

Company Registration Number: 08179242 (England & Wales)

The Stour Academy Trust
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2021

The Stour Academy Trust
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Diocese of Canterbury Academies Company Limited Mrs A Barry Dr W Barry (resigned 7 July 2021) Mrs G A Glover Ms C March (Resigned 18 November 2020) Mrs F L Trigwell
Trustees	Mr O Aje Miss R A Ford (Resigned 15 December 2020) Miss R L Howell, Chief Executive Officer and Accounting Officer ¹ Dr D J Moore Ms N J Paterson (appointed 21 January 2021) Mr T P Singh Miss V E Standing, Vice Chair Mrs F L Trigwell, Chair Mrs S Wraight ¹ Staff
Company registered number	08179242
Company name	The Stour Academy Trust
Principal and registered office	Park View Sturry Canterbury Kent CT2 0NR
Company secretary	Michelmores Secretaries Limited
Chief executive officer	Miss R Howell (appointed 1 September 2020)
Senior management team	Miss R Howell, Chief Executive Officer and Accounting Officer Mr T Cullen, Chief Operating Officer (whom acts as CFO) Mrs V Tottman, Director of HR Mr R Butterworth, Director of Marketing and Communications Mrs V Acors, School Improvement Partner
Independent auditors	Kreston Reeves LLP Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	National Westminster Bank Plc 11 The Parade Canterbury Kent CT1 2SQ

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
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Solicitors
(from 1 September 2021) PHP Law LLP
6 Delamore Park
Cornwood
Ivybridge
Devon
PL21 9QP

Member
Sturry Church of England Primary School
Water Meadows Primary School
Adisham Church of England Primary School
Lansdowne Primary School
Finberry Primary School
Thistle Hill Academy
Richmond Academy
Chilmington Green Primary School

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Trustees' report
For the year ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2020 to 31st August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Stour Academy Trust operated 8 Primary Academies (pupils aged 2-11) within this period, 3 in the Canterbury area, 3 in the Swale area and 2 in the Ashford area. There are 2 nurseries within the Trust schools which host a mixture of full and part time pupils. Finberry Primary School and Thistle Hill Academy each host a Specialist Resource Provision for pupils with SEMH needs, during the year a consultation was held to change these provisions to ASD need type from 1st September 2021 which was approved by the RSCs office.

A new CEO Rachael Howell took post on 1st September 2020 following a robust recruitment process, in addition she has undertaken the role of Accounting Officer.

Sturry C of E Primary School and Adisham C of E Primary School are both Church of England schools within the Trust. Therefore, the Trust operates Minority Church of England Articles of Association adopted 17th September 2019.

At 31st August 2021 2070 pupils were on roll across the organisation which is an increase on 1993 from the prior year. During the year 3 of the 8 schools increased PAN capacity due to internal growth with support from Kent County Council.

Structure, Governance and Management

Constitution

The Stour 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. The Trust currently opts into the government RPA scheme.

Fundraising

The Academy engages in fundraising activities for other charities and recognises the provisions of the Charities (Protection and Social Investment) Act 2016. There is a rigorous process for the collection of funds raised, which ensures the process for collection conforms to the necessary standards.

The Academy welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

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Trustees' report (continued)
For the year ended 31 August 2021

Method of Recruitment and Appointment or Election of Trustees

Under the revised Articles of Association adopted on 17th September 2019, the number of Trustees shall not be less than 5 and shall not be subject to any maximum. The company should have:

- No fewer than five Trustees, appointed under Articles 50 and 50A combined
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100(a)
- The Members shall appoint by ordinary resolution a minimum of three Trustees.
- The Diocesan Corporate Member shall appoint at least two (and in its absolute discretion may appoint more than two) Trustees provided where the Academies comprise only schools that had been Community Schools and Voluntary Controlled schools as defined by the Education Acts the total number of Trustees appointed under this Article shall not exceed 25% of the total number of Trustees.
- The total number of Trustees including the Chief Executive Officer if they so choose to act as under Article 57 who are employees of the Company shall not exceed one third of the total number of Trustees.

As of 31st August 2021, the Board comprised of 8 Trustees, including the CEO. All Board meetings were attended by the COO, where appropriate. The Boards skills cover a wide range of areas including educational management, business expertise and strategic growth.

Policies and Procedures Adopted for the Induction and Training of Trustees

All potential new Trustees are subject to a stringent interview process. This process is overseen by the Members who have the responsibility for appointing to The Board. The interview panel is made up of at least one Member, the CEO and a Trustee.

If any initial training is required, The Trust has the expertise and capacity to facilitate any training necessary. In addition to any initial training The Trust provides further training on a regular basis throughout the year from both internal and external sources.

Once a Trustee has been appointed and completed all safeguarding and security checks, they are registered with a Trust email address and have access to all governance related documentation.

Employee engagement

The Trust and Trustees actively engage with employees regarding Trust development and practice. This includes, consulting with employees regarding changes to contracts, terms and conditions etc. and Staff working parties to review policies. The Trust has introduced a virtual Staff Hub during the year to help act as a resource bank and actively promote Trust news.

Staff voice through surveys and meetings act as a core supportive measure for a number of Trust decisions and to reflect the wants and needs of our valued employees.

Engagement with suppliers, customers and other stakeholders

Parents are kept well informed and engaged as the Trust follows a clear communication strategy that supports the use of a strong online presence and effective use of a school to parent communication app. Insights from social media and parent communication app engagement are closely monitored and used to influence further communication strategies. The Trust has continually adapted its approach to current trends and societal change to ensure that engagement and communication remains consistently high. This year Parent Consultation Evenings have continued to take place online with the majority of parents now familiar with and having preference for online meetings.

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Trustees' report (continued)
For the year ended 31 August 2021

Parents and pupils as our integral stakeholders are consulted regarding changes and frequent surveys ascertain their views and needs so that policy and practice can reflect this. Each school has established a Parent Forum to promote engagement, even with many periods of lockdown these meetings still took place regularly and proved as a useful tool to the implementation of remote learning policies etc. Therefore, supporting the decision making of the Board of Trustees to reflect the local needs of a school.

"I felt well informed every step of the way during the lockdowns. The work provided for my children was engaging, well presented - particularly the videos and teaching via TEAMS. TEAMS provided great participation it worked smoothly and I was very impressed that the Trust provided iPad. I believe some parents also got dongles if they did not have internet. The regular catch up calls with class teachers kept us in touch. My children also really loved the creative projects linked to their topic work. The teachers were really good at ensuring the children had screen breaks and that their wellbeing was looked after."
Parent of children in Years 1 and 3 at Finberry Primary School.

"Communication with parents during the COVID-19 periods has been fantastic, and we have provided with fast responses to any questions we have."
Parent of child at Richmond Academy

The Trust prides itself on a good communications, transparency and positive relationship with suppliers, good communication with suppliers became ever more important during the COVID-19 pandemic as per the previous year to ensure the delivery of products and services during the period remained active and high quality. Additional checks have also been required to ensure suppliers financial position and sustainability during COVID-19. This transparency ensured the financial stability of the Trust and supported suppliers where necessary.

Organisational Structure

The Board of Trustees has delegated the day to day management of the academies to the Chief Executive Officer (CEO). 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 monitoring of the Trust development plan and key priorities is the responsibility of the Board, supported by CEO and School Improvement Partner.

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 20-21 is shown below:

- CEO
- Chief Operating Officer (whom acts as CFO)
- School Improvement Partner (new role adopted on 1st Sept 2020)
- Director of HR
- Director of Marketing and Communications

Arrangements for setting pay and remuneration of Key Management Personnel

The Board oversees the pay and remuneration of all Key Management Personnel through its dedicated Pay Committee. The performance management of the CEO is undertaken by the Board with external support and the remaining Key Management Personnel by the CEO with input from the Board.

The CEO and COO oversee the performance management of all other employees and delegated to a number of team leaders to undertake the process.

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Trustees' report (continued)
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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. This scheme came to a natural end on 31st August 2020.

Within the year 19-20 the Board reviewed 3 remuneration experts and appointed 1 of these specialists to provide a robust remuneration review process and provide the Trust with a detailed 3- year remuneration plan to ensure fairness, retention and financial stability. This plan was adopted for implementation from 1st September 2020 and has been included in the projected 3-year budget planning process.

Year 1 of the above plan has now taken place and outcomes are presented through an evidence based performance management process, presented to the Pay Committee annually.

Related Parties and other Connected Charities and Organisations

The Stour Academy Trust acts as a sponsor supporting a number of academies through collaborative working across Kent. Alongside an existing Free School, Finberry Primary School, the Trust opened another Free School, Chilmington Green Primary School in September 2018 housed in temporary accommodation prior to the completion of a new build in November 2021. The Trust plans to undertake a review of its current growth plan in the upcoming 2021-22 period.

Objects

The objects 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 curriculum and which shall include:

- (i) Academies other than those designated Church of England, whether with or without designated character; and
- (ii) Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to any advice and following any directives issued by the Diocesan Board of Education

But in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England

Providing recreational and leisure facilities in the interests of social welfare for the inhabitants of the area of benefit especially those who have need of such facilities by reason of youth, age, infirmity or disablement, poverty or social and economic circumstances, provided that, such recreational and leisure time facilities shall not be provided by the company at an academy designated with a Church of England religious character, except by way of the operating of a trading company.

Objectives and Aims

With the appointment of a new CEO, it was essential that The Stour Academy Trust reviewed its vision and reclarified its aims and objectives before sharing this with staff.

The Stour Academy Trust recognises that our education system needs to quickly and more radically shift to close equity gaps and to better prepare our young people for the 21st century. We are transforming our schools from passive forms of learning focused on direct instruction and memorisation, by moving towards interactive methods that promote the critical and individual thinking needed in today's innovation-driven economy.

Our pedagogical model combined with the intentional deployment of technology will help us deliver personalised learning in an enabling environment. Technology will accelerate our progress but will not be the driver of our vision.

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Trustees' report (continued)
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We aim to nurture a community of learners that challenge thinking, where our staff are empowered to take risks and develop their practice to meet the needs of an evolving school system, which is not held back by traditional restrictions and ideologies.

By limiting routine or unnecessary tasks we allow professionals to focus on learning behaviours and interactions which will promote emotional intelligence and the development of children as life-long, curious learners.

There will be no barriers to achievement within our learning community and our teachers will build strong relationships that facilitate the learning of others. Collaboration will open doors, minds and possibilities and enable individuals to meet their personal goals.

Objectives, Strategies and Activities

As mentioned during the year a new vision for the Trust was developed which will require a number of years to embed. This vision focuses on nine key areas, these are likely to be the aims for the upcoming years to enable success. These are as follows:

- Ensuring strong foundations in EYFS through the redevelopment of outdoor learning environments
- Develop a pedagogical model centred on student voice, choice and collaboration, combined with the intentional deployment of technology for every student to deliver personalised and self-paced learning that is required for a 21st century education system
- Transform the standardised model of direct learning to a model where teachers are facilitators or coaches of the learning process to allow for improved interactions and strengthened relationships that provide opportunities for self-directed learning
- Develop both the cognitive and social-emotional skills necessary for children to succeed in their personal and professional lives
- Through the Innovative use of digital technology, we will create a level playing field for all children, irrespective of their language skills, reading ability or any other factors that may present learning challenges
- We are committed to eradicating routine, mundane or unnecessary tasks that could be more efficiently achieved by utilising new technology which will allow professionals to strengthen their particular area of expertise and have the biggest impact on the organisation and its evolution
- We will develop an enquiry-based curriculum that integrates content into real world applications whilst meaningfully integrating technology in teaching and learning. Our curriculum will provide joyful experiences that broaden children's horizons which enable them to find meaning in learning through active thinking and social interaction
- Traditional classrooms will evolve to allow the vision to be fully embraced. Our enabling environments will be child-centred and designed to allow for flexibility, collaboration and independence. The aim is to shape our environment to better reflect a 21st century workspace that promotes social interaction, communication and self-regulation
- Through empowered leadership, quality CPD, research and collaboration, we will create a highly skilled community of learners where pedagogy provides a strong foundation for practice. By developing professional trust and dialogue, we will take risks and challenge traditional ideologies to ensure that we are constantly evolving in line with current thinking and research

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.

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Trustees' report (continued)
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Strategic Report
Achievements and Performance

Ofsted

No full Ofsted inspections took place during the year 2020-21 due to COVID-19.

Sturry C E Primary School and Lansdowne Primary School were however subject to an Ofsted visit to assess the return from COVID lockdowns and to ensure compliance with government COVID-19 policies, both of which raised no areas of concern.

SIAMS

No SIAMS inspections took place during the year 2020-21 due to COVID-19.

The Stour Academy Trust Data 2020-21

Due to COVID-19, all National assessments were cancelled and no data was submitted to external parties.

Section 172(1) Statement

All Trustees of The Stour Academy Trust carefully consider all decisions made to promote the success of the Trust and for the benefit of its employees and pupils (members) by:

The Trust has good delegation of duties and responsibilities to ensure that long term risks and safeties are planned for and addressed. This is achieved by ensuring plans and policies are in place and shared with the appropriate bodies. The Trust has a strategic growth plan in place and applies strict due diligence to examine the likely consequences of decisions made.

The Trust aims to be an 'employer of choice' and has a number of strategies in place which take in to account the interests of all employees. Notably, the Trust has a dedicated well-being policy, seeks employees' views frequently and adjusts practice and policy where necessary. Policies regarding staff well-being and pay are reviewed by the Board of Trustees annually with the employees' interest in mind. The Director of HR presents to the Board at every meeting regarding staff absence, well-being and engagement which promotes discussion regarding the provision and benefits in place for all employees.

The Trust promotes strong relationships with all stakeholders, including business relationships with its suppliers.

The Trust operates a system of transparency and fairness in regards to business relationships through policies such as the Procurement Policy. We actively seek to support local businesses where appropriate to strengthen community links, which has become more apparent in the COVID 19 years.

The Trusts key objective is to provide a good quality of education to children within the local community, and modernise education. We aim for our schools to be actively engaged with the local communities and ensure they learn about the local diverse environments they live within.

The Trustees are continually challenging Trust Leaders to enable the Trust carbon footprint to be further reduced where possible.

The Trustees implement a number of Policies to ensure high standards of business conduct are observed. These include, a staff code of conduct, dress code and fairness in work policy which contribute to maintaining a high reputation of standards.

The need to act fairly is evident in policies and practice and endorsed by the Trustees and Trust Leaders. The Trust has a comprehensive complaints policy in place and the appropriate layers to ensure appeals and discourse are well-managed.

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Trustees' report (continued)
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Key Performance Indicators

The Trustees identified the following performance indicators for the Trust in 2020-21:

- Ensuring funds were targeted at supporting lost learning and remote learning during the COVID-19 years
- Percentage of income received from ESFA spent on teaching staff
- Percentage of income received from ESFA spent on total staffing costs
- Amount of reserves able to reinvest into strategic IT vision
- Ensuring financial stability for the future of the Trust.

School performance in terms of regulatory visits e.g., SIAMs and Ofsted would normally feature as a Key Performance Indicator however due to inspection suspension these were not included.

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.

Financial Review

In this financial period (1st September 2020 to 31st August 2021), the Academy Trust received the majority of its funding from the ESFA, however historical additional bulge classes continued following requests from the local authority (Kent County Council) in previous years at Water Meadows Primary School, Thistle Hill Academy, Lansdowne Primary School and Finberry Primary School these were directly funded by the local authority.

Additional ring-fenced grants such as PE, Pupil Premium, UIFSM and Teacher Pay Grants were also received during the year from the ESFA. The Trust prides itself on ensuring that these grants are spent to ensure impact and legacy where possible. In addition, during the year a number of COVID support grants were awarded by the ESFA and Kent County Council to provide additional support to pupil learning and provide half-term free school meals.

2020-21 saw the implementation of a new finance software which provides unique consolidation process therefore improving efficiencies within the centralised finance department.

During the year the Trust was successful in winning a CIF bid for £104k at Adisham C E Primary School to undertake urgent fire safety works, this will be recognised during the year 2020-21. In the previous year £669k was awarded from the same CIF fund, of which most of the building works took place during the year 2020-21. Many of which have impacted on a reduced Trust carbon footprint.

In addition, Finberry Primary School saw a £2.9m investment in its building in October 2020 fully funded by Kent County Council. A £6m building project is currently underway at Chilmington Green Primary School which will also see the opening of a school Nursery and ASD Specialist Resource Provision in the upcoming year.

Trust reserves were used during the year to undertake a significant investment in IT capital spends to further transform our learning styles to the 21st Century.

The Trust continued to operate a policy of “top slicing” each academy to provide a range of services. These funds are held within the central account. The Board of Trustees feel this top slicing achieves best value for money for all Trust schools. A comprehensive breakdown of this “top slicing” is detailed later in these accounts.

Within the period the COO continued to support a number of MATs with financial sustainability and growth planning, alongside joining a local CFO MAT forum. He also remained an active member of the ESFA Schools commercial team user group sharing good practice, tips and policies within the sector.

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Trustees' report (continued)
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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.

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

During the period inevitably COVID-19 remained as the biggest risk and uncertainty to the organisation, however being a global issue and adopting all government policies we feel that this risk is reduced.

As a Trust we have not seen a detrimental impact on finances as a result of COVID-19.

In previous years recruitment and retention of staff has been listed as our principal risk, with an increase in retention rates we no longer see this as an issue and feel strategies we have in place have reduced the potential of this risk.

Streamlined Energy and Carbon Reporting

Within the year the Trust underwent a number of building projects to help reduce our carbon footprint. In addition, a previously diesel pool car has been replaced with an electronic vehicle. As a Trust we are committed to do whatever we can to reduce our carbon footprint and education surrounding this to our pupils.

See below current emissions from 2020-21, which sees a reduction to previous years:

	Oil	Gas	Electricity	Cars	Total
kg CO2e	37,464	82,762	130,760	6,925	25,7911
kg CO2	37,316	82,603	129,424	6,860	25,6203

As a Trust we have opted to measure these emissions on a per pupil basis (on roll 2070):

	Total Emissions	Per Pupil
kg CO2e	25,7911	124.59
kg CO2	25,6203	123.77

Plans for future periods

As detailed within these accounts, the Trust has recently launched a new vision for education which was developed during 2020-21. The future year will see this vision being shared with all stakeholders, and allowing time for to become both embraced by staff and embedded. We aim to Support school leaders to achieve this objective to ensure the Vision is lived in all schools.

We also welcome the addition of Chilmington Green from 1st November 2021 to the Trust which will see a significant asset increase. The upcoming year also gives us the opportunity to successfully establish Chilmington Green as a community school

As an organisation our aims for 2021-22 are as follows:

- Ensuring the successful launch of 3 ASD Specialist resource provisions, with skilled staff and enhancing the learning experience for all ASD pupils both Trust and Kent wide
- Ensure Richmond Academy, Thistle Hill Academy and Chilmington Green Primary School achieve at least "good," Ofsted judgements

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Trustees' report (continued)
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- Ensure Sturry C.E. Primary School achieves at least "good," in its upcoming SIAMs inspