

Registered number: 08179242 (England and Wales)

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

**Annual Report and Financial Statements**

**For the year ended 31 August 2018**

**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 2018**

**Members**

The Diocese of Canterbury Academies Company Limited  
Mrs G A Glover  
Mr L Ainsworth (resigned 17 January 2018)  
Mr W Barry (appointed 7 December 2017)  
Mrs A Barry (appointed 14 December 2017)

**Trustees**

Mrs F L Trigwell, Chair (appointed 7 December 2017)  
Mr S J O'Keefe, Chief Executive Officer and Accounting Officer<sup>1,2</sup>  
Miss R L Howell, Deputy Chief Executive Officer<sup>2</sup>  
Mrs C March, Vice Chair  
Miss R A Ford (appointed 24 January 2018)  
Dr D J Moore (appointed 27 April 2018)  
Mr T P Singh (appointed 10 May 2018)  
Miss V E Standing (appointed 3 October 2018)  
Mr K R Gilby (appointed 7 December 2017, resigned 8 February 2018)  
Mr L Ainsworth (resigned 17 January 2018)  
Mrs J Oliver-Smith (resigned 11 January 2018)  
Mr T J Ridge (resigned 10 January 2018)  
Mrs N King (appointed 7 December 2017, resigned 16 January 2018)  
Mr B P Martin (resigned 1 September 2017)<sup>2</sup>

<sup>1</sup> Ex-Officio

<sup>2</sup> Staff

**Company registered number**

08179242

**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, Deputy Chief Executive Officer  
Mr T Cullen, Director of Finance and Premises (CFO)  
Mrs V Tottman, Director of HR  
Mr R Butterworth, Director of Marketing and Communications

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

**Reference and Administrative Details of the Academy Trust, its Trustees and Advisers**  
**For the year ended 31 August 2018**

**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  
Richmond Academy  
Chilmington Green Primary School (from 1 September 2018)

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

**Trustees' Report**  
**For the year ended 31 August 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Stour Academy Trust operated 7 Primary Academies (pupils aged 2-11) within this period, 3 in the Canterbury area, 3 in the Swale area and 1 in the Ashford area. There are 2 nurseries within the Trust schools which can host 26 Full time pupils or 52 part time pupils.

The Trust had a combined capacity of 2054 (includes 104 part time nursery places) on 1st Sept 2017 and had a roll of 1843 in the January 2018 school census.

**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 Trustees of The Stour Academy Trust 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 during the year and to the date these accounts are approved 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.

**Method of Recruitment and Appointment or Election of Trustees**

The number of Trustees shall not be less than 3 nor more than 16. Under the Articles of Association the company should have:

- Up to 6 Trustees appointed by the Members under article 50
- Up to 4 Foundation Trustees, this must not be more than 25% of the Board under article 50AA
- Up to 2 Staff Trustees under article 50A
- The Chief Executive Officer
- Parent Trustees in the event that no provision is made for parent representation on Local Advisory Boards

As of 31st August 2018 the Board comprised of 7 Trustees, including the CEO and Deputy CEO. The boards skills cover a wide range of areas including educational management, HR, Finance and strategic growth.

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

**Trustees' Report (continued)**  
**For the year ended 31 August 2018**

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

All Trustees undergo a rigorous interview process undertaken by the Members of The Stour Academy Trust. Once appointed the Trustees are given access to the Trusts communication platform (KLZ). Within KLZ all Trust policies and governance related documentation can be viewed.

In addition the Trust provides regular training to Trustees both internally and from external advisors on subjects such as the academies financial handbook, data analysis and premises legalities.

In addition within the period The Stour Academy Trust also held its first annual governance development day which included all Members, Trustees, Local Advisory Board Members, Key Management Personnel and Headteachers.

**Organisational Structure**

The Board of Trustees has delegated the day to day management of the academies to the Chief Executive Officer. The role of the CEO is setting the strategy and vision of the Trust, building its culture and the creation and development of teams that 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 CEO holds the central team to account.

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

The academy development plan and key priorities of each academy has been delegated to the Local Advisory Board allocated to that academy.

Within each academy there is a Headteacher.

The CEO is the Accounting Officer.

The Key Management Personnel (which forms the central team) within the year 17-18 is shown below:

- CEO
- Deputy CEO- Whom leads on Teaching and Learning
- Director of Finance and Premises (CFO)
- Director of HR
- Director of Marketing and Communications

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

The Board oversees the pay awards of the CEO and Deputy CEO. Performance management reviews for these posts is carried out between the Board and external advisors.

The CEO will oversee the setting of objectives and pay for all senior leaders and the remaining central team.

Within the year 16-17 the board commissioned a thorough independent pay and rewards scheme review for the central team in line with the ESFA emphasis on executive pay. The idea behind this was to provide a baseline for central salaries but also to agree a 3-year rewards and retention plan to ensure financial stability. A full report was provided in 17-18 by an independent advisor who benchmarked the central team roles against other similar posts in and out of the education sector. This report was then presented to the full board to develop a 3 year plan.

The 3 year plan was agreed via vote by the board (excluding the CEO and Deputy CEO) and has been in place since Sept 17.

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2018**

**Trade Union Facility Time**

In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 the following information is reported for the year ended 31 March 2018:

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period

Full-time equivalent number employee number

**Percentage of time spent on facility time**

**Percentage of time**

**Number of employees**

0%

1%-50%

51-99%

100%

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

Provide the total cost of facility time

Provide the total pay bill

Percentage of the total pay bill spent on facility time

£6,181,808

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours

**Related Parties and other Connected Charities and Organisations**

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

**Objectives, Strategies 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, balanced and exciting curriculum.

The Stour Academy Trust has a clear vision to transform education. The Trust values childrens wellbeing and their education above all else and the needs of the children are at the heart of every decision we make.

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.

The main objectives for the year focussed on five key areas. These are as follows:

- Continue to mitigate risk of teacher recruitment and retention difficulties
- Ensure capacity for future growth
- Ensure financial sustainability
- Secure positive OFSTED inspection outcomes, SIAMs judgements and standards in established schools that are above the national average
- Improve the quality of governance

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2018**

Our model of collaborative standardisation has been the engine for bringing about school improvements and meeting the needs of all pupils across the Trust. Our approach, whether it be engagement with learning, ensuring good behaviour, or sharing a common school day, is decided, reviewed and adjusted through a collaborative process.

Strategies focused on providing a more streamlined and sharper governance which reduced burdens on headteachers, provided clear and timely information to the MAT Board and helped to ensure that local advisory boards, Trustees, school leaders and teachers all play to their strength.

A wide range of strategies were put in place to secure the recruitment and retention of staff in very challenging circumstances, particularly in our schools that were re-brokered and geographically inaccessible to the main source of work force supply. A high focus was placed on opportunities for both professional and career development.

More effective use of technology, a review of common systems in place across all "back office" functions, establishing partnerships with other organisations and increasing pupil numbers all contributed to improved financial sustainability and our ability to improve our capacity for future growth.

**Public Benefit**

The Trustees can confirm the objectives and activities of the Trust provide identifiable benefits, namely educational, which are in pursuance of the aims of the Trust. The Trustees 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**

Ofsted 2017-18

Three Trust academies were inspected by Ofsted during this period. Lansdowne and Thistle Hill were inspected under section 5 and Hersden was inspected under section 8.

**Lansdowne**

20th -21st September 2017

Overall effectiveness	Good
Effectiveness of leadership and management	Outstanding
Quality of teaching, learning and assessment	Good
Personal development, behaviour and welfare	Good
Outcomes for pupils	Good
Early year's provision	Outstanding

The Stour Academy Trust sponsored the school in November 2014 following a special measures Ofsted grading in October 2013. The school had been without substantive leadership for the school year 2013/14. The Trust had sufficient time to fully implement Sir David Carter's model of school improvement – Stabilisation, Repair, Improve and Sustain.



**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2018**

**Thistle Hill Academy**  
 22nd-23rd May 2018

Overall effectiveness	Requires improvement
Effectiveness of leadership and management	Requires Improvement
Quality of teaching, learning and assessment	Requires Improvement
Personal development, behaviour and welfare	Requires Improvement
Outcomes for pupils	Requires Improvement
Early year's provision	Good

The Stour Academy Trust sponsored the school in January 2017 following its re-brokerage from another Trust. The school was not awarded a new URN, unlike Richmond academy which was re-brokered from the same Trust at the same time, therefore did not benefit from the three year time frame before its first Ofsted inspection. Thistle Hill was inspected following 16 months into sponsorship, whilst still in its repair phase. The Trust is confident the school will be assessed as good when it is re-inspected within 24 months.

