

Registered number: 8179242 (England and Wales)

**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**For the year ended 31 August 2017**

**The Stour Academy Trust**  
**(A company limited by guarantee)**

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**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details**  
**For the year ended 31 August 2017**

**Members**

The Diocese of Canterbury Academies Company Limited  
Mrs G A Glover  
Mr L Ainsworth, Chair (appointed 9 October 2016)  
Mr W Barry (appointed 7 December 2017)  
Mrs M A Willmott (resigned 17 December 2016)

**Trustees**

Mr L Ainsworth, Chair (appointed 9 October 2016)  
Mr S J O'Keefe, Chief Executive Officer and Accounting Officer<sup>1,2</sup>  
Miss R L Howell, Deputy Chief Executive Officer (resigned 1 September 2016,  
reappointed 30 June 2017)<sup>2</sup>  
Mrs C March  
Mrs J Oliver-Smith  
Mr T J Ridge  
Mrs N King (appointed 4 July 2017)  
Mr S Evans (resigned 16 September 2016)  
Mr W Barry (resigned 8 July 2017)  
Mr B P Martin (resigned 1 September 2017)<sup>2</sup>

- <sup>1</sup> Ex-Officio  
<sup>2</sup> Staff

**Company registered number**

8179242

**Company name**

The Stour Academy Trust

**Principal and registered office**

Park View  
Sturry  
Canterbury  
CT2 0NR

**Company secretary**

Michelmores Secretaries Limited

**Senior management team**

Mr S O'Keefe, Chief Executive Officer  
Miss R Howell, Director of Education (Deputy CEO from 1 September 2017)  
Mr T Cullen, Director of Finance  
Mrs V Tottman, Director of HR and Premises  
Mr R Butterworth, Director of Communications

**The Stour Academy Trust**  
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**Reference and Administrative Details of the Academy Trust, its Trustees and Advisers**  
**For the year ended 31 August 2017**

**Advisers (continued)**

**Independent auditors**

Kreston Reeves LLP  
Statutory Auditor  
Chartered Accountants  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

**Bankers**

National Westminster Bank Plc  
11 The Parade  
Canterbury  
Kent  
CT1 2SQ

**Solicitors**

Michelmores Secretaries Limited  
Woodwater House Pynes Hill  
Exeter  
Devon  
EX2 5WR

**Member Schools**

Sturry Church of England Primary School  
Hersden Village Primary School  
Adisham Church of England Primary School  
Lansdowne Primary School  
Finberry Primary School  
Thistle Hill Academy (from 1 January 2017)  
Richmond Academy (from 1 January 2017)

**The Stour Academy Trust**  
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**Trustees' Report**  
**For the year ended 31 August 2017**

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1st September 2016 ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a director's report under company law.

The Trust operates 7 Primary Academies, 3 in the Canterbury area, 3 in the Swale area and 1 in Ashford. 2 of the 3 Swale academies (Richmond and Thistle Hill Academy) joined The Stour Academy Trust on 1 January 2017 following a rebrokering led by the Regional Schools Commissioners Office. In September 2017 Finberry Primary School moved into its purpose built accommodation.

The combined total of children on roll across the academies at the end of 31 August 2017 is 1,498.

**Structure, Governance and Management**

*Constitution*

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Directors act as the trustees for the charitable activities of The Stour Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Stour Academy Trust.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

*Members' Liability*

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

*Trustees' Indemnities*

A full insurance indemnity is taken out with the Academy Trust's insurance company, this is reviewed annually to protect against potential risk and to comply with current ESFA guidance.

*Principal Activities*

To advance for the public benefit education in the UK.

*Method of Recruitment and Appointment or Election of Directors*

The number of Directors shall be not less than three nor more than 16. Under the Articles of Association the company should have:

- The Members shall appoint up to 6 Directors, under article 50
- Up to 4 Foundation Directors, this must not be more than 25% of the Board under article 50AA
- Up to 2 Staff Directors, under article 50A
- The Chief Executive Officer (Ex Officio)
- Parent Directors in the event that no provision is made for parent representation on Local Advisory Boards.

As of 31 August 17 the board comprises of 8 directors, including the CEO and Deputy CEO. Their specific skills cover a wide range of areas including risk management, HR, education and organisational growth.

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

*Policies and Procedures Adopted for the Induction and Training of Directors*

All Directors take part in a training session at the beginning of full board meetings run by internal and external advisors on a range of matters such as, financial governance, data analysis and safeguarding. The Trust's communication platform (KLZ) provides access to all information required for Directors to effectively carry out their role. Access is password protected and area of information are specific to role.

