

Company Registration Number: 07865663 (England & Wales)

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Mrs Diane Baker  
Mr Dennis Hodson (resigned 15 October 2021)  
Mr Martin Stevens  
Mrs Joanne Williams

**Trustees**

Mr David Bartlett (appointed 19 January 2021)  
Dr Laura Braznell  
Mr Richard Brooks (appointed 13 May 2021)  
Mr Stephen Dunster (resigned 18 April 2021)<sup>1</sup>  
Mr Carl James  
Mr Robert Kew (appointed 2 November 2020)  
Mrs Remley Mann  
Mr Gary Mills (resigned 19 July 2021)  
Mrs Rachel Salter (appointed Acting 19 April 2021, permanent from 13 October 2021)<sup>1 2</sup>  
Rev Chris Siviter  
Mrs Joanne Williams, Chair of Trustees

<sup>1</sup> Chief Executive and Accounting Officer

<sup>2</sup> Acting Chief Executive and Accounting Officer

**Company registered number**

07865663

**Company name**

Stour Vale Academy Trust

**Principal and registered office**

C/O Halesowen College  
Whittingham Road  
Halesowen  
West Midlands  
B63 3NA

**Company secretary**

Mrs Louise Broxton

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Senior leadership team**

Mr Stephen Dunster, Chief Executive and Accounting Officer (resigned 30 April 2021)  
Mrs Rachel Salter, Chief Executive and Accounting Officer  
(Appointed 19 April 2021, permanent from 13 October 2021. Previously Executive Lead for Schools)  
Mrs Nicky Bennett, Northfield Road Primary School, Headteacher  
Mr Jamie Clayton, Redhill School, Headteacher  
Mrs Rachel Cope, Ridgewood High School, Headteacher  
Mr Jamie Fox, The Earls High School, Acting Headteacher  
Miss Hannah Grasby, Olive Hill Primary School, Headteacher  
Mrs Simone Chesney Ly, Newtown Primary School, Headteacher (appointed 22 February 2021)  
Miss Joanne Murphy, Trust Chief Finance Officer

**Independent auditor**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Lloyds Bank plc  
PO Box 1000  
Andover  
BX1 1LT

**Solicitors**

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the year in question Stour Vale Academy Trust operated with three member primary schools and three member secondary schools within the boroughs of Dudley and Sandwell. The member academies have a combined pupil capacity of 4,371 and had a roll of 4,154 as per the school census on 1 October 2020. From 1 September 2021 Oldbury Academy has joined the Trust.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. CONSTITUTION**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the Multi Academy Trust.

The Trustees of Stour Vale Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Stour Vale Academy Trust.

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

**b. MEMBERS LIABILITY**

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

**c. TRUSTEES INDEMNITIES**

Stour Vale Academy Trust is a member of the Risk Protection Arrangement. This arrangement allows Trustees to benefit from indemnity cover to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust.

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**STOUR VALE ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The Academy Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 11 Trustees who are appointed by the Members
- The number of Trustees shall not be less than 3
- Chief Executive Officer
- Minimum of 2 Parent Trustees appointed in the event that no Local Governing Body is established or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body.
- 1 Co-opted Trustee appointed by the Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

**e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The training and induction provided to new Trustees will depend upon their existing experience but will always include a meeting with the Chief Executive Officer. All Trustees will be provided with copies of policies, procedures, minutes and other documents that they need to undertake their role.

**f. ORGANISATIONAL STRUCTURE**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education. The structure of the Trust consists of three senior levels:

- The Board of Trustees
- Chief Executive Officer (Accounting Officer)
- Senior Leadership Team

The Trust Board is accountable in law for all major decisions about the Trust and its future.

A Scheme of Delegation has been drawn up to enable local accountability and a sharing of responsibilities. A decision grid has been used to show the level at which a task can or must be actioned and if it can be delegated to whom the board has delegated it to.

Schools within the Trust establish a Local Governing Body which consists of 9 appointments:

- 1 to be the Principal/Headteacher
- 2 elected Staff Governors
- 2/3 elected Parent Governors (2 for schools of 500 pupils or below, 3 if above this figure)
- 4/3 (to make the total to 9) Community Governors
- The LGB and the Trust Board are able to appoint up to 3 Associate Governors to support the LGB

Each school has a leadership team in place for day to day management which includes authorisation of spending within agreed budgets and the appointment of staff.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**g. TRADE UNION FACILITY TIME**

**Relevant union officials**

Number of employees who were relevant union officials during the year	12
Full-time equivalent employee number	10

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	11
1%-50%	1
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	718
Total pay bill	19,974,266
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**h. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

Redhill School was a National Teaching School until 31 August 2021 due to the creation of Teaching School Hubs. In November 2019 the Trust's Central Team relocated to Halesowen College which resulted in a related party transaction due to a Director being employed by the College. The Trust ensured that all the requirements for managing related party transactions were followed and the ESFA were notified.

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**STOUR VALE ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**I. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

**J. ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE ACADEMY**

The Board of Directors of Stour Vale Academy Trust operates a governance model whereby the purpose, culture, ethos and aims of the Trust are considered when making decisions in order to promote the success of the Trust and member schools for the benefit of the community they serve, and in doing so have regard to the:

- a. likely consequences of any decision in the long term
- b. the interests of the Trust's employees
- c. the need to foster the Trust's business relationships with suppliers, customers and others
- d. the impact of the Trust's operations on the community and the environment
- e. the desirability of the Trust maintaining a reputation for high standards of business conduct
- f. the need to act fairly as between members of the Trust

**OBJECTIVES AND ACTIVITIES**

**a. OBJECTS AND AIMS**

To create a consistent educational experience for all our pupils so they become responsible, successful and confident young people who are active citizens in the 21st Century. Pupils in all the Trust schools will achieve outstanding progress through excellent teaching, a challenging curriculum and rich extra curricula experiences.

The essential principle for the Trust is that each school will have their own distinctive and individual identity whilst working in partnership.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The Trust's objectives are summarised below:

**Leadership**

- There is a culture of high expectations and dynamic relationships that enables pupils and staff to excel
- All pupils follow a challenging and appropriate curriculum
- The progress, outcomes and personal development of disadvantaged pupils is a key driver for everyone
- All partnerships are used to produce measurable impact on pupil outcomes

**Teaching**

- That consistently high standards of teaching are in place across all learning areas and subjects leading to the rapid progress of pupils
- Pupils with SEND have effective teaching to meet their needs and demonstrate beyond expected levels of progress
- Pupil's Personal Development, Welfare and Safety

**Safeguarding is effective**

- Pupil participation in all areas of the school (including school rewards) creates a culture of high achievement
- School attendance for all groups of learners especially for those that nationally have lower educational outcomes is in line with the attendance of the most advantaged pupils nationally

**Pupil outcomes**

- All pupils make outstanding progress from their different starting points
- The progress and attainment for disadvantaged pupils is in line with or better than national other
- All pupils leave school to continue their learning

**c. PUBLIC BENEFIT**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the Governors consider how planned activities will contribute to the aims and objectives they have set.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STRATEGIC REPORT**

**ACHIEVEMENTS & PERFORMANCE**

The 2020-2021 academic year remained a challenging year for all schools within the Trust due to the continuing effects of the COVID 19 pandemic. All schools fully re-opened in September 2020 in line with the DfE's guidelines. Collaboration between schools was a key feature of planning, with headteachers regularly sharing information and ideas and alerting each other to changes in local or national guidance. Risk assessments and re-opening plans focused on minimising the spread of the virus through limiting close contact between pupils and staff. This was achieved through a range of measures which included staggered start, lunch and finish times and zoning area for class/year group 'bubbles' for both learning and social times. Contingency plans for remote learning, and for monitoring pupils' engagement with it, were also put in place. Mental health and well being was and continues to be a key focus for our Trust. The planning and hard work has enabled us to welcome back staff and pupils to schools. School and Trust leaders have implemented plans to support the mental well being of our pupils and staff.

During the year in question there were a further two periods of national lockdown. All schools reverted back to remote learning and providing on site education to the children of key workers and vulnerable children. Improvements were implemented based on lessons learnt from the first national lockdown in 2020.

As was the case in 2020, with the exception of the end of year one phonics check, all statutory assessments for primary schools were suspended for 2021. The suspension of the end of key stage one and end of key stage two statutory assessments was announced at the beginning of the January 2021 school closure followed by the Early Years Foundation Stage Profile also being suspended. Changes to primary statutory assessment, including the introduction of the times tables test and the assessment of children at the beginning of their reception year, were also put on hold.

Once again GCSE exams were replaced with teacher assessed grades for all exam subjects. Secondary schools in the Trust set up a rigorous process to ensure that the teacher assessed grades accurately represented the achievement of the pupils in each subject. All Year 11 pupils leaving schools in the Trust were supported into post 16 learning and training placements.

Performance tables have once again been suspended for 2021. Data from 2020 and 2021 will not be used by Ofsted, the DfE or the Regional Schools Commission (RSC).

The Trust continued to follow the government's Procurement Policy Notices. COVID-19 continued to have an impact on school resources e.g. at certain times schools were unable to hire out their sporting facilities which resulted in a loss in school lettings income. However as part of the 2020/2021 budget setting process this potential loss had been included.

During the year secondary schools received COVID-19 funding to the value of £96,870 to cover the costs of the Lateral Flow Testing process that took place during the Spring/Summer Term. All schools received funding to the value of £337,000 from the COVID Catch Up Fund to support pupils who may have fallen behind due to lost teaching time as a result of the pandemic.

During the Autumn Term Stephen Dunster, Chief Executive Officer, advised the Trust Board that he would be retiring on 30th April 2021. Rachel Salter, the then Executive Lead for Schools, was appointed as Acting Chief Executive Officer until the permanent appointment could be made. Since then on 13 October 2021 Rachel was appointed to the permanent role.

**Predicted outcomes for pupil outcomes in 2022**

It is the government's policy that exams and assessments for GCSEs, AS and A levels (as well as for vocational and technical qualifications) should go ahead in summer 2022. The government have proposed a range of adaptations to exams and assessments in light of the impact of the pandemic on students entering these

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STRATEGIC REPORT (CONTINUED)**

**ACHIEVEMENTS & PERFORMANCE (CONTINUED)**

qualifications in summer 2022.

In 2022, we expect the outcomes at The Earls High School and Redhill School to remain steady, with attainment in line with or above the national average and positive progress measures. We expect that outcomes will continue to improve at Ridgewood High School, reaching national average attainment and achieving a positive progress measure. We also expect outcomes to continue to improve at Oldbury, with improved attainment and progress at or above 0.

At Olive Hill Primary School, we expect attainment at the end of key stage two in 2022 to be in line with national averages. At both Northfield Road and Newtown Primary Schools, given the improvements to the quality of teaching and the curriculum, we expect attainment at the end of key stage two to move closer to national averages.

**OFSTED**

Ofsted resumed inspections during the Summer Term 2021 however these were not full graded inspections as these did not return until Autumn Term 2021. It is anticipated that during academic year 2021/2022 Oldbury Academy and Ridgewood High School will be inspected, these schools currently have a judgement of 'requires improvement'. We hope that the inspections will recognise the work that both schools have undertaken and make a judgement that both schools are 'good'. Before the pandemic the DFE had returned 'outstanding' schools into the inspection schedule so we expect Redhill to be inspected during this academic year. Olive Hill is currently graded 'good' and is due to be inspected. The school should retain an overall 'good' judgement and we hope will recognise will some 'outstanding' elements. We have two primary schools in special measures, Northfield Road and Newtown. It is unlikely that either school will be subject to a full inspection this year. Our evaluation is that Northfield Road is making good progress towards the requirements to be graded 'good'. We are earlier in the journey with Newtown but we are very pleased with the progress made.

**a. KEY PERFORMANCE INDICATORS**

Staffing costs as a percentage of General Annual Grant (GAG) is a key performance indicator. For the year ended 31 August 2021 this was 93% for the Trust in total. This may be higher than the average due to the number of staff employed to support non-teaching and learning areas as opposed to contract provision. In addition, staff costs funded via Pupil Premium and Teaching Schools also raises the measure as these funding streams are not classified as GAG.

**b. GOING CONCERN**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**FINANCIAL REVIEW**

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for capital expenditure from the ESFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STRATEGIC REPORT (CONTINUED)**

Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, the Trust received charitable income grants amounting to £24,572,413 and generated other income amounting to £572,588.

Total Trust expenditure was £25,818,315 (2020 £25,042,632) whilst the total income for the year excluding transfers into the Trust was £26,925,484 (2020 £29,120,755). This resulted in excess income over expenditure for the year of £1,107,169 (2020 surplus of £4,078,123) before actuarial movement. Since April 2020 the Trust became eligible for the School Capital Allocation (SCA) and was awarded £1,300,102 in April 2021. The Trust must account for all capital income in the financial year awarded.

As at 31 August 2021 the net book value of tangible fixed assets was £39,002,542 (2020 £38,423,993) and movements in tangible assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Trust.

The Trust held fund balances at 31 August 2021 of £26,868,523 (2020 £27,031,354) comprising £40,634,668 (2020 £39,508,586) restricted fixed assets funds, £2,767,647 (2020 £1,877,995) of restricted general funds (excluding the pension fund), a restricted endowment fund of £127,586 (2020 £127,586) and £510,622 (2020 £371,187) of unrestricted general funds. The restricted pension fund deficit amounted to £17,172,000 (2020 £14,854,000).

**a. RESERVES POLICY**

Multi Academy Trusts are expected to hold contingency reserves from their annual grant funding or other income, which may be both capital and revenue reserves. Schools within the Trust need to ensure that reserves are not being used to offset funding shortfalls but instead must be time limited. In addition, the Trust needs to ensure that the schools hold enough reserves for:

- Working capital
- Mitigate financial risks
- Future developments
- Going Concern

As per the reserves policy, actual reserves held and future business planning forecasts are used to confirm that the going concern principle applies for at least 12 months from the date that the statutory accounts are approved by the board.

The Trust's free reserves at 31 August 2021 amounted to £3,278,269, comprising £2,767,647 of restricted funds and £510,622 of unrestricted funds. This represents approximately 2 months of the Trust's annual payroll cost which is considered to be a reasonable level of reserves.

**b. INVESTMENT POLICY**

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. The Trust does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The Trust has implemented a risk management policy and created a risk register (pandemics such as Covid 19 are included within this register) and risk review process. The main risks identified include both strategic and operational risks. The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agenda for all committee activity
- Terms of reference for all Local Governing Bodies and delegated committees under the direction of the Governing Bodies
- Pecuniary Interests of Trustees and Governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

**FUNDRAISING**

The majority of fund raising undertaken by the schools within the Trust relates to registered charities. The schools ensure that there are effective systems in place to ensure that all the monies raised are paid over to the charities in full in a timely manner.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**STREAMLINED ENERGY AND CARBON REPORTING**

The Trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	5,603,736	5,218,058
<b>ENERGY CONSUMPTION BREAKDOWN (KWH):</b>		
Gas	4,425,099	4,282,279
Electricity	1,158,803	925,214
Transport fuel	11,802	8,750
Heating oil	4,861	1,814
<b>SCOPE 1 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):</b>		
Gas consumption	813,643	787,383
Owned transport	1,597	2,876
<b>TOTAL SCOPE 1</b>	<b>815,240</b>	<b>790,259</b>
<b>SCOPE 2 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):</b>		
Purchased electricity	270,163	215,704
<b>TOTAL GROSS EMISSIONS (IN TONNES OF CO2 EQUIVALENT):</b>	<b>1,085,403</b>	<b>1,005,963</b>
<b>INTENSITY RATIO:</b>		
Tonnes of CO2 equivalent per pupil	0.26	0.24

Intensity ratio:  
Tonnes of CO2 equivalent per pupil – 0.26

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**PLANS FOR FUTURE PERIODS**

**FUTURE DEVELOPMENTS**

As a trust, we recognise that we need to continue to grow and develop. Over the coming months we will place increased emphasis on building relationships with single academy trusts and maintained schools who share our ethos and values. Through collaborative working, we will offer these schools the opportunity to consider whether joining Stour Vale would be the right decision for both them and Stour Vale. In order to be able to grow and develop, whilst at the same time continuing to provide high quality education for pupils who are already part of Stour Vale, we intend to focus on the following priorities this year:

Ensure the continuation of high quality executive leadership, which will ensure that all member schools continuously improve teaching, learning, curriculum, safeguarding, behaviour and personal development in order to maintain and where necessary improve outcomes for all pupils. Over the course of this year, the structure of the executive leadership team will be reviewed in order to provide sufficient system leadership for our growing family of schools.

Develop the excellent back-office support from the central team which will allow school leaders to focus on and drive continuous improvement in member schools.

Develop an effective approach to professional learning for all staff, which will include learning from best practice within and beyond Stour Vale.

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**TRUSTEES' REPORT (CONTINUED)**  
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**PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

An Executive Appointment Committee was established to prepare and agree the Job Descriptions, Person Specifications and pay ranges for the Executive Officers of the Trust i.e. Chief Executive Officer and the Chief Finance Officer. Support was provided by the Trust's external HR provider to ensure transparency and consistency when setting the pay ranges.

In addition, The Trust Board has established a Chief Executive Performance Management Committee to set performance objectives for the Chief Executive Officer. These objectives and the performance against the objectives will be assessed externally as outlined in the Governance Handbook. The Trust Board will satisfy itself that the external advisor has the skills, experience and objectivity to provide it with advice and support. The objectives for the Chief Finance Officer will be set by the Chief Executive Officer and subject to performance review.

The Pay Policy of the Trust also includes the staff within the individual schools. Staff are set meaningful and challenging objectives which are then assessed. Each Local Governing Body has its own Pay Committee and the Terms of Reference are:

- To review, update and implement the Trust Pay Policy with appropriate consultation as required
- To work with the Headteacher to ensure that the appraisal process for all teaching staff is implemented effectively
- To carry out the effective appraisal of the Headteacher in accordance with current regulations and appraisal policy
- To determine the salaries of all staff employed at the school in accordance with statutory and contractual obligations, including annual pay awards
- To establish fair procedures for addressing pay discrepancies
- To ensure that appropriate salary ranges are determined, recorded and advertised through the recruitment process
- To ensure that recruitment to a teaching post has been duly considered in terms of relevant pay in relation to the candidates skills, experience and competence
- To formally record all decisions relating to pay
- To clearly minute the rationale for all decisions and report these to the next Governing Body meeting
- To ensure the right to raise a pay grievance in relation to pay decisions following the salary review statement is complied with in a fair, consistent and transparent manner

**DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8<sup>th</sup> December 2021 and signed on its behalf by:



**Mrs J Williams**  
Chair of Trustees



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**STOUR VALE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Stour Vale Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Bartlett	4	4
Dr Laura Braznell	5	6
Mr Richard Brooks	2	2
Mr Stephen Dunster	4	4
Mr Carl James	3	6
Mr Robert Kew	4	5
Mr Gary Mills	6	6
Mrs Remley Mann	5	6
Mrs Rachel Salter	2	2
Rev Chris Sliviter	5	6
Mrs Joanne Williams, Chair of Trustees	5	6

The skills set of the Trustees ensures that the board is not just educationally focussed but includes knowledge of finance, human resources and legal. The Trustees have completed a skills audit and work will be undertaken during this coming year to evaluate the results and put in to place an action plan.

The scheme of delegation sets out clearly the responsibilities of the office holders in the governance and executive teams within the Trust. The scheme ensures that all headteachers in the schools continue to be held to account by the Local Governing Body with the involvement of the CEO to provide additional guidance and professional advice.

A schedule of external audit is in place to review the financial effectiveness of the Trust. The review of school performance also includes external reviewers to provide accurate and reliable information to be the school governors and trustees.

An agreed format for reports from the headteachers has been implemented across Trust schools and the CEO report is focused on providing clear information on school performance with benchmarking data used against previous performance and similar schools

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

The Board created a Finance and Audit Committee whose remit is to:

- Ensure sound management of the Trust's finances and resources including proper planning, monitoring, probity and value for money.
- Advise the Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr Laura Braznell	2	3
Mr Gary Mills	2	3
Mrs Remley Mann (Chair)	3	3

The skills set of the Trustees ensures that the board is not just educationally focussed but includes knowledge of finance, human resources and legal. The Trustees have completed a skills audit and work will be undertaken during this coming year to evaluate the results and put in to place an action plan.

The scheme of delegation sets out clearly the responsibilities of the office holders in the governance and executive teams within the Trust. The scheme ensures that all headteachers in the schools continue to be held to account by the Local Governing Body with the involvement of the CEO to provide additional guidance and professional advice.

A schedule of external audit is in place to review the financial effectiveness of the Trust. The review of school performance also includes external reviewers to provide accurate and reliable information to be the school governors and trustees.

An agreed format for reports from the headteachers has been implemented across Trust schools and the CEO report is focused on providing clear information on school performance with benchmarking data used against previous performance and similar schools.

During the pandemic the governance arrangements has continued e.g. the number of Board meetings and Local Governing Body meetings have remained at the same level. However, these meetings were held virtually instead of face to face. The continuation of these meetings has allowed the Trust to continue its normal robust processes to ensure that there is an effective risk and control framework. This has also been supported by additional virtual meetings being held between the Chair and Vice Chairs of the Board and Local Governing Bodies and the Central Team to update, discuss and support the schools during this period.

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**STOUR VALE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- not only measuring the cost of goods and services, but also take in to account the mix of quality, cost, resources use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value for money
- the Finance Teams within the schools take a lead in promoting the sharing of good practice, where this has an implication for VfM as budget holders may not always be aware of the opportunities to achieve greater VfM
- quotes/tenders are obtained in line with authorised limits and Framework Agreements are used whenever appropriate
- text systems are used to communicate with parents saving on postage

**THE PURPOSE OF SYSTEM INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stour Vale Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes 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

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**STOUR VALE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**THE RISK AND CONTROL FRAMEWORK (CONTINUED)**

- clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks

The Board of Trustees has decided to employ Dudley MBC Audit services as internal auditor.

The Internal Audit Team's role is to perform a range of checks on the Trust's financial systems and statutory duties, these checks include the testing of payroll/personnel, procurement, income collection, health and safety, governance.

**REVIEW OF EFFECTIVENESS**


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

- the internal audit function
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on *8<sup>th</sup> December 2024* and signed on their behalf by:

  
Mrs J Williams  
Chair of Trustees

  
Mrs Salter  
Accounting Officer

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Stour Vale Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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 ESFA.

*R. M. Salter*

**Mrs R Salter**  
Accounting Officer

Date: *8<sup>th</sup> December 2021*

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mrs J Williams  
Chair of Trustees

Date: 8<sup>th</sup> December 2021

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**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR  
VALE ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Stour Vale Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**BASIS OF 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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR VALE ACADEMY TRUST (CONTINUED)**

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**OTHER INFORMATION**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease



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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR VALE ACADEMY TRUST (CONTINUED)**

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operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF 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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

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**STOUR VALE ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR  
VALE ACADEMY TRUST (CONTINUED)**

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**USE OF OUR REPORT**

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



**Dave Darlaston (Senior statutory auditor)**

for and on behalf of  
**Reporting Accountant**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 13 December 2011

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**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STOUR  
VALE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stour Vale Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Stour Vale Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stour Vale Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stour Vale Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF STOUR VALE ACADEMY TRUST'S ACCOUNTING OFFICER  
AND REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Stour Vale Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy Trust and specific transactions identified from our review.

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**STOUR VALE ACADEMY TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STOUR  
VALE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Crowe UK LLP*

Crowe U.K. LLP

**Reporting Accountant**

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: *13 December 2021*

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>							
Donations and capital grants	3	1,705	148,116	1,780,483	-	1,930,304	7,908,872
Other trading activities	5	151,300	-	-	-	151,300	283,656
Investments		560	-	-	-	560	3,021
Charitable activities	4	4,009	24,572,413	-	-	24,576,422	22,649,882
Teaching schools	31	226,898	40,000	-	-	266,898	237,509
<b>Total income and endowments</b>		<b>384,472</b>	<b>24,760,529</b>	<b>1,780,483</b>	<b>-</b>	<b>26,925,484</b>	<b>31,082,940</b>
<b>Expenditure on:</b>							
Raising funds		-	-	-	-	-	483
Charitable activities		141,670	24,473,053	911,248	-	25,525,971	24,792,633
Teaching schools	31	103,367	188,977	-	-	292,344	249,516
<b>Total expenditure</b>	6	<b>245,037</b>	<b>24,662,030</b>	<b>911,248</b>	<b>-</b>	<b>25,818,315</b>	<b>25,042,632</b>
<b>Net income</b>		<b>139,435</b>	<b>98,499</b>	<b>869,235</b>	<b>-</b>	<b>1,107,169</b>	<b>6,040,308</b>
Transfers between funds	19	-	(256,847)	256,847	-	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>		<b>139,435</b>	<b>(158,348)</b>	<b>1,126,082</b>	<b>-</b>	<b>1,107,169</b>	<b>6,040,308</b>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note						
<b>Net movement in funds before other recognised gains/(losses) brought forward</b>		139,435	(158,348)	1,126,082	-	1,107,169	6,040,308
<b>Other recognised gains/(losses):</b>							
Actuarial losses on defined benefit pension schemes	26	-	(1,270,000)	-	-	(1,270,000)	(2,986,000)
<b>Net movement in funds</b>		<u>139,435</u>	<u>(1,428,348)</u>	<u>1,126,082</u>	<u>-</u>	<u>(162,831)</u>	<u>3,054,308</u>
<b>Reconciliation of funds:</b>							
Total funds brought forward		371,187	(12,976,005)	39,508,586	127,586	27,031,354	23,977,046
Net movement in funds		139,435	(1,428,348)	1,126,082	-	(162,831)	3,054,308
<b>Total funds carried forward</b>		<u>510,622</u>	<u>(14,404,353)</u>	<u>40,634,668</u>	<u>127,586</u>	<u>26,868,523</u>	<u>27,031,354</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 68 form part of these financial statements.

**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07865663**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	-	31
Tangible assets	14	39,002,542	38,423,993
Investments	15	83,813	86,710
		<u>39,086,355</u>	<u>38,510,734</u>
<b>Current assets</b>			
Stocks		26,056	33,059
Debtors	16	1,311,047	1,641,161
Cash at bank and in hand		5,559,084	3,709,387
		<u>6,896,187</u>	<u>5,383,607</u>
Creditors: amounts falling due within one year	17	(1,619,534)	(1,596,581)
<b>Net current assets</b>		<u>5,276,653</u>	<u>3,787,026</u>
<b>Total assets less current liabilities</b>		<u>44,363,008</u>	<u>42,297,760</u>
Creditors: amounts falling due after more than one year	18	(322,485)	(412,406)
<b>Net assets excluding pension liability</b>		<u>44,040,523</u>	<u>41,885,354</u>
Defined benefit pension scheme liability	26	(17,172,000)	(14,854,000)
<b>Total net assets</b>		<u><u>26,868,523</u></u>	<u><u>27,031,354</u></u>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07865663

**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
<b>Funds of the Academy Trust</b>			
Endowment funds	19	127,586	127,586
<b>Restricted funds:</b>			
Fixed asset funds	19	40,634,668	39,508,586
Restricted income funds	19	2,767,647	1,877,995
Restricted funds excluding pension asset	19	43,402,315	41,386,581
Pension reserve	19	(17,172,000)	(14,854,000)
<b>Total restricted funds</b>	19	<b>26,230,315</b>	<b>26,532,581</b>
<b>Unrestricted Income funds</b>	19	<b>510,622</b>	<b>371,187</b>
<b>Total funds</b>		<b>26,868,523</b>	<b>27,031,354</b>

The financial statements on pages 27 to 68 were approved by the Trustees, and authorised for issue on 8<sup>th</sup> December 2021 and are signed on their behalf, by:

*R. M. Salter*

Mrs R Salter  
Accounting Officer

*J Williams*

Mrs J Williams  
Chair

The notes on pages 32 to 68 form part of these financial statements.