**Hersden**

6th March 2018

The school remains a good school and demonstrated enough strong practice and marked improvement to indicate the school is improving towards being outstanding. Hersden was recommended for a section 5 inspection to enable a possible change of grading.

A change of grading is now not permitted under section 8 inspections which means a school cannot go from good to outstanding but can be recommended for a section 5 if enough outstanding practice identified.

**The Stour Academy Trust KS2 SATs 2018**

	Combined	Reading progress	Writing progress	Maths progress	Floor standard met
Adisham	24%	-6.7	-0.6	-7.0	No
Finberry	No KS2 data				
Hersden	71%	-2.6	-0.1	-1.8	Yes
Lansdowne	50%	-3.8	1.1	-3.5	Yes
Richmond	20%	-2.4	-3.4	-4.6	Yes
Sturry	90%	0.9	0.5	3.4	Yes
Thistle	13%	-4.2	-8.9	-5.6	No

**Key Financial Performance Indicators**

The Trustees identified the following performance indicators for the Trust in 2017-18:

- Percentage of income received from ESFA spent on teaching staff
- Percentage of income received from ESFA spent on total staffing costs
- Amount of income spent on Agency Supply Staff and developing a recruitment and retention strategy to reduce these costs in 2018-19
- Ensuring financial stability for the future of the Trust

**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 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.

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2018**

**Financial Review**

In this financial period (1st September 2017 to 31st August 2018), the Academy Trust received the majority of its funding from the ESFA, however additional bulge classes were established following requests from the local authority (Kent County Council) at Thistle Hill Academy, Lansdowne Primary School and Finberry Primary School these were funded by the local authority.

In September 2017 the Director of Finance and Premises opened 2 finance hub offices to ensure finances were better controlled by dedicated finance professionals rather than being led by Office Managers within academies.

The Trust appointed an Estates Manager in October 2017 to take the lead on premises issues who is directly line managed by the Director of Finance and Premises.

All ESFA submissions were undertaken before deadlines.

The Trust won a National Education Business Award for School Procurement in July 2018. This related to the procurement of the Trust catering contract.

The Trust has decided to move the Director of Finance and Premises to the role of Chief Operating Officer from 1st September 2018. In the year 17/18 he has also joined the ESFA user group supporting the ESFA in terms of day to day practices and strategies.

**Reserves Policy**

The Trustees have given consideration to a reserves policy, with the aim of creating reserves for future growth of the Trust. The level of reserves should never be in deficit. The Central Trust will hold reserves which will be accessible to each academy within the Trust. Although this will fluctuate it is estimated that the Central Trust 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 £2,257,000 as at 31 August 2018 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.

Each year the Trustees review the resource requirements and income that is forecast for the next 3 years through a detailed budget plan which is formulated, challenged and approved before submitting to the ESFA.

**Investment Policy**

There are no investments held beyond cash deposits retained in Academy Trust bank accounts.

**Principal Risks and Uncertainties**

Recruitment and retention of high quality staff remains the principle risk to bringing about improvements across the Trust.

Recruitment and retention of governors with the appropriate skills has become ever more challenging.

**The Stour Academy Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2018**

**Plans for Future Periods**

The Trust aims to continue to with its model of working in geographical hubs of approximately 4 academies. The Trust will open a new academy in the Ashford Hub on 1st September 2018 called Chilmington Green Primary School. This will initially open in the Finberry Primary School building before moving to temporary accommodation in January 2019. The school will move into its purpose built building in September 2020.

The Trust plans to continue sharing good practice with other local MATs.

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

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

**Employees and disabled persons**

The Stour Academy Trust regularly reviews its Trust Accessibility Policies to ensure fair access to all employees including those registered as a disabled person. Occupational Health checks take place for all new employees to inform the Trust to any provisions that should be put in place to support employees, in addition current employees may also be referred to Occupational Health after periods of absences so allow the Trust to continue to support the employee.

**Political donations**

No political donations have taken place.