*Organisational Structure*

The Board of Directors has delegated the day to day management of the academies to the Chief Executive Officer. The key role of the CEO is setting the strategy and vision for the Trust, building its culture and the creation and development of teams that will work both centrally as well as those providing services across the Trust. The CEO is responsible for capital allocation.

The Board holds the CEO to account.

The relationship between the Board and the CEO is underpinned by a shared vision and values.

The monitoring of each individual academy has been delegated to the Local Advisory Board for that academy.

Within each academy there is a Headteacher.

The CEO is the Accounting Officer.

Within the year the Key Management Personnel has changed and roles have been developed into a supporting central team. Within the central team are – CEO, Deputy CEO whom leads on Teaching and Learning, Director of HR, Director of Communications and Director of Finance. The CEO is responsible for holding the Key Management Personnel to account. The Director of Finance joined on 1 January 2017.

*Arrangement for setting pay and remuneration of key management personnel*

In early 2017 the board decided that in order to provide a proper pay review for senior staff, a thorough independent pay and rewards review be undertaken. This commenced in April and was commissioned to compare current salaries for the central team against other MATs and to advise the board as to how they compare.

The board undertook this process to provide a context for the Stour senior leadership team positions and to provide a clear evidence based approach to pay and competency levels.

Subsequently Lord Nash's foreword of the Academies Financial Handbook 2017 mirrored this position by stating, "We are emphasising that decisions about levels of executive pay must follow a robust evidence-based process. The board of trustees must ensure that their decisions about levels of executive pay follow [the] process and are reflective of the individual's role and responsibilities."

The pay review was still ongoing at the end of 31st August 2017 and will be finalised in the new financial year.

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

*Related Parties and other Connected Charities and Organisations*

The Trust acts as a sponsor supporting under performing academies through collaborative working both across the wider Trust as a whole and in geographical hubs.

**Objectives and Activities**

The Objectives of the Trust are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum.

The Stour Academy Trust has a clear vision to transform education. The Trust values children's wellbeing and their education above all else, and puts the needs of children at the heart of its decision making.

*Objects and Aims*

The Stour Academy Trust is built on creativity, innovation and desire to challenge the status quo. This will be demonstrated through the highest quality of teaching and learning and in the ambitions of the Trust itself.

*Objectives, Strategies and Activities*

The Trusts intention and ambition is to create a network of outstanding academies that thrive through collaboration, interaction and develop a pro active 'can do' culture that will seek out solutions to overcome barriers to learning with a sense of urgency. Sharing of best practice extends to trust to trust support.

The Trust aims to build its capacity in order to deliver school improvement and social mobility, raising the attainment of disadvantaged pupils by taking on and improving underperforming academies. The Trust has a moral obligation to address social mobility but recognises that this role is both challenging and presents a reputational risk where challenges are significant.

*Our aim is to:*

Promote and develop levels of leadership to the highest possible standard to meet the needs of a MAT.

Support the development of staff through embedding a culture of coaching and mentoring at all levels across the Trust.

Continue to develop nurture teams within each academy to ensure the well being of all our pupils.

*Public Benefit*

The Directors confirm that the objectives and activities of the Trust provide identifiable benefits, namely educational, which are in pursuance of the aims of the Trust. The admission criteria of the academies are not unduly restrictive and are in keeping with the aims of the Trust. Furthermore, the Directors confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission.

**Strategic Report**

*Achievements and Performance*

The Stour Academy Trust continues to be recognised as an established high performing Trust.

Further growth of the Trust is planned for the year ahead, with a further academy opening in September 2018 which will collaborate with Finberry Primary School and therefore start the development of a geographical hub in the Ashford area.

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

*Going Concern*

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

*Key Financial Performance Indicators*

The Trustees have identified that the following are the key financial performance indicators for the Trust:

- Percentage of income received from ESFA spent on teaching staff;
- Percentage of income received from ESFA spent on total staff costs;
- Pupil numbers (leading directly to ESFA funding level) and;
- General funding expenditure – aim for income to match expenditure each year.

The Trustees have been pleased that expectations for all key performance indicators listed above have been successfully met during the year.

Within the year Adisham CE Primary School underwent a Section 5 Ofsted inspection.