**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	1,936,650	896,369
<b>Cash flows from Investing activities</b>	23	(46,109)	(134,212)
<b>Cash flows from financing activities</b>	22	(40,844)	317,809
		<u>1,849,697</u>	<u>1,079,966</u>
<b>Change in cash and cash equivalents in the year</b>		1,849,697	1,079,966
Cash and cash equivalents at the beginning of the year		3,709,387	2,629,421
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<u><u>5,559,084</u></u>	<u><u>3,709,387</u></u>

The notes on pages 32 to 68 form part of these financial statements

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**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stour Vale Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 COMPANY INFORMATION**

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number 07865663). The address of the registered office is C/O Halesowen College, Whittingham Road, Halesowen, West Midlands, B63 3NA

**1.3 GOING CONCERN**

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

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**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.4 INCOME**

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

- **Grants**

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

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

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

- **Donations**

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

- **Other Income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.5 EXPENDITURE**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

**1.6 INTEREST RECEIVABLE**

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

**1.7 TAXATION**

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

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

**1.8 INTANGIBLE ASSETS**

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	-	33% Straight line
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**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.9 TANGIBLE ASSETS AND DEPRECIATION**

Assets costing £5,000 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 in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- over useful economic life (2-5% straight line)
Long term leasehold property	- over the life of the lease
Furniture and fixtures	- 10 - 15% straight line
Equipment	- 20% straight line
Computer equipment	- 33% straight line

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

The long leasehold land and building at Olive Hill Primary School and Northfield Road Primary School are owned by Dudley Council. Dudley Council have granted each Academy, via a supplemental agreement, the right to use the land and buildings for educational purposes over 125 and 50 years. The land at each Academy has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

**1.10 INVESTMENTS**

Investments held as fixed assets are shown at cost less provision for impairment.

**1.11 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 DEBTORS**

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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.13 CASH AT BANK IN HAND**

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

**1.14 LIABILITIES AND PROVISIONS**

Liabilities and provisions 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 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

**1.15 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

**1.16 OPERATING LEASES**

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

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**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.17 PENSIONS**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.18 ACCOUNTING FOR AGENCY ARRANGEMENTS**

The trust acts as an agent in distributing bursary funds and grants from government bodies. Payments received and subsequent disbursements are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities where applicable. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.19 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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.



**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
<b>DONATIONS</b>				
Donations	1,705	148,116	-	149,821
Capital Grants	-	-	1,780,483	1,780,483
<b>Other donations and capital grants</b>	<b>1,705</b>	<b>148,116</b>	<b>1,780,483</b>	<b>1,930,304</b>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
<b>DONATIONS</b>				
Donated Assets	-	-	4,500,000	4,500,000
Transfer on conversion from local authority	12,185	(571,000)	2,521,000	1,962,185
Donations	3,590	-	-	3,590
Capital Grants	-	-	1,443,097	1,443,097
<b>Other donations and capital grants</b>	<b>15,775</b>	<b>(571,000)</b>	<b>8,464,097</b>	<b>7,908,872</b>

In March 2019 the Secretary of State awarded Ridgewood High School £4.5m under the Priority School Building Programme to build a new two story teaching block and refurbish the existing sports block. The work took place during 2019 and once completed it was donated to the Trust in January 2020.

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<b>DFE/ESFA GRANTS</b>			
General Annual Grant (GAG)	-	20,755,604	20,755,604
<b>OTHER DFE/ESFA GRANTS</b>			
Teachers pay grant	-	270,928	270,928
Teachers pension grant	-	770,066	770,066
Pupil Premium	-	1,109,937	1,109,937
UFSM	-	98,925	98,925
Others	-	140,996	140,996
	-	-	23,146,456
<b>OTHER GOVERNMENT GRANTS</b>			
Local Authority grants	-	636,945	636,945
	-	636,945	636,945
<b>Other Funding</b>	4,009	229,416	233,425
<b>COVID-19 ADDITIONAL FUNDING (DFE/ESFA)</b>			
Catch-up Premium	-	327,320	327,320
Other DfE/ESFA COVID-19 funding	-	127,116	127,116
	-	454,436	454,436
<b>COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)</b>			
Other COVID-19 funding	-	105,160	105,160
	-	105,160	105,160
	4,009	24,572,413	24,576,422

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding (DFE/ESFA)".

The academy received £327,320 of funding for catch-up premium and costs incurred in respect of this funding totalled £263,775, with the remaining £63,545 to be spent in 2021/22.

**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (CONTINUED)**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>DFE/ESFA GRANTS</b>			
General Annual Grant (GAG)	-	19,511,108	19,511,108
<b>OTHER DFE/ESFA GRANTS</b>			
Teaching School	-	267,150	267,150
Other DfE grants	-	759,385	759,385
Pupil Premium	-	1,033,148	1,033,148
UJFSM	-	77,968	77,968
Others	-	204,132	204,132
	-	-	21,852,891
<b>OTHER GOVERNMENT GRANTS</b>			
Local Authority Grants	-	299,394	299,394
	-	299,394	299,394
<b>Other Funding</b>	97,881	383,051	480,932
<b>COVID-19 ADDITIONAL FUNDING (DFE/ESFA)</b>			
Coronavirus Exceptional Support	-	16,665	16,665
	-	16,665	16,665
	97,881	22,552,001	22,649,882

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Total funds 2021 £
Insurance	53,952	53,952
Rental income	97,348	97,348
	<u>151,300</u>	<u>151,300</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Insurance	40,642	-	40,642
Other Income	-	63,017	63,017
Rental income	136,430	-	136,430
Music tuition fees	-	43,567	43,567
	<u>177,072</u>	<u>106,584</u>	<u>283,656</u>

**6. EXPENDITURE**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	-	-
Direct costs - funding for educational operations:				
Direct costs	16,744,123	-	969,130	17,713,253
Allocated support costs	4,162,208	1,951,978	1,698,532	7,812,718
Teaching school	206,788	-	85,556	292,344
	<u>21,113,119</u>	<u>1,951,978</u>	<u>2,753,218</u>	<u>25,818,315</u>

**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**6. EXPENDITURE (CONTINUED)**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	483	483
Direct costs - funding for educational operations:				
Direct costs	15,882,059	-	1,208,287	17,090,346
Allocated support costs	3,716,540	2,624,455	1,361,292	7,702,287
Teaching school	161,610	-	87,906	249,516
	<u>19,760,209</u>	<u>2,624,455</u>	<u>2,657,968</u>	<u>25,042,632</u>

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs - Educational operations	<u>17,713,253</u>	<u>7,812,718</u>	<u>25,525,971</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Direct costs - Educational operations	<u>17,090,346</u>	<u>7,702,287</u>	<u>24,792,633</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	4,162,208	3,716,540
Depreciation and amortisation	911,248	797,024
Travel expenses	847	1,178
Technology costs	777,262	494,210
Recruitment costs	5,064	9,912
Staff development	15,704	16,809
Excluded pupils	3,416	17,581
Insurance	100,738	92,214
Maintenance of premises and equipment	342,788	389,099
Cleaning	171,036	126,780
Rent and rates	147,666	137,944
Light and heat	278,502	276,859
Security and transport	27,422	62,195
Catering	383,057	236,743
Legal and professional fees	243,832	215,864
Other support costs	198,083	193,307
Governance costs	43,845	36,728
Loss of disposal of assets	-	881,300
	<b>7,812,718</b>	<b>7,702,287</b>

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**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**8. NET INCOME**

Net income for the year includes:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	<b>52,374</b>	<b>63,812</b>
Depreciation of tangible fixed assets	<b>911,217</b>	<b>796,014</b>
Amortisation of intangible assets	<b>31</b>	<b>1,010</b>
Fees paid to auditor for:		
- audit	<b>18,950</b>	<b>18,950</b>
- other services	<b>3,365</b>	<b>3,365</b>

**STOUR VALE ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**9. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	14,629,839	13,878,487
Social security costs	1,377,041	1,348,165
Pension costs	4,588,122	4,014,994
	<u>20,595,002</u>	<u>19,241,646</u>
Agency staff costs	475,490	471,898
Staff restructuring costs	42,627	46,665
	<u><u>21,113,119</u></u>	<u><u>19,760,209</u></u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	42,627	46,665
	<u><u>42,627</u></u>	<u><u>46,665</u></u>

**b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £42,627 (2020: £46,665). Individually, the payments were: £7,767, £8,263, £11,597 and £15,000.

**c. STAFF NUMBERS**

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

	2021 No.	2020 No.
Teachers	241	261
Administration and support	291	267
Management	31	18
	<u><u>563</u></u>	<u><u>546</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. STAFF (CONTINUED)**

**d. HIGHER PAID STAFF**

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	10	8
In the band £70,001 - £80,000	5	1
In the band £80,001 - £90,000	1	4
In the band £90,001 - £100,000	4	-
In the band £120,001 - £130,000	-	1
	<u>          </u>	<u>          </u>

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £973,880 (2020 £883,351).

**10. CENTRAL SERVICES**

The Academy Trust has provided the following central services to its academies during the year:

- Staffing costs of the newly formed Central Team
- Other costs such as insurance, HR and payroll are charged directly to the schools.

The Academy Trust charges for these services on the following basis:

4% GAG income

The actual amounts charged during the year were as follows:

	2021 £	2020 £
The Earls High School	243,322	233,299
Redhill School	246,485	232,896
Ridgewood High School	165,840	160,152
Olive Hill Primary School	67,002	81,568
Northfield Road Primary School	69,282	68,904
Newtown Primary School	37,951	16,052
<b>TOTAL</b>	<u>829,882</u>	<u>792,871</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2021 £	2020 £
Mr Stephen Dunster (resigned 18 April 2021)	Remuneration	85,000 - 90,000	120,000 - 125,000
	Pension contributions paid	20,000 - 25,000	25,000 - 30,000
Mrs Rachel Salter (appointed 19 April 2021)	Remuneration	45,000 - 50,000	
	Pension contributions paid	10,000 - 15,000	

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the trustee and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**13. INTANGIBLE ASSETS**

	<b>Computer Software £</b>
<b>COST</b>	
At 1 September 2020	<b>59,777</b>
At 31 August 2021	<b>59,777</b>
<b>AMORTISATION</b>	
At 1 September 2020	<b>59,746</b>
Charge for the year	<b>31</b>
At 31 August 2021	<b>59,777</b>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<b>-</b>
At 31 August 2020	<b>31</b>

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**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2020	30,263,752	11,036,998	592,214	200,366	42,093,330
Additions	804,239	555,579	74,577	55,371	1,489,766
At 31 August 2021	31,067,991	11,592,577	666,791	255,737	43,583,096
<b>DEPRECIATION</b>					
At 1 September 2020	2,614,497	377,500	478,553	198,787	3,669,337
Charge for the year	746,634	130,151	27,004	7,428	911,217
At 31 August 2021	3,361,131	507,651	505,557	206,215	4,580,554
<b>NET BOOK VALUE</b>					
At 31 August 2021	27,706,860	11,084,926	161,234	49,522	39,002,542
At 31 August 2020	27,649,255	10,659,498	113,661	1,579	38,423,993

Included within freehold land and buildings cost is freehold land of £6,733,167 which is not depreciated. The land value included within Leasehold is not depreciated.

Long Leasehold property includes property that has been gifted to the Academy Trust on 125 year leases upon conversion of constituent schools to an academy. The legal owners of the leasehold property being Dudley Metropolitan Borough Council and Sandwell Metropolitan Borough Council.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. FIXED ASSET INVESTMENTS**

	Other fixed asset Investments £
<b>CASH HELD FOR DEPOSIT</b>	
At 1 September 2020	86,710
Interest received	32
Disposals	(2,929)
AT 31 AUGUST 2021	<u>83,813</u>

**16. DEBTORS**

	2021 £	2020 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	8,928	18,240
Other debtors	252,022	209,387
Prepayments and accrued income	893,597	912,796
Accrued Capital grants	156,500	500,738
	<u>1,311,047</u>	<u>1,641,161</u>

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**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Salix loan	65,448	16,371
Trade creditors	376,398	373,077
Other taxation and social security	337,340	332,941
Other creditors	375,340	371,942
Accruals and deferred income	465,008	502,250
	<u>1,619,534</u>	<u>1,596,581</u>
	2021 £	2020 £
Deferred income at 1 September 2020	222,379	297,044
Resources deferred during the year	177,161	222,379
Amounts released from previous periods	(222,379)	(297,044)
	<u>177,161</u>	<u>222,379</u>

Deferred income relates to general government grants received in advance of entitlement and school trip monies received in advance.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Salix loans	<u>322,485</u>	<u>412,406</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Salix loan	<u>24,817</u>	<u>195,517</u>
	<u>24,817</u>	<u>195,517</u>

The Salix loans are repayable twice yearly, in equal instalments of £2,500, £725, £9,574, £5,153, £532, £1,955, £907 and £11,377 and are all interest free.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>UNRESTRICTED FUNDS</b>						
Teaching school	103,726	226,898	(103,367)	(148,977)	-	78,280
School fund	142,749	157,574	(141,670)	(72,195)	-	86,458
Other unrestricted funds	74,226	-	-	220,906	-	295,132
Football development centre fund	50,486	-	-	266	-	50,752
	<b>371,187</b>	<b>384,472</b>	<b>(245,037)</b>	<b>-</b>	<b>-</b>	<b>510,622</b>
<b>ENDOWMENT FUNDS</b>						
Endowment Funds - all funds	127,586	-	-	-	-	127,586
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	1,877,995	20,755,604	(19,672,650)	(256,847)	-	2,704,102
Other DfE/ESFA grants	-	140,996	(140,996)	-	-	-
Local authority grants	-	664,773	(664,773)	-	-	-
Other restricted funds	-	349,704	(349,704)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
UIFSM	-	98,925	(98,925)	-	-	-
Pupil premium	-	1,109,937	(1,109,937)	-	-	-
Teachers Pension grant	-	770,066	(770,066)	-	-	-
Teachers Pay grant	-	270,928	(270,928)	-	-	-
Catch-up Premium	-	327,320	(263,775)	-	-	63,545
Other DfE/ESFA COVID-19 funding	-	127,116	(127,116)	-	-	-
Other COVID-19 funding	-	105,160	(105,160)	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**19. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Pension reserve	(14,854,000)	-	(1,048,000)	-	(1,270,000)	(17,172,000)
	<u>(12,976,005)</u>	<u>24,760,529</u>	<u>(24,662,030)</u>	<u>(256,847)</u>	<u>(1,270,000)</u>	<u>(14,404,353)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted fixed assets	38,424,024	-	(911,248)	1,489,766	-	39,002,542
Devolved capital funding	131,761	636,294	-	(626,511)	-	141,544
Condition Improvement Fund Grant	142,725	-	-	(142,725)	-	-
School Capital Allocation	1,238,853	1,144,189	-	(504,527)	-	1,878,515
Fixed assets purchased with Salix loan	(428,777)	-	-	40,844	-	(387,933)
	<u>39,508,586</u>	<u>1,780,483</u>	<u>(911,248)</u>	<u>256,847</u>	<u>-</u>	<u>40,634,668</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>26,532,581</u>	<u>26,541,012</u>	<u>(25,573,278)</u>	<u>-</u>	<u>(1,270,000)</u>	<u>26,230,315</u>
<b>TOTAL FUNDS</b>	<u>27,031,354</u>	<u>26,925,484</u>	<u>(25,818,315)</u>	<u>-</u>	<u>(1,270,000)</u>	<u>26,868,523</u>

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

Unrestricted funds are available for use at the discretion of the Trustees for the furtherance of the Academy Trust's charitable objects.