**Auditors**

Insofar as the Trustees are aware:

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

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 11 December 2018 and signed on its behalf by:



**Mrs F L Trigwell**  
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 5 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
Mrs F L Trigwell, Chair (appointed 7 December 2017 )	3	3
Mr S J O'Keefe, Chief Executive Officer and Accounting Officer	4	5
Miss R L Howell, Deputy Chief Executive Officer	5	5
Mrs C March, Vice Chair	5	5
Miss R A Ford (appointed 24 January 2018)	3	3
Dr D J Moore (appointed 27 April 2018)	1	1
Mr T P Singh (appointed 10 May 2018)	0	0
Miss V E Standing (appointed 3 October 2018)	0	0
Mr K R Gilby (appointed 7 December 2017, resigned 8 February 2018)	1	1
Mr L Ainsworth (resigned 17 January 2018)	2	2
Mrs J Oliver-Smith (resigned 11 January 2018)	2	2
Mr T J Ridge (resigned 10 January 2018)	2	2
Mrs N King (resigned 16 January 2018)	0	1
Mr B P Martin (resigned 1 September 2017)	0	0

Mrs A Barry was appointed as a new Member of the Trust during the period. Mrs Barry brought a range of educational leadership and experience skills to the Members and instigated a number of changes including greater scrutiny of the work of the Board of the Trustees and more regular and focused meetings.

Mrs F Trigwell, was appointed as a Trustee on 7 December 2017 and elected Chair of the Board on 15 March 2018. Mrs Trigwell's wide experience in education and working in challenging schools has enhanced the Boards key purpose on raising standards.

Over the year the Board has undergone significant changes of personnel to achieve the correct balance and skills and expertise and is now a strength of the Trust.

Data provided by the Trust is comprehensive and runs alongside governor training and development to ensure clarity, understanding and challenge.

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

**Governance review:**

The Annual Review undertaken during the year brought about significant changes to both the skills and expertise of the Board, together with a more strategic approach and focus on standards.

A review on the structure of governance across the Trust recognised that the current climate of governance recruitment and retention meant that existing structures of individual local governing boards for each academy was not sustainable. The review identified the need to move towards a new model of cluster governance where academies were geographically linked and served similar communities. Currently the Articles of Association inhibit our ability to fully implement the changed required. However, the Trust awaits the new Multi Academy Trust Model Church of England (Minority) VC schools / non Church of England Schools Articles of Association.

**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 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 appropriate.

The Accounting Officer supported by the Director of Finance and Premises for the Academy Trust has delivered improved value for money during the year by:

- Reviewing of Trust cleaning providers and instructing a formal procurement process to bring savings to the Trust and provide consistency
- Introducing a Trust wide phone system which saves money as Trust school to school calls are no longer chargeable
- Working alongside the new catering contractor who was also appointed through a formal procurement and tender process. This led to The Trust winning a National Education Business Award in July 2018. The Trust sought the help of an external procurement consultant with the tendering process. The 3 year deal with the successful supplier created a saving of £62.5k
- Undertaking a full contract review and developing a 5 year contract renewal calendar to ensure best value for money regarding contracts is planned to allow for preparation and a focus

**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 2017 to 31 August 2018 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 2017 to 31 August 2018 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 Stour Academy Trust**  
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**Governance Statement (continued)**

**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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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 income
- Testing of accounting systems
- Testing of control account/bank reconciliations

On a regular basis, the 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. The internal auditor carried out all work as per the schedule of planned work.

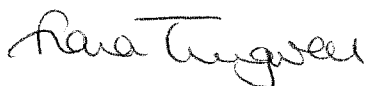
**Review of Effectiveness**

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 11 December 2018 and signed on their behalf, by:



**Mrs F L Trigwell**  
**Chair of Trustees**



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

**The Stour Academy Trust**  
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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 & 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 2017.

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 2017.