<b>Overall effectiveness</b>	<b>Outstanding</b>
Effectiveness of leadership and management	Outstanding
Quality of teaching, learning and assessment	Outstanding
Personal development, behaviour and welfare	Outstanding
Outcomes for pupils	Outstanding
Early years provision	Outstanding

The Trust continues to be asked by the Regional Schools Commissioner, DFE and Kent Local Authority to contribute towards future strategy and policies and deliver presentations in a variety of areas to share the Trusts systems, structures, procedures.

*Stour Academy Trust KS2 SATs 2017*

	<u>Combined (R,W,M)</u>	<u>Reading Progress score</u>	<u>Writing Progress score</u>	<u>Maths Progress score</u>	<u>Floor target met</u>
<b>Adisham</b>	73%	-1.9	2.2	-2.4	Yes
<b>Hersden</b>	71.4%	-1.7	1.9	-0.4	Yes
<b>Finberry</b>	<i>No KS2 data</i>				
<b>Lansdowne</b>	24.1%	-6.4	-3.6	-4.9	Yes
<b>Richmond</b>	19%	-7.4	-11.0	-10.1	No
<b>Sturry</b>	71%	-1.9	-1.1	0.5	Yes
<b>Thistle</b>	46.7%	-1.3	2.4	1.7	Yes

All established academies within the Trust achieved floor targets.

**Financial Review**

In this financial period (1 September 2016 to 31 August 2017), the Academy Trust has received the majority of its income from the ESFA, in the form of recurrent grants. The grants received from the ESFA during the year in addition to the income recognised on the transfer of the two new schools in to the Academy Trust has resulted in total income reported of £16,779,041. The income and associated expenditure of £8,038,674 are shown in the Statement of Financial Activities.

The Trust has appointed a Director of Finance whom is introducing new policies and processes to ensure the trust is in the best possible financial position and consistently managed. From September 2017 the Director of Finance will restructure finance personnel to create 2 finance hub offices to ensure finances are better controlled rather than managed by office managers within academies.



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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

The Director of Finance has undertaken various capital projects within the year since his appointment including a successful CIF Bid for a new boiler at Richmond Academy being transferred to the Trust as part of the rebrokering.

The Trust has actively been building capacity in preparation for expansion of the Trust and looks to appoint an Estates Manager within the next accounting year.

*Principal Risks and Uncertainties*

Recruitment, retention and motivation of high quality staff and members of the Trust central team remains the principle risk to sustaining current performance as well as planning for future growth. This is particularly apparent within our academies situated in areas of high social deprivation. The Trust continues to develop and explore a range of strategies, to minimise the risk.

*Reserves Policy*

The Board has given consideration to a Reserve Policy, with the aim of creating reserves for future growth. The Board approved moving to a system of 'top slicing' which commenced on 1st January 2017 following the Director of Finances appointment.

The Trust will hold reserves which will be accessible to each academy within the Trust. Although this will fluctuate it is estimated that the free reserve will be between £50,000 - £100,000 in any academic year which has been met in the current year.

The Academy Trust has a pension liability of £2,569,000 as at 31 August 2017 which is included in restricted reserves. The disclosure does not mean that the liability is already committed and is no longer available to the Trustees to further the Academy Trust's objectives. Parliament has agreed, at the request of the Secretary of State for Education, in the event of academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase to reduce the liability. The Academy Trust will always pay the employer contribution rates set by the pension scheme administrators.

*Investment Policy*

The Academy Trust endeavours to optimise investment by earning interest on its bank deposits whilst maintaining instant access to funds.

**Plans for Future Periods**

The Trust aims to continue with its model of working in geographical hubs of approximately 4 academies. The Trust currently has capacity to grow within the Canterbury and Ashford hubs and will have further capacity within the Swale hub from Sept 2018. The Trust intends to grow through the sponsorship of underperforming schools and Free Schools, however is always open to considering maintained schools who wish to join us. The Trust has no plans to expend outside of Kent or move into the Secondary phase.

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

The Trust does not hold any funds on behalf of others.

**Provision of information to auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the auditor is aware of that information

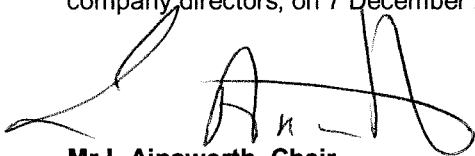
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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2017 and signed on its behalf by:



**Mr L Ainsworth, Chair**  
Chair of Trustees

**The Stour Academy Trust**  
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**Governance Statement**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Stour 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.

