent exclusion in the school have been historically very high as has the number of students sent to AP	We have significantly reviewed our approach to this with new procedures and processes and as a result significantly reduced both permanent exclusions and numbers of students at AP	Evaluating and embedding new approaches and extending our range of in-school support Currently trialling an in-school alternative to FTEs
SDP	3 year plan (too long), format not fit for purpose and not enough progress on many areas	A new focused format including costs for a 1 year plan and linked to DDPs, HT and SLT PA and regularly evaluated and shared with trustees	Need to involve governors in the formulation stage of the plan
CPD	Little engagement/participation in programmes, visits to other schools, etc.	6 middle leaders doing NPQSL, 3 doing NPQs, 2 staff doing MAs. T&L briefings weekly. Much more engagement with research. Visits to and links with other schools established.	Monitor for impact. Refine offer in the light of new self-evaluation data. HoDs to take more ownership.
Homework	No system / consistency about the setting of homework. Little guidance for parents. Inconsistent monitoring by Academy Leaders	Full review autumn 2021. Clear expectations in place for staff. Homework club established. Guidance for Parents on website	Enhance guidance eg exemplar work). Monitor for impact.
Library	Poorly resourced inadequate spaces with little use.	External audit. Action plan in place.	New libraries established on both sites.

STRATEGIC REPORT (continued)

Covid-19 impact

With no online learning in place the Academy found itself in a difficult position during the first lockdown. However by the time of the lockdown in January 2021 we had distributed over 900 laptops to students and upskilled staff and students on Microsoft Teams and were therefore able to move much more efficiently to a blend of synchronous and asynchronous learning.

The principal risks have changed due to the uncertainties faced by the Academy due to the virus during the reporting period (see section on Principal risks and uncertainties below).

During the reporting period the reserves held by the Trust have remained stable. Due to good financial management, unforeseen expenditure due to the control measure were offset by savings in other budget areas.

The actual impact on students has been varied (which is one of the reasons responding to it is so challenging). During lockdown our key priorities were:

- ◆ Combating digital poverty
- ◆ Keeping a broad and ambitious curriculum
- ◆ Developing the systems for diagnosing gaps in learning
- ◆ Developing programmes for intervening in response to gaps in learning

Since then our priorities have been:

Short term priorities

Priority	Action Taken	Impact	Outcome
Get students back into school and back into their routines.	1. INSET – Expectations, routines, responding to behaviours, supporting well-being of students 2. Student training sessions 3. Event walk-throughs 4. Clear parent guidance	Reduction in behaviour incidents. Attendance above local and national averages.	Met
Identify any priority students who need immediate support.	1. Formal concerns screening (subjects and pastoral) 2. Formative assessment	Students identified accurately. Students matched to interventions.	Met
Provide Summer School for Year 6-7 students identified as 'not secondary ready'	1. Meet with primary schools to gain information regarding standard of literacy skills 2. Identify students for selection and invite to attend Summer School	Students received additional two-weeks of support regarding literacy skill development. Students start Secondary school closer to the expected standard.	Met

STRATEGIC REPORT (continued)

Covid-19 impact (continued)

Medium term priorities

Priority	Action Taken	Impact	Outcome
Run diagnostic testing to identify gaps in learning and students requiring specific support.	<ol style="list-style-type: none"> 1. INSET – Wide range of formative assessment strategies shared with staff 2. Introduction of CAT4 for Y7 3. Reading Age Testing embedded across all year groups 4. Summative assessments and progress data identifying students who need intervention 5. Attendance, behaviour and well being data analysed regularly 	<p>Students with gaps in learning identified.</p> <p>Students with wider-needs, formed due to the COVID-19 pandemic, identified.</p>	Met
Re-plan the curriculum in subject areas to address significant gaps which would impact future progress	<ol style="list-style-type: none"> 1. Subject review of curriculum against identified gaps 2. Interim 'catch-up' version of curriculum rolled out 3. Long-term subject curriculums established using the spiral model 	<p>General gaps in learning formed by most-students countered by changes.</p> <p>Classroom curriculum offering breadth and depth established.</p>	Met
Decide upon evidence-informed strategies for 'catch-up'.	<ol style="list-style-type: none"> 1. Strategies from 'Covid-19 Support Guide for Schools' by EEF selected 	<p>Catch-up strategies selected.</p> <p>Plan to embed strategies implemented.</p>	Met
Begin to implement the strategies	<ol style="list-style-type: none"> 1. Reviewed strategies suggested by EEF and select 'best-bets' 2. Design systems to support the implementation of strategies 3. Roll-out support strategies. 	<p>Strategies embedded into the way we work at SSA.</p>	Met
Implement targeted intervention approaches	<ol style="list-style-type: none"> 1. Introduce and develop the 7-tier intervention system 2. Implement secondary ready interventions 3. Ensure range of interventions to support student attendance, behaviour and mental health/well being 	<p>On-going.</p>	On going

STRATEGIC REPORT (continued)

Covid-19 impact (continued)

Long term priorities

Priority	Action Taken	Impact	Outcome
Implement the strategies	1. Reviewed strategies suggested by EEF and select most 'best-bets' 2. Design systems to support the implementation of strategies 3. Roll-out support strategies	Strategies embedded into the way we work at SSA.	Met
Evaluate the impact of the strategies and adjust implementation as necessary	Data analysis Departmental and SLT self-evaluation activities (eg learning walks).	We obtain a clear and valid picture of the impact of the strategies.	On-going

- ◆ The academy trust has recast its in-year budget and three year projected budget to ensure financial sustainability despite the uncertainty coursed by Covid-19. Budget planning continues to be reviewed each month.
- ◆ The greatest budgetary challenges have been around the academy trust's catering contract, the requirements to provide access to remote learning and agency costs related to teacher absence.
- ◆ The academy trust has considered whether there are any effects on any existing or potential defined benefit pension liability and investments the academy trust holds, due to the control measures.
- ◆ The academy trust has no plans to revise its reserves policy due to the control measures.
- ◆ The academy trust has considered the likely impact of the virus control measures and potential duration of the control measure on its future aims and activities. It has concluded that any impact will be short term and can be managed through appropriate mitigation.
- ◆ The impact of the virus-related control measures on any wider network of which the academy trust is a part has not affected the academy trust's operations during the reporting period.

Financial review

Results for the year

The results for the year are shown on the statement of financial activities on page 33.

Total income for the year ended 31 August 2022 amounted to £12,770,000 (2021 - £12,170,000).

Most of the academy trust's recurring income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the financial year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the year also included exceptional Covid-19 related funding of £93,000 (2021: £230,000) which was all fully expended in year. This principally comprised the Catch-up / Recovery Premium arranged by the DfE to children who have lost class time as a result of school closures.

Total expenditure for the year ended 31 August 2022 amounted to £12,950,000 (2021 - £12,193,000). The largest component of the academy trust's expenditure is in relation to its staff costs which totalled £9,525,000 (2021 - £8,894,000).

Overall net expenditure (before actuarial gains and losses) on the Local Government Pension Scheme (LGPS) was therefore £180,000 (2021 – net expenditure of £23,000). After accounting for actuarial gains of £3,270,000 (2021 – actuarial losses of £458,000) on the LGPS, the overall net increase in the Academy's fund balances were £3,090,000 (2021 – net decrease of £481,000).

Excluding movements relating to the academy trust's fixed assets and the effects of non-cash adjustments made in respect of the LGPS liability, the operational surplus for the year (being equal to the movement on operational revenue reserves (see 'financial position' below) amounted to £710,000 (2021: operational surplus of £747,000).

Financial position

The total funds held by the academy trust at 31 August 2022 were £23,421,000 (2021 - £20,331,000). This comprised unrestricted funds of £537,000 (2021 - £447,000), restricted fixed assets fund of £20,291,000 (2021 - £20,669,000) and other restricted funds of £2,593,000 (2021 - £785,000 in deficit).

The unrestricted funds are available to the academy trust for use towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. This therefore forms part of the academy trust's operational revenue reserves as discussed below.

The restricted fixed assets fund is equal to the carrying value of the academy trust's tangible fixed assets. It is separated on the balance sheet in recognition of the fact that the funds are not readily available for use without the sale of tangible fixed assets, the major part of which is required for the day-to-day operation of the Academy. This therefore does not form part of the academy trust's operational revenue reserves (as discussed below).

The other restricted funds principally relate to unspent funding from the ESFA and the Local Authority, and also incorporates the academy trust's share of the net liability in the LGPS.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial position (continued)

Excluding the pension reserve, the restricted revenue funds at 31 August 2022 were £2,593,000 (2021 - £1,973,000). Aggregating this with unrestricted revenue reserves of £537,000 (2021 - £447,000) provides the Academy with total operational revenue reserves of £3,130,000 (2021 - £2,420,000). This is effectively the free reserves of the academy trust which may be used on the day-to-day operations of the academy trust.

Reserves policy

At any given time the academy trust expects to have operational revenue reserves approximately equal to one month's operating income. As noted above, as at 31 August 2022, the academy trust held operational revenue reserves of £3,130,000 which equates to just over three month's operational income. The trustees note that the current level of reserves is in excess of the target – this will be utilised in the coming financial year to fund a significant capital project to enhance the school buildings and facilities. The Governors are, therefore, satisfied with the academy trust's financial position in the light of the policy set.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that Stratford School 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 principle of accounting policies.

Fundraising

The academy trust does not engage actively in fundraising activities (by way of appeals, collections, or otherwise seeking donations). The trustees therefore do not consider that they are obliged to take account of regulations or best practice guidance notes for this area covered by the Charities (Protection and Social Investment) Act 2016.

Principal risks and uncertainties

Risk can be defined as the uncertainty that an event or an action will adversely affect an organisation's ability to achieve their objectives and to successfully execute their strategies.

The Academy's approach to risk is set out in its Risk Management Policy.

The academy trust concentrates its risk management efforts on what it judges to be the five or six most severe risks to its ability to achieve its objectives. Although the academy trust is primarily concerned with the severity of risks, in determining its top risks it also takes into account the likelihood of the events described by the risk coming to pass.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

As determined by the Board of Trustees, the five most severe risks to the academy trust achieving its objective are:

- 1) The resource requirements of forming a multi-academy trust (MAT) cannot be met which on impacts the operation of Stratford School Academy leading to a decline in academic standards.
- 2) A member of staff makes a mistake when dealing with an incident and thereby puts a child or children at risk of harm which is raised with OFSTED who carry out a no-notice inspection leading to the Academy being put into a category and being taken into an academy chain.
- 3) The academy trust is not able to appoint managers with sufficient skills and experience which leads to falling academic standards and an OFSTED inspection which judges the school to require improvement.
- 4) Not enough trustees discharge their duties to the full to ensure that the Board does not end up believing things are better than they are leading to an OFSTED.
- 5) Necessary spending on the education of children with special education needs outstrips income leading to a reduction in the money available for mainstream education, a fall in academic standards and then an OFSTED inspection which judges the school to require improvement.

The Academy puts in place controls to manage and mitigate its top risks and reviews these controls on a regular basis.

The academy trust has integrated the process of managing risk into its strategic and operational management and its monitoring and accountability systems.

Key Risk	Key Controls
Financial implications of an economic recession	Tighter control of the academy trust's budget, by continually looking for savings in non-core budgets
Safeguarding concerns	<p>The basic day to day arrangements that the academy trust has in place to control this risk are set out in its behaviour policy. They are kept under review (both internal and external) and changed as vulnerabilities are identified.</p> <p>The work of the heads of house / heads of year (pastoral leaders) is closely supervised and the academy trust has a Head of House Handbook that details the processes heads of house / heads of year must follow when carrying out the routine (which is the majority) parts of their work.</p> <p>The academy trust has robust systems for dealing with bullying and checking the well-being of these who have been bullied.</p>

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Key Risk	Key Controls
Staff recruitment	<p>Current controls seem effective.</p> <p>The 2021/22 recruitment round was successful and all management vacancies were filled. The academy trust is confident that the information on its website is faithful to the practice and culture of the school.</p> <p>The academy trust is confident in the appointments it has made. However, all new staff need a period of settling in and 'enculturing' and there is always the risk that some new staff turn out to be less than satisfactory appointments.</p> <p>The two principal methods for ensuring that managers once in post have and exercise the requisite skills and competencies are:</p> <ol style="list-style-type: none"> 1) To inscribe practice and expectations in Handbooks, protocols and procedures. 2) For managers to observe the extent to which what they see on a day-to-day basis of glean from one-to-ones, to enquire as to the differences and take appropriate action (which might mean change the script). <p>Looking forward, the academy anticipates difficulty in recruiting and retaining high quality staff in a tightening market.</p>
Resourcing for governance	<p>The academy trust employs an external expert (currently Anton Francic, Head of Secondary Improvement at Hackney Learning Trust) as part of its approach to risk management audits, agrees the elements of the academy trust's work.</p> <p>The Board of Trustees considers thoroughly the educational outcomes the academy trust achieves on behalf of its pupils.</p> <p>The Board of Trustees ensures that its meetings re well run so that trustees do not waste time.</p> <p>The Board of Trustees keeps a record of attendance and takes action of trustees do not attend meetings.</p> <p>The Board of Trustees has recently commissioned an external review of governance and appointed a governance professional.</p>

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Key Risk	Key Controls
Spending on Special Educational Needs	<p>The academy trust has a process to identify the funding the Local Authority provides it with for the education of children with special educational needs and to be able to reconcile this with the money it believes it should get for this purpose.</p> <p>The academy trust also has a process to identify how this income is spent across its various cross centres. This spending is reported and considered a monthly budget monitoring meetings and at other meetings held especially for this purpose.</p> <p>The academy trust takes a pro-active approach to seeking extra funding from the Local Authority where it judges that the money it receives to educate a child is not sufficient. The Academy plans to introduce a smoothing fund of £100K to SEND provision to help ensure expenditure matches received income.</p> <p>The academy trust takes a cautious approach to committing to on-going spending, for example on permanent staff, as much funding for the education of pupils with special educational needs comes and goes 'with the pupil'. This means that if a number of pupils leave at once a school can find itself with a school staff for whom there is no work and the income to pay their salaries has gone.</p>

PLANS FOR FUTURE PERIOD

Considerable work was done on the vision for the academy trust at the start of this year. This is encapsulated in the 'Vision 2025' document. This highlights its core values of respect, excellence and responsibility and our mission statement:

"to serve our local community by providing every child with the knowledge, qualifications and wider experiences they need to develop to their potential and to participate in and make a positive contribution to society."

It also identified key areas for development, outlining what each of these areas would look like in 2025.

1. SSA staff
2. The SSA student
3. The school environment
4. The culture and climate of the school
5. Leadership and governance
6. Community and external links.

PLANS FOR FUTURE PERIOD (continued)

We are currently exploring building options at the Grosvenor Road site to enable us to provide better facilities for our SEND students and a suitable library space. Initial feedback suggests that we can do this using funds from reserves whilst still retaining a significant reserve.

We have now completed the installation of libraries at both buildings and are moving onto the more complex aspects of the long-term building project. We have just appointed a project management firm who will be leading the architectural, planning, and tender phases of the SEND project and canteen extension, with a focus on the canteen extension as a priority given the less complicated requirements to proceed with that portion of the works.

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.

Buzzacott LLP, who were appointed to undertake the audit of Stratford School Academy for the year ended 31 August 2022, has indicated a willingness to stand for re-appointment for the 2022/23 financial year.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees and signed on its behalf by:



H Pruim
Chair of Trustees

Date: 12 December 2022

Governance statement 31 August 2022

Scope of responsibility

The academy trust members and the Board of Trustees acknowledge their overall responsibility for ensuring that the Stratford School Academy 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 have 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 in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is 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 met three times during the year. Attendance during the year at meetings of the Board of Trustees was as below.

Trustee	Board or committee										Attendance	Out of a possible
	Resources, Audit and Risk			Curriculum and Standards			Board of Trustees					
	15/11/21	14/03/22	13/06/22	04/11/21	03/03/22	09/06/22	13/12/21	07/02/22	28/03/22	07/07/22		
Hamilton Pruim (Chair)	P	P	P	P	P	Ap	P	Ap	P	P	8	10
Dorothee Ancira	-	P	P	-	-	-	-	P	P	P	5	5
Abid Abdul-Bari	P	Ap	-	-	-	-	Ap	P	P	-	3	5
Christianah Babajide	-	-	-	-	-	-	-	-	-	-	0	0
Richard Bernstein	-	P	P	-	-	-	-	P	P	P	5	5
Andrew Ford	-	-	-	P	P	P	P	P	Ap	P	6	7
Craig Hewitt	P	P	P	P	P	P	P	P	P	P	10	10
Idris Ibrahim	P	P	P	-	-	-	P	P	P	P	7	7
Joshua Jarvis	-	-	-	-	-	-	Ab	-	-	-	0	1
1Neil Jepson	P	P	Ap	-	-	-	P	Ap	P	Ap	4	7
Laura McInerney	Ap	-	-	P	P	P	P	P	P	Ap	5	8
Abid Patel	P	P	P	-	-	-	Ab	P	Ap	P	5	7
Jayadevan Pillai	Ap	-	-	Ap	P	Ap	P	P	P	P	5	8
Alex Shapland-Howes	-	-	-	P	-	-	Ap	Ap	-	-	1	3
Parvez Sheikh	-	-	-	P	Ab	Ab	P	P	P	P	5	7

P = Present
Ap = Apologies
Ab = Absent

Governance (continued)

Conflicts of interest

All trustees and members of the senior leadership team are required to complete conflict of interest declarations. It is a standing item on all trustees' meetings for trustees to declare interests. The register of interests is updated by the governance professional and is published on the academy trust's website at least annually.

Governance review

The trustees had identified previously that the resourcing of those at trustee level was a key risk area for the academy trust and so a governance review was undertaken during the financial year and a resulting action plan was implemented.

Whilst the Board of Trustees met fewer than six times during the year, they were able to ensure effective financial oversight by distributing budget monitoring reports to the trustees on a monthly basis and requiring the Chair of the Resources Committee to provide approval to any large in-year adjustments to the budget. The budget monitoring reports are also reviewed and discussed at each meeting of the Resources Committee/Resources, Audit and Risk Committee.

Resources Committee/Resources, Audit and Risk Committee

The Resources Committee, which became the Resources, Audit and Risk Committee from March 2022, is a committee of the Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy trust's finances and resources.

The committee draws any matters of significance or concern to the attention of the Board of Trustees, considers and recommends acceptance or non-acceptance of the academy trust's budget for approval at the start of each financial year and monitor and review expenditure on a regular basis and ensure compliance with overall financial planning and ESFA financial regulations.

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the tax payer resources received. The ESFA's Academy Trust Handbook describes value for money as 'Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration'

In 2021/22 the academy trust has:

- ♦ Reformatted the budget to better reflect the operating structure of the academy trust
- ♦ Carried out benchmarking activities to search for areas that might promise potential savings

Governance statement 31 August 2022

Governance (continued)

Review of value for money (continued)

- ◆ Gained cost efficiencies by changing the way the academy trust is approaching the recruitment of new staff
- ◆ Improved the controls on its spending on the education of children with special educational needs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 at the academy trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Stratford School 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 trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

Governance statement 31 August 2022

The risk and control framework (continued)

The Board of Trustees has appointed internal auditors who this year have looked at: the Central Nominal Ledger, Suppliers and Purchasing, Bank and Cash, Income and Credit Control. The internal auditors report to the Resources Committee. There have been no material control issues and recommendations/issues raised have been or are being acted upon by the academy trust.

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 review has been informed by:

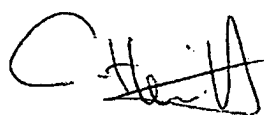
- ◆ the work of the Internal Auditor;
- ◆ the work of the External Auditor;
- ◆ the work of the managers at the Stratford School Academy who have responsibility for the development and maintenance of the internal control framework, in particular the Chief Financial Officer; and
- ◆ The work of the Chartered Accountants appointed to assist the Chief Financial Officer.

The Accounting Officer is satisfied that, overall, the academy trust's systems for internal financial control are working well. Over the next 12 months he will ensure that the recommendations made by managers at the academy trust and the internal and external auditors will be implemented.

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



H Pruim
Chair of Trustees



C Hewitt
Accounting Officer

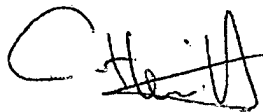
Date: 12 December 2022

Statement on regularity, propriety and compliance 31 August 2022

As Accounting Officer of Stratford School Academy (the 'academy trust'), I have considered my responsibility to notify the academy trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust's 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 Academy Trust Handbook 2021.

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

A handwritten signature in black ink, appearing to read 'C Hewitt', with a large, stylized initial 'C' on the left and a more complex signature on the right.

C Hewitt
Accounting Officer

Date: 12 December 2022

Statement of Governors' responsibilities 31 August 2022

The trustees of the academy trust and are also the directors of the academy trust for the purposes of company law) and are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 academy trust and of 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 in the Charities SORP (FRS 102) and the ESFA Academies Accounts Direction 2021 to 2022;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 academy trust 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 Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 and signed on its behalf by:

H Prui
Chair of Trustees
Date: 22 December 2022

Independent auditor's report on the financial statements 31 August 2022

Independent auditor's report to the members of Stratford School Academy

Opinion

We have audited the financial statements of Stratford School Academy (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP (FRS 102)) and the ESFA Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and Academies Accounts Direction 2021 to 2022.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 governors' 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 charitable company'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.

Independent auditor's report on the financial statements 31 August 2022

Conclusions relating to going concern (continued)

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 governors' remuneration specified by law are not made; or

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors (who are also the directors 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 governors 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 governors are responsible for assessing the charitable company'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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ we ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP (FRS 102), the ESFA Academies Accounts Direction 2021 to 2022, the ESFA Academy Trust Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of governors' meetings and papers provided to the governors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of governors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

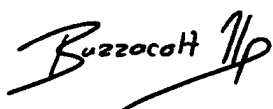
Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

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 auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is stylized, with the letters "B" and "L" being particularly prominent.

Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 20 December 2022

Independent reporting accountant's report on regularity 31 August 2022

Independent reporting accountant's assurance report on regularity to Stratford School Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stratford School Academy (the 'Academy') during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Stratford School Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Stratford School Academy and the 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 the Stratford School Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stratford School Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Stratford School Academy's Funding Agreement with the Secretary of State for Education dated 29 July 2011 and the ESFA Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

Independent reporting accountant's report on regularity 31 August 2022

Approach (continued)

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 to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 20 December 2022

Statement of financial activities Year to 31 August 2022

(including income and expenditure account)

	Notes	Unrestricted general fund £'000	Restricted funds		2022 Total funds £'000	2021 Total funds £'000
			General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	1	—	30	31	29
Charitable activities						
Funding for the academy's educational operations	2	2	12,650	—	12,652	12,101
Other trading activities	3	80	—	—	80	40
Investments	4	7	—	—	7	—
Total income		90	12,650	30	12,770	12,170
Expenditure on:						
Charitable activities						
Academy's educational operations	6	—	12,322	628	12,950	12,193
Total expenditure	5	—	12,322	628	12,950	12,193
Net income (expenditure)		90	328	(598)	(180)	(23)
Transfers between funds	13	—	(220)	220	—	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	18	—	3,270	—	3,270	(458)
Net movement in funds		90	3,378	(378)	3,090	(481)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2021		447	(785)	20,669	20,331	20,812
Total fund balances carried forward at 31 August 2022		537	2,593	20,291	23,421	20,331

All of the Academy's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible fixed assets	10		20,291		20,669
Current assets					
Debtors	11	586		320	
Cash at bank and in hand		3,178		2,706	
		<u>3,764</u>		<u>3,026</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(634)		(606)	
Net current assets			<u>3,130</u>		<u>2,420</u>
Total assets less current liabilities			23,421		23,089
Pension scheme liability	18		—		(2,758)
Total net assets			<u>23,421</u>		<u>20,331</u>
Restricted income funds					
Fixed assets fund	13		20,291		20,669
General fund	13		2,593		1,973
Pension reserve	13		—		(2,758)
			<u>22,884</u>		<u>19,884</u>
Unrestricted funds					
General fund	13		537		447
Total funds			<u>23,421</u>		<u>20,331</u>

The financial statements on page 33 to 54 were approved by the Governors and signed on its behalf by:



H Pruim
Chair of Governors

Approved on: 12 December 2022

Stratford School Academy
Company Limited by Guarantee
Registration Number: 07710532 (England and Wales)

Statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
Net cash flows provided by operating activities			
Net cash provided by operating activities	A	684	927
Net cash flows used in investing activities	B	(212)	(220)
Change in cash and cash equivalents in the year		472	707
Cash and cash equivalents at 1 September 2021		2,706	1,999
Cash and cash equivalents at 31 August 2022	C	3,178	2,706

A Reconciliation of net expenditure to net cash provided by operating activities

	2022 £'000	2021 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(180)	(23)
Adjusted for:		
Depreciation charges	628	630
Capital grants from DfE and other capital income	(30)	(29)
Gain on disposal of fixed assets	(1)	—
Interest receivable	(7)	—
Defined benefit pension scheme service cost less contributions payable	462	354
Defined benefit pension scheme finance cost	50	35
Increase in debtors	(266)	(13)
Increase (decrease) in creditors	28	(27)
Net cash provided by operating activities	684	927

B Cash flows from investing activities

	2022 £'000	2021 £'000
Dividends, interest and rents from investments	7	—
Proceeds from sale of tangible fixed assets	1	—
Purchase of tangible fixed assets	(250)	(249)
Capital grants from DfE/ESFA	30	29
Net cash used in investing activities	(212)	(220)

C Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	3,178	2,706
Total cash and cash equivalents	3,178	2,706

D Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash	2,706	472	3,178
Total	2,706	472	3,178

Principal accounting policies 31 August 2022

Statement of accounting policies

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

Basis of preparation

The financial statements of the Stratford School Academy (the 'Academy') have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stratford School Academy meets the definition of a public benefit entity under FRS 102. The financial statements are presented in Sterling presented to the nearest thousand pounds.

Going concern

The Governors 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 Governors 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.

In making their assessment, the Governors have taken into account the current economic uncertainties, particularly in relation to inflation. The Governors are satisfied that the current reserves position provides an adequate buffer to manage unexpected cost increases and that the Academy will be able to meet liabilities as they fall due for at least one year from the date of approval of the financial statements. The Academy's principal sources of income (funding from the Education and Skills Funding agency and local authority) has to date been protected by central and local government and there has been no indication to suggest that this position will change in the foreseeable future.

Income

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

Income (continued)

Grants

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

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

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

Donations

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

Other income

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

Donated assets

Donated assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. This value is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policy in this area.

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.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2022

Tangible fixed assets

Assets costing £1,000 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 on 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.

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

♦ Freehold buildings	2% per annum
♦ Refurbishment	10% per annum
♦ Fixtures, fittings and equipment	25% per annum
♦ IT equipment	25% per annum
♦ Motor vehicles	25% per annum

Depreciation is charged from the year of acquisition.

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

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

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

Liabilities

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

Provisions

Provisions are recognised when the Academy 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.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

Stock

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

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.

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.

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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Where the scheme is estimated to be in a surplus position, under the reporting provisions of FRS 102, the Academy is only able to recognise the surplus as to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As the Academy does not anticipate being able to recover the surplus in the aforementioned manner, the surplus is not recognised on the balance sheet, and a corresponding adjustment is made within other recognised gains and losses on the statement of financial activities (as an actuarial loss) to bring the net LGPS position to £nil on the balance sheet.

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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Principal accounting policies 31 August 2022

Fund accounting (continued)

Restricted general funds comprise all other grants received including those from the Education and Skills Funding Agency and Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Newham Borough Council.

Critical accounting estimates and areas of judgement

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

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.

- ♦ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.
- ♦ The net book value of tangible fixed assets is based on the original cost of the asset net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

Notes to the Financial Statements Year to 31 August 2022

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	—	30	30	29
Other donations	1	—	1	—
	1	30	31	29

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	29	29
Other donations	—	—	—
	—	29	29

2 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted general funds £'000	2022 Total funds £'000	2021 Total funds £'000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	10,750	10,750	10,503
Pupil Premium	—	616	616	609
School Led Tutoring grant	—	99	99	—
Supplementary School grant	—	142	142	—
Free School Meals supplementary grant	—	—	—	57
Other	—	12	12	2
	—	11,619	11,619	11,171
Other government grants				
Local authority grants	—	938	938	700
COVID-19 funding (DfE/ESFA)				
COVID-19 Catch-up Premium and Recovery Premium	—	93	93	179
Other DfE/ESFA COVID-19 funding	—	—	—	51
	—	93	93	230
Other income from educational operations	2	—	2	—
	2	12,650	12,652	12,101

Notes to the Financial Statements Year to 31 August 2022

2 Funding for academy's educational operations (continued)

	Unrestricted funds £'000	Restricted general funds £'000	2021 Total funds £'000
DfE / ESFA revenue grants			
General Annual Grant (GAG)	—	10,503	10,503
Pupil Premium	—	609	609
Free School Meals supplementary grant	—	57	57
Other	—	2	2
	—	11,171	11,171
Other government grants			
Local authority grants	—	700	700
COVID-19 funding (DfE/ESFA)			
COVID-19 Catch-up Premium and Recovery Premium	—	179	179
Other DfE/ESFA COVID-19 funding	—	51	51
	—	230	230
	—	12,101	12,101

3 Other trading activities

	Unrestricted funds	
	2022 £'000	2021 £'000
Hire of facilities/lettings income	37	16
Income from ancillary trading activities	—	3
Other	43	21
	80	40

4 Investments

	Unrestricted funds	
	2022 £'000	2021 £'000
Interest receivable	7	—

Notes to the Financial Statements Year to 31 August 2022

5 Expenditure

	Staff costs £'000	Non pay expenditure		2022 £'000	2021 £'000
		Premises £'000	Other costs £'000		
Charitable activities					
Academy's educational operations:					
· Direct costs	8,159	443	836	9,438	8,414
· Allocated support costs	1,366	1,206	940	3,512	3,779
	9,525	1,649	1,776	12,950	12,193

	Staff costs £'000	Non pay expenditure		2021 £'000
		Premises £'000	Other costs £'000	
Charitable activities				
Academy's educational operations:				
· Direct costs	7,158	432	824	8,414
· Allocated support costs	1,736	1,160	883	3,779
	8,894	1,592	1,707	12,193

Net income (expenditure) for the year includes:

	2022 £'000	2021 £'000
Operating lease rentals	42	39
Gain on disposal of fixed assets	1	—
Depreciation	628	630
Fees payable to auditor		
· Audit	11	11
· Other services	6	5

6 Charitable activities - academy's educational operations

	2022 £'000	2021 £'000
Direct costs	9,438	8,414
Support costs (see below)	3,512	3,779
	12,950	12,193

	2022 £'000	2021 £'000
Analysis of support costs		
Support staff costs	1,366	1,736
Depreciation	185	198
Technology costs	176	207
Premises costs	1,021	962
Other support costs	733	637
Governance costs	31	39
Total support costs	3,512	3,779

Notes to the Financial Statements Year to 31 August 2022

7 Staff

(a) Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	6,208	6,209
Social security costs	703	688
Pension costs	1,519	1,398
	8,430	8,295
Agency costs	1,077	599
Staff restructuring costs	18	—
	9,525	8,894

(b) Severance payments

The academy trust paid 1 severance payment in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	1

(c) Special staff severance payments

Included in staff restructuring costs is a special severance payment totalling £17,775 (2021: £nil).

(d) Staff severance payments

There were no non-contractual/non-statutory staff severance payments included within staff restructuring costs above for the year ended 31 August 2022, 2021 (none).

(e) Staff numbers: full-time equivalent

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 expressed as full-time equivalents was as follows:

Charitable activities	2022 FTE	2021 FTE
Teachers	86	90
Administration and support	50	48
Management	9	11
	145	149

(f) Staff numbers: average headcount

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

Charitable activities	2022 No.	2021 No.
Teachers	90	95
Administration and support	65	64
Management	12	11
	167	170

7 Staff (continued)

(g) Higher paid staff

The number of employees whose emoluments fell within the following bands (based on actual emoluments accrued in the reporting period) was:

	2022 No.	2021 No.
£60,001 - £70,000	8	10
£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1

(h) Key management personnel

The key management personnel of the Academy comprise the governors and the senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £1,199,100 (2021 - £1,137,475).

8 Governors' remuneration and expenses

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

	2022 £'000	2021 £'000
C Hewitt (Headteacher and Governor)		
• Remuneration	115 - 120	110 - 115
• Employers pension contributions	25 - 30	25 - 30
J Jarvis (Staff Governor until 13 December 2021)		
• Remuneration	15 - 20	60 - 65
• Employer's pension contributions	0 - 25	10 - 15

During the year ended 31 August 2022 £nil out-of-pocket expenses for travel and subsistence were reclaimed by Governors totalling (2021 – £nil).

From 1 April 2019, the Academy opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The scheme provides unlimited cover in relation to the professional indemnity provision.

Notes to the Financial Statements Year to 31 August 2022

9 Comparative information

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted funds		2021 Total funds £'000
			General £'000	Fixed assets fund £'000	
Income from:					
Donations and capital grants	1	—	—	29	29
Charitable activities					
Funding for the academy's educational operations	2	—	12,101	—	12,101
Other trading activities	3	40	—	—	40
Investments	4	—	—	—	—
Total income		40	12,101	29	12,170
Expenditure on:					
Charitable activities					
Academy's educational operations	6	—	11,563	630	12,193
Total expenditure	5	—	11,563	630	12,193
Net income (expenditure)		40	538	(601)	(23)
Transfers between funds	13	—	(220)	220	—
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension scheme	18	—	(458)	—	(458)
Net movement in funds		40	(140)	(381)	(481)
Reconciliation of funds					
Total fund balances brought forward at 1 September 2020		407	(645)	21,050	20,812
Total fund balances carried forward at 31 August 2021		447	(785)	20,669	20,331

Notes to the Financial Statements Year to 31 August 2022

10 Tangible fixed assets

	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2021	22,949	841	1,017	3	24,810
Additions	75	127	36	12	250
Disposals	—	—	—	(3)	(3)
At 31 August 2022	23,024	968	1,053	12	25,057
Depreciation					
At 1 September 2021	2,581	756	801	3	4,141
Charge in year	440	75	110	3	628
Released on disposal	—	—	—	(3)	(3)
At 31 August 2022	3,021	831	911	3	4,766
Net book value					
At 31 August 2022	20,003	137	142	9	20,291
At 31 August 2021	20,368	85	216	—	20,669

11 Debtors

	2022 £'000	2021 £'000
Trade debtors	2	1
VAT recoverable	354	152
Other debtors	39	37
Prepayments and accrued income	191	130
	586	320

12 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	240	160
Taxation and social security	174	174
Pension liabilities	124	124
Other creditors	32	23
Accruals and deferred income	64	125
	634	606
Deferred income		
Deferred income of 1 September 2021	64	58
Released from previous years	(64)	(58)
Resources deferred in the year	—	64
Deferred income at 31 August 2022	—	64

Deferred income as at 31 August 2021 related to high needs funding from the London Borough of Newham in advance, which was all released in the current year.

Notes to the Financial Statements Year to 31 August 2022

13 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general fund					
General Annual Grant (GAG)	1,973	10,750	(9,910)	(220)	2,593
Pupil Premium	—	616	(616)	—	—
School Led Tutoring grant	—	99	(99)	—	—
Supplementary School grant	—	142	(142)	—	—
COVID-19 funding	—	93	(93)	—	—
Local authority grants	—	938	(938)	—	—
Other grants	—	12	(12)	—	—
Pension reserve	(2,758)	—	(512)	3,270	—
	<u>(785)</u>	<u>12,650</u>	<u>(12,322)</u>	<u>3,050</u>	<u>2,593</u>
Fixed assets fund					
ESFA funded assets	7,131	—	(142)	—	6,989
DfE/ESFA capital grants	99	30	(33)	—	96
Capital expenditure from GAG	735	—	(188)	220	767
Donated assets	9,504	—	(198)	—	9,306
Transfer on conversion	3,200	—	(67)	—	3,133
	<u>20,669</u>	<u>30</u>	<u>(628)</u>	<u>220</u>	<u>20,291</u>
Total restricted funds	<u>19,884</u>	<u>12,680</u>	<u>(12,950)</u>	<u>3,270</u>	<u>22,884</u>
Unrestricted funds					
Unrestricted general funds	447	90	—	—	537
Total unrestricted funds	<u>447</u>	<u>90</u>	<u>—</u>	<u>—</u>	<u>537</u>
Total funds	<u>20,331</u>	<u>12,770</u>	<u>(12,950)</u>	<u>3,270</u>	<u>23,421</u>

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

Restricted general funds

All restricted funds are grants received from the Department for Education and the Local Authority for the purpose of running the Academy.

General Annual Grant (GAG)

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 2022.

Fixed assets fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and monies transferred from the GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

Transfers

Transfers from GAG restricted funds and other ESFA grant funds to the fixed assets fund represent the purchase of fixed assets from GAG funding and other ESFA funding.

Notes to the Financial Statements Year to 31 August 2022

13 Funds (continued)

Comparative information

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general fund					
General Annual Grant (GAG)	1,266	10,503	(9,576)	(220)	1,973
Pupil Premium	—	609	(609)	—	—
Free School Meal	—	57	(57)	—	—
Supplementary grant	—	179	(179)	—	—
Covid-19 Catch-up Premium	—	51	(51)	—	—
Other COVID-19 funding	—	700	(700)	—	—
Local authority grants	—	2	(2)	—	—
Other grants	(1,911)	—	(389)	(458)	(2,758)
Pension reserve	(645)	12,101	(11,563)	(678)	(785)
Fixed assets fund					
ESFA funded assets	7,218	—	(87)	—	7,131
DfE/ESFA capital grants	103	29	(33)	—	99
Capital expenditure from GAG	760	—	(245)	220	735
Donated assets	9,702	—	(198)	—	9,504
Transfer on conversion	3,267	—	(67)	—	3,200
	21,050	29	(630)	220	20,669
Total restricted funds	20,405	12,130	(12,193)	(458)	19,884
Unrestricted funds					
Unrestricted general funds	407	40	—	—	447
Total unrestricted funds	407	40	—	—	447
Total funds	20,812	12,170	(12,193)	(458)	20,331

14 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000	Total 2021 £'000
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	—	—	20,291	20,291	20,669
Current assets	537	3,227	—	3,764	3,026
Current liabilities	—	(634)	—	(634)	(606)
Pension scheme liability	—	—	—	—	(2,758)
Total net assets	537	2,593	20,291	23,421	20,331

14 Analysis of net assets between funds (continued)

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	20,669	20,669
Current assets	447	2,579	—	3,026
Current liabilities	—	(606)	—	(606)
Pension scheme liability	—	(2,758)	—	(2,758)
Total net assets	447	(785)	20,669	20,331

15 Capital commitments

	2022 £'000	2021 £'000
Contracted for, but not provided in the financial statements	51	59

16 Commitments under operating leases

Operating leases

At 31 August 2022, the total of the Academy's future minimum lease payments under non-cancellable operating leases in relation to office equipment was as follows:

	2022 £'000	2021 £'000
Amounts due within one year	34	32
Amounts due between two and five years inclusive	52	47
	86	79

17 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.

18 Pension and similar obligations

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

The latest actuarial valuation of the TPS and the LGPS related to the period ended 31 March 2019.

Contributions amounting to £124,000 were payable to the schemes at 31 August 2022 (2021 - £124,000) and are included within creditors.

18 Pension and similar obligations (continued)

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 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £875,000 (2021: £884,000).

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

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

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

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 2022 was £227,000 (2021 - £218,000), of which employer's contributions totalled £164,000 (2021 - £156,000) and employees' contributions totalled £63,000 (2021 - £62,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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 2022	At 31 August 2021
Rate of increase in salaries	4.0%	3.9%
Rate of increase for pensions in payment / inflation	3.0%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	3.0%	2.9%

Amounts recognised in statement of financial activities	2022 £'000	2021 £'000
Current service cost	626	510
Net interest cost	44	30
Administration expenses	6	5
Total operating charge	676	545

Analysis of pension finance costs

Expected return on pension scheme assets	102	87
Interest on pension liabilities	(146)	(117)
Pension finance costs	(44)	(30)

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

	2022 £'000	2021 £'000
At 1 September 2021	8,895	7,340
Current service cost	626	510
Interest cost	146	117
Employee contributions	63	62
Change in financial assumptions	(4,123)	1,037
Benefits paid	(143)	(171)
At 31 August 2022	5,464	8,895

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

Changes in the fair value of the Academy's share of scheme assets:	2022 £'000	2021 £'000
At 1 September 2021	6,137	5,429
Administration expenses	(6)	(5)
Interest on assets	102	87
Return on assets less interest	176	579
Employer contributions	164	156
Employee contributions	63	62
Benefits paid	(143)	(171)
At 31 August 2022	6,493	6,137

	2022 £'000	2021 £'000
Overall net liability recognised on the balance sheet:		
Present value of defined benefit obligations (as above)	5,464	8,895
Fair value of Academy's share of scheme assets (as above)	(6,493)	(6,137)
Net (surplus) deficit in the scheme as determined by the actuary	(1,029)	2,758
Adjustment recognised within actuarial gains and losses to cap the net surplus in the scheme (see below)	1,029	—
Net deficit in the scheme as determined by the actuary	—	2,758

As explained within the principal accounting policies, as the net surplus in the scheme as determined by the actuary is not deemed to be recoverable, the recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £1,029,000 has been offset against the overall actuarial gain for the year.

19 Related party transactions

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

No related party transactions took place in the period of report (or the comparative period), other than certain Governors' remuneration and expenses already disclosed in note 8.