The restricted endowment fund represents assets gifted to the Academy Trust on an endowed basis by The Earls High School Foundation upon conversion to an Academy Trust.

Restricted general funds will be used for educational purposes in line with the Trust's objects and its funding agreement with the DFE.

Included within Restricted fixed asset funds is £1,788,288 of unspent income from the School Capital



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**19. STATEMENT OF FUNDS (CONTINUED)**

Allocation grants awarded and recognised in full in income during the year. There are also Salix loans of (£387,933) that relate to numerous energy efficiency fixed assets projects, these have been received in conjunction with Conditional Improvement Fund grants. The loans are repayable as a deduction to GAG payments issued by the DfE over 6-8 years. Therefore a transfer will be made for the same amount between GAG and the Restricted fixed assets fund each year to reduce the outstanding loan balance. The repayment is expected to be covered by the energy efficiency savings each year.

Transfers between funds represent capital expenditure from funds other than the restricted fixed asset fund and reclassification of certain funds between restricted and unrestricted. During the year, a transfer has been made between restricted and unrestricted funds in order to better reflect the position of the funds going forward.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>UNRESTRICTED FUNDS</b>						
Teaching school	275,482	172,049	-	(343,805)	-	103,726
School fund	559,117	436,033	(852,402)	1	-	142,749
Other unrestricted funds	1,064,899	211,585	(321,208)	(881,050)	-	74,226
Football development centre fund	96,608	-	(46,122)	-	-	50,486
	<u>1,996,106</u>	<u>819,667</u>	<u>(1,219,732)</u>	<u>(1,224,854)</u>	<u>-</u>	<u>371,187</u>
<b>ENDOWMENT FUNDS</b>						
Endowment Funds - all funds	<u>127,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,586</u>
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	20,537,643	(20,361,803)	1,702,155	-	1,877,995
Other DfE/ESFA grants	-	1,237,280	(1,237,280)	-	-	-
Local authority grants	-	377,362	(377,362)	-	-	-
Other restricted funds	46,398	147,226	(107,249)	(86,375)	-	-
Teaching school	-	54,000	(249,517)	195,517	-	-
Coronavirus Exceptional Support	-	16,665	(16,665)	-	-	-
Pension reserve	(10,621,000)	(571,000)	(676,000)	-	(2,986,000)	(14,854,000)
	<u>(10,574,602)</u>	<u>21,799,176</u>	<u>(23,025,876)</u>	<u>1,811,297</u>	<u>(2,986,000)</u>	<u>(12,976,005)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS (CONTINUED)**

**RESTRICTED  
FIXED ASSET  
FUNDS**

Restricted fixed assets	31,631,558	-	(797,024)	7,589,490	-	38,424,024
Devolved capital funding	-	90,227	-	41,534	-	131,761
Condition Improvement Fund Grant	796,398	66,029	-	(719,702)	-	142,725
Transfer on conversion of Newtown	-	2,521,000	-	(2,521,000)	-	-
School Capital Allocation	-	1,286,841	-	(47,988)	-	1,238,853
Ridgewood donated Fixed assets	-	4,500,000	-	(4,500,000)	-	-
Fixed assets purchased with Salix loan	-	-	-	(428,777)	-	(428,777)
	<u>32,427,956</u>	<u>8,464,097</u>	<u>(797,024)</u>	<u>(586,443)</u>	<u>-</u>	<u>39,508,586</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>21,853,354</u>	<u>30,263,273</u>	<u>(23,822,900)</u>	<u>1,224,854</u>	<u>(2,986,000)</u>	<u>26,532,581</u>
<b>TOTAL FUNDS</b>	<u>23,977,046</u>	<u>31,082,940</u>	<u>(25,042,632)</u>	<u>-</u>	<u>(2,986,000)</u>	<u>27,031,354</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
The Earls High School	905,445	639,283
Redhill School	963,078	662,765
Ridgewood High School	231,461	179,768
Northfield Road Primary	344,840	204,576
Olive Hill Primary School	404,614	217,783
Foundation property/Endowment fund	127,586	127,586
Trust	330,924	329,576
Newtown Primary School	97,907	15,431
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,405,855	2,376,768
Restricted fixed asset fund	40,634,668	39,508,586
Pension reserve	(17,172,000)	(14,854,000)
	<hr/>	<hr/>
<b>TOTAL</b>	<b>26,868,523</b>	<b>27,031,354</b>
	<hr/>	<hr/>

Included in the balances for The Earls High School, Ridgewood School, and Redhill School are amounts of £126,194, £25,411 and £236,328 respectively, relating to Salix loan balances that are repayable in equal instalments over 6 years. Each repayment will reduce each Academy's fund balance each year until the loans are fully repaid.

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**19. STATEMENT OF FUNDS (CONTINUED)**

**TOTAL COST ANALYSIS BY ACADEMY**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
The Earls High School	4,940,135	1,009,779	244,154	602,352	6,796,420
Redhill School	4,588,875	1,248,803	294,365	632,953	6,764,996
Ridgewood High School	3,235,795	903,285	131,236	473,899	4,744,215
Olive Hill Primary School	1,449,605	247,743	35,551	321,255	2,054,154
Northfield Road Primary School	1,355,193	390,064	63,553	343,292	2,152,102
Newtown Primary School	792,907	169,253	25,281	185,142	1,172,583
Trust	588,401	193,281	714	440,201	1,222,597
<b>ACADEMY TRUST</b>	<b>16,950,911</b>	<b>4,162,208</b>	<b>794,854</b>	<b>2,999,094</b>	<b>24,907,067</b>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
The Earls High School	4,831,855	904,743	414,069	496,791	6,647,458
Redhill School	4,300,839	1,158,183	396,857	430,320	6,286,199
Ridgewood High School	3,258,110	760,770	268,320	1,253,104	5,540,304
Northfield Road Primary	1,407,899	231,602	110,589	225,692	1,975,782
Olive Hill Primary School	1,345,782	384,008	145,929	210,402	2,086,121
Newtown Primary School	342,903	103,684	10,169	38,762	495,518
Trust	556,281	173,550	53,611	430,784	1,214,226
<b>ACADEMY TRUST</b>	<b>16,043,669</b>	<b>3,716,540</b>	<b>1,399,544</b>	<b>3,085,855</b>	<b>24,245,608</b>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	39,002,542	-	39,002,542
Fixed asset investments	83,813	-	-	-	83,813
Current assets	1,980,895	2,767,647	2,020,059	127,586	6,896,187
Creditors due within one year	(1,554,086)	-	(65,448)	-	(1,619,534)
Creditors due in more than one year	-	-	(322,485)	-	(322,485)
Provisions for liabilities and charges	-	(17,172,000)	-	-	(17,172,000)
<b>TOTAL</b>	<b>510,622</b>	<b>(14,404,353)</b>	<b>40,634,668</b>	<b>127,586</b>	<b>26,868,523</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	38,423,993	-	38,423,993
Intangible fixed assets	-	-	31	-	31
Fixed asset investments	86,710	-	-	-	86,710
Current assets	1,864,687	1,877,995	1,513,339	127,586	5,383,607
Creditors due within one year	(1,580,210)	-	(16,371)	-	(1,596,581)
Creditors due in more than one year	-	-	(412,406)	-	(412,406)
Provisions for liabilities and charges	-	(14,854,000)	-	-	(14,854,000)
<b>TOTAL</b>	<b>371,187</b>	<b>(12,976,005)</b>	<b>39,508,586</b>	<b>127,586</b>	<b>27,031,354</b>

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**21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	1,107,169	6,040,308
<b>ADJUSTMENTS FOR:</b>		
Depreciation and amortisation charges	911,248	797,024
Capital grants from DfE and other capital income	(1,443,097)	(1,312,557)
Interest receivable	(560)	(3,021)
Defined benefit pension scheme obligation inherited	-	571,000
Defined benefit pension scheme cost less contributions payable	818,000	480,000
Defined benefit pension scheme finance cost	230,000	196,000
Decrease in stocks	7,003	15,555
Decrease in debtors	330,114	132,084
(Decrease)/Increase in creditors	(26,124)	120,051
Net assets transferred from existing and converted academies	-	(2,521,000)
(Decrease)/Increase in valuation of investments	2,897	(375)
Donated Fixed assets	-	(4,500,000)
Loss on disposal of assets	-	881,300
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,936,650</b>	<b>896,369</b>

**22. CASH FLOWS FROM FINANCING ACTIVITIES**

	2021 £	2020 £
New Salix loans	-	322,809
Repayments of Salix loan	(40,844)	(5,000)
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(40,844)</b>	<b>317,809</b>

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**23. CASH FLOWS FROM INVESTING ACTIVITIES**

	2021 £	2020 £
Interest received	560	3,021
Purchase of tangible fixed assets	(1,489,766)	(1,449,790)
Capital grants from DfE Group	1,443,097	1,312,557
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(46,109)</b>	<b>(134,212)</b>

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash in hand and at bank	5,559,084	3,709,387
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>5,559,084</b>	<b>3,709,387</b>

**25. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,709,387	1,849,697	5,559,084
Debt due within 1 year	(16,371)	(49,077)	(65,448)
Debt due after 1 year	(412,406)	89,921	(322,485)
	<b>3,280,610</b>	<b>1,890,541</b>	<b>5,171,151</b>

**26. PENSION COMMITMENTS**

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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £287,878 were payable to the schemes at 31 August 2021 (2020 - £277,213) and are included within creditors.



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**26. PENSION COMMITMENTS (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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**VALUATION OF THE TEACHERS' PENSION SCHEME**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,466,661 (2020 - £2,342,748).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

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**26. PENSION COMMITMENTS (CONTINUED)**

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,291,358 (2020 - £1,030,726), of which employer's contributions totalled £1,071,424 (2020 - £825,408) and employees' contributions totalled £ 219,934 (2020 - £205,318). The agreed contribution rates for future years are 22.4 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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

**PRINCIPAL ACTUARIAL ASSUMPTIONS**

	2021	2020
	%	%
Rate of increase in salaries	3.89	3.27
Rate of increase for pensions in payment/inflation	2.89	2.27
Discount rate for scheme liabilities	1.66	1.61
Inflation assumption (CPI)	2.89	2.27

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

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**26. PENSION COMMITMENTS (CONTINUED)**

**SENSITIVITY ANALYSIS**

	2021 £000	2020 £000
Discount rate +0.1%	32,622	26,949
Discount rate -0.1%	34,289	28,325
Mortality assumption - 1 year increase	34,896	28,728
Mortality assumption - 1 year decrease	32,054	26,570
Salary increase +0.1%	33,559	27,726
Salary increase -0.1%	33,332	27,531
Pension increase +0.1%	34,896	28,222
Pension increase -0.1%	32,744	27,051

**SHARE OF SCHEME ASSETS**

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

	2021 £	2020 £
Equities	9,910,000	7,175,000
Gilts	1,346,000	1,386,000
Other bonds	996,000	496,000
Property	1,143,000	963,000
Cash and other liquid assets	600,000	848,000
Other	2,278,000	1,906,000
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>16,273,000</b>	<b>12,774,000</b>

The actual return on scheme assets was £2,355,000 (2020 - £1,101,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current Service Cost	(1,901,000)	(1,413,000)
Past service cost	-	(25,000)
Interest Income	214,000	208,000
Interest cost	(444,000)	(404,000)
Administrative expenses	(1,000)	(5,000)
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(2,132,000)</b>	<b>(1,639,000)</b>

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**26. PENSION COMMITMENTS (CONTINUED)**

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

	2021 £	2020 £
<b>AT 1 SEPTEMBER</b>	<b>27,628,000</b>	<b>21,166,000</b>
Transferred in on academies joining the Trust	-	666,000
Interest cost	444,000	404,000
Employee Contributions	221,000	203,000
Actuarial Losses	3,411,000	3,879,000
Benefits paid	(160,000)	(128,000)
Past service costs	-	25,000
Current service cost	1,901,000	1,413,000
<b>AT 31 AUGUST</b>	<b>33,445,000</b>	<b>27,628,000</b>

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

	2021 £	2020 £
<b>AT 1 SEPTEMBER</b>	<b>12,774,000</b>	<b>10,545,000</b>
Transferred in on academies joining the Trust	-	95,000
Interest income	214,000	208,000
Actuarial gains	2,141,000	893,000
Employer contributions	1,084,000	963,000
Employee contributions	221,000	203,000
Benefits paid	(160,000)	(128,000)
Administrative expenses	(1,000)	(5,000)
<b>AT 31 AUGUST</b>	<b>16,273,000</b>	<b>12,774,000</b>

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**27. OPERATING LEASE COMMITMENTS**

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	47,109	50,099
Later than 1 year and not later than 5 years	13,801	57,923
	<u>60,910</u>	<u>108,022</u>

**28. 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.

**29. RELATED PARTY TRANSACTIONS**

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

Other than Trustees remuneration there are no further related party transactions entered into during the year.

**30. POST BALANCE SHEET EVENTS**

From 1 September 2021 the directors have agreed to expand the Trust by welcoming Oldbury Academy into the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**31. TEACHING SCHOOL TRADING ACCOUNT**

	2021 £	2021 £	2020 £	2020 £
<b>Income</b>				
<b>DIRECT INCOME</b>				
Grant Income	40,000		54,000	
<b>OTHER INCOME</b>				
Fundraising and other trading activities	226,898		183,509	
<b>TOTAL INCOME</b>		266,898		237,509
<b>Expenditure</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	188,977		146,752	
<b>OTHER EXPENDITURE</b>				
Other staff costs	17,811		14,858	
Other support costs	85,556		87,906	
<b>TOTAL OTHER EXPENDITURE</b>	103,367		102,764	
<b>TOTAL EXPENDITURE</b>		292,344		249,516
Transfers between funds excluding depreciation		-		(148,289)
<b>Deficit from all sources</b>		(25,446)		(171,756)
Teaching school balances at 1 September 2020		103,726		275,482
<b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2021</b>		<b>78,280</b>		<b>103,726</b>