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 The Stour 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 L Ainsworth, Chair (appointed 9 October 2016)	6	6
Mr S J O'Keefe, Chief Executive Officer and Accounting Officer	6	6
Miss R L Howell (appointed 30 June 2017), Deputy Chief Executive Officer	0	1
Mrs C March	6	6
Mrs J Oliver-Smith	6	6
Mr T J Ridge	6	6
Mrs N King (appointed 4 July 2017)	1	1
Mr S Evans (resigned 16 September 2016)	0	0
Mr W Barry (resigned 8 July 2017)	5	6
Mr B P Martin (resigned 1 September 2017)	6	6

The Deputy CEO, Director of Finance and Director of HR attended all meetings in an advisory capacity.

R Howell (Deputy CEO) was unable to attend her first meeting as a director following her reappointment on 30 June 2017 due to an Ofsted inspection within the Trust.

The Board of Directors meet 6 times a year as a full board. Within the trust there are 2 sub committees. These committees are: Finance Committee led by T Ridge, HR Committee led by J Oliver-Smith. These meetings allow for the Directors of Finance and HR to have direct contact with board members and ensure they are kept up to date.

The current Board have decided that, due to the growth of the Trust, and as identified within the skills audit they wish to appoint two further directors, one with Marketing and Communications expertise and a second with substantial and relevant educational knowledge. These posts will be filled in the year 2017-18. In addition, a further committee for standards will be created.

**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 Stour Academy Trust**  
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**Governance Statement (continued)**

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the Academy Trust, through delegation to the Director of Finance, has delivered improved value for money during the year. All long term contracts has been reviewed and new terms negotiated with companies which improves savings made to the Trust. The Director of Finance continues to seek out further opportunities for funding from external sources. The Accounting Officer regularly holds the Director of Finance to account through systematic robust procedures adhering to policies.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Stour Academy Trust for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP as internal auditor.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

**The Stour Academy Trust**  
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**Governance Statement (continued)**

On a regular basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

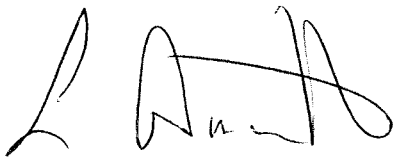
**Review of Effectiveness**

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:

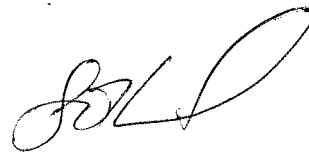
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees 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 7 December 2017 and signed on their behalf, by:



**Mr L Ainsworth**  
**Chair of Trustees**



**Mr S J O'Keefe**  
**Accounting Officer**

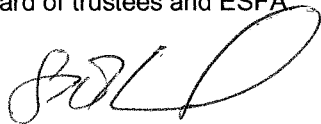
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**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of The Stour Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Mr S J O'Keefe**  
**Accounting Officer**

Date: 7 December 2017

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**Statement of Trustees' Responsibilities**  
**For the year ended 31 August 2017**

The Trustees (who act as governors of The Stour Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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:

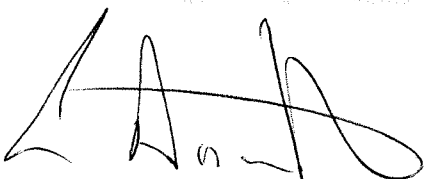
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on 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 on 7 December 2017 and signed on its behalf by:



**Mr L Ainsworth**  
Chair of Trustees

**The Stour Academy Trust**  
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**Independent Auditors' Report on the Financial Statements to the Members of The Stour Academy Trust**

**Opinion**

We have audited the financial statements of The Stour Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

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 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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**Independent Auditors' Report on the Financial Statements to the Members of The Stour Academy Trust**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy 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's or to cease operations, or have no realistic alternative but to do so.

**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of The Stour Academy Trust**

**Auditor's responsibilities for the audit of the financial statements**

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

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). The description forms part of our Auditor's report.



Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury  
7 December 2017

**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to The Stour Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 20 October 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Stour Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Stour Academy Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Stour Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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 Stour Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to The Stour Academy Trust and the Education and Skills Funding Agency (continued)**

**Work undertaken**

The work undertaken to draw to our conclusion includes:

- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Governing Body minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Kreston Reeves LLP*

**Kreston Reeves LLP**  
Reporting Accountant  
Chartered Accountants  
Canterbury

7 December 2017

**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the year ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations & capital grants:						
Transfer from other Academy Trusts	2	-	(1,289,000)	10,105,052	8,816,052	-
Other donations and capital grants	2	17,456	-	78,229	95,685	34,175
Charitable activities	3	-	7,541,594	-	7,541,594	4,624,471
Other trading activities	4	325,710	-	-	325,710	161,148
<b>Total income</b>		<b>343,166</b>	<b>6,252,594</b>	<b>10,183,281</b>	<b>16,779,041</b>	<b>4,819,794</b>
<b>Expenditure on:</b>						
Charitable activities		194,225	7,447,929	396,520	8,038,674	5,117,323
<b>Total expenditure</b>	6	<b>194,225</b>	<b>7,447,929</b>	<b>396,520</b>	<b>8,038,674</b>	<b>5,117,323</b>
<b>Net income / (expenditure) before transfers</b>		<b>148,941</b>	<b>(1,195,335)</b>	<b>9,786,761</b>	<b>8,740,367</b>	<b>(297,529)</b>
Transfers between Funds	17	(12,390)	(150,834)	163,224	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>136,551</b>	<b>(1,346,169)</b>	<b>9,949,985</b>	<b>8,740,367</b>	<b>(297,529)</b>
Actuarial gains/(losses) on defined benefit pension schemes	21	-	575,000	-	575,000	(698,000)
<b>Net movement in funds</b>		<b>136,551</b>	<b>(771,169)</b>	<b>9,949,985</b>	<b>9,315,367</b>	<b>(995,529)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		(69,779)	(1,245,159)	9,064,230	7,749,292	8,744,821
<b>Total funds carried forward</b>		<b>66,772</b>	<b>(2,016,328)</b>	<b>19,014,215</b>	<b>17,064,659</b>	<b>7,749,292</b>

All activities relate to acquired and continuing operations.

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

The notes on pages 22 to 47 form part of these financial statements.

**The Stour Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 8179242**

**Balance Sheet**  
**As at 31 August 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	13		19,010,373		9,060,489
<b>Current assets</b>					
Debtors	14	257,348		135,736	
Cash at bank and in hand		837,340		434,426	
		<u>1,094,688</u>		<u>570,162</u>	
<b>Creditors:</b> amounts falling due within one year	15	<u>(419,215)</u>		<u>(351,931)</u>	
<b>Net current assets</b>			<u>675,473</u>		<u>218,231</u>
<b>Total assets less current liabilities</b>			<u>19,685,846</u>		<u>9,278,720</u>
<b>Creditors:</b> amounts falling due after more than one year	16		<u>(52,187)</u>		<u>(83,428)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>19,633,659</u>		<u>9,195,292</u>
Defined benefit pension scheme liability	21		<u>(2,569,000)</u>		<u>(1,446,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>17,064,659</u></u>		<u><u>7,749,292</u></u>
<b>Funds of the Trust</b>					
Restricted income funds:					
Restricted income funds	17	552,672		200,841	
Restricted fixed asset funds	17	19,014,215		9,064,230	
Restricted income funds excluding pension liability		<u>19,566,887</u>		<u>9,265,071</u>	
Pension reserve		<u>(2,569,000)</u>		<u>(1,446,000)</u>	
Total restricted income funds			<u>16,997,887</u>		<u>7,819,071</u>
Unrestricted income funds	17		<u>66,772</u>		<u>(69,779)</u>
<b>Total funds</b>			<u><u>17,064,659</u></u>		<u><u>7,749,292</u></u>

The financial statements on pages 19 to 47 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

  
**Mr L Ainsworth**  
Chair of Trustees

The notes on pages 22 to 47 form part of these financial statements.

**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Statement of Cash Flows**  
**For the year ended 31 August 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>503,451</b>	108,214
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(177,791)</b>	(114,490)
Capital grants from DfE/ESFA		<b>78,229</b>	25,282
<b>Net cash used in investing activities</b>		<b>(99,562)</b>	(89,208)
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<b>434,426</b>	415,420
<b>Cash and cash equivalents carried forward</b>		<b>838,315</b>	434,426

The notes on pages 22 to 47 form part of these financial statements.

**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies**

The Stour Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Park View, Sturry, Canterbury, CT2 0NR. The Academy Trust's main objective is to advance for the public benefit of education in the United Kingdom, in particular without prejudice to the generality of the forgoing by establishing, maintaining, managing and developing Academies within the Trust.

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

**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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Stour Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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

**1.3 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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



**The Stour Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.4 Income**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

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

All expenditure is inclusive of irrecoverable VAT.