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: 11 December 2018

**The Stour Academy Trust**  
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**Statement of Trustees' Responsibilities**  
**For the year ended 31 August 2018**

The Trustees (who 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 & 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:

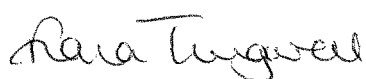
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 11 December 2018 and signed on its behalf by:



**Mrs F L Trigwell**  
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 (the 'Academy Trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

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

**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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

*Kreston Reeves LLP /*

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury  
11 December 2018

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

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

In accordance with the terms of our engagement letter dated 20 October 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 & 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 2017 to 31 August 2018 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

11 December 2018

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

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the year ended 31 August 2018**

	Unrestricted funds 2018	Restricted funds 2018	Restricted fixed asset funds 2018	Total funds 2018	Total funds 2017
Note	£	£	£	£	£
<b>Income from:</b>					
Donations & capital grants:					
LGPS pension liability and fixed assets inherited from other Academy Trusts	2	-	-	-	8,816,052
Other donations and capital grants	2	10,213	-	289,446	95,685
Charitable activities	3	-	8,911,724	-	7,541,594
Other trading activities	4	321,516	-	-	325,710
<b>Total income</b>	<b>331,729</b>	<b>8,911,724</b>	<b>289,446</b>	<b>9,532,899</b>	<b>16,779,041</b>
<b>Expenditure on:</b>					
Charitable activities	5	184,125	9,121,733	498,701	9,804,559
<b>Total expenditure</b>	<b>6</b>	<b>184,125</b>	<b>9,121,733</b>	<b>498,701</b>	<b>9,804,559</b>
<b>Net expenditure / income before transfers</b>		<b>147,604</b>	<b>(210,009)</b>	<b>(209,255)</b>	<b>(271,660)</b>
Transfers between Funds	17	(18,061)	(3,394)	21,455	-
<b>Net expenditure / income before other recognised gains and losses</b>		<b>129,543</b>	<b>(213,403)</b>	<b>(187,800)</b>	<b>(271,660)</b>
Actuarial gains on defined benefit pension schemes	21	-	738,000	-	738,000
<b>Net movement in funds</b>		<b>129,543</b>	<b>524,597</b>	<b>(187,800)</b>	<b>466,340</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		66,772	(2,016,328)	19,014,215	17,064,659
<b>Total funds carried forward</b>		<b>196,315</b>	<b>(1,491,731)</b>	<b>18,826,415</b>	<b>17,530,999</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 24 to 49 form part of these financial statements.

**The Stour Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 08179242**

**Balance Sheet**  
**As at 31 August 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	13		18,782,342		19,010,373
<b>Current assets</b>					
Debtors	14	269,610		257,348	
Cash at bank and in hand		1,159,523		837,340	
		<u>1,429,133</u>		<u>1,094,688</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(393,378)</u>		<u>(419,215)</u>	
<b>Net current assets</b>			<u>1,035,755</u>		<u>675,473</u>
<b>Total assets less current liabilities</b>			<u>19,818,097</u>		<u>19,685,846</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(30,098)</u>		<u>(52,187)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>19,787,999</u>		<u>19,633,659</u>
Defined benefit pension scheme liability	21		<u>(2,257,000)</u>		<u>(2,569,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u>17,530,999</u>		<u>17,064,659</u>
<b>Funds of the Trust</b>					
Restricted income funds:					
Restricted income funds	17	765,269		552,672	
Restricted fixed asset funds	17	18,826,415		19,014,215	
Restricted income funds excluding pension liability		<u>19,591,684</u>		<u>19,566,887</u>	
Pension reserve		<u>(2,257,000)</u>		<u>(2,569,000)</u>	
Total restricted income funds			<u>17,334,684</u>		<u>16,997,887</u>
Unrestricted income funds	17		<u>196,315</u>		<u>66,772</u>
<b>Total funds</b>			<u>17,530,999</u>		<u>17,064,659</u>

The financial statements on pages 21 to 49 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:



**Mrs F L Trigwell**  
Chair of Trustees

The notes on pages 24 to 49 form part of these financial statements.



**The Stour Academy Trust**  
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**Statement of Cash Flows**  
**For the year ended 31 August 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>225,302</b>	502,476
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(192,565)</b>	(177,791)
Capital grants from DfE Group		<b>289,446</b>	78,229
<b>Net cash provided by/(used in) investing activities</b>		<b>96,881</b>	(99,562)
<b>Change in cash and cash equivalents in the year</b>		<b>322,183</b>	402,914
Cash and cash equivalents brought forward		<b>837,340</b>	434,426
<b>Cash and cash equivalents carried forward</b>		<b>1,159,523</b>	837,340

The notes on pages 24 to 49 form part of these financial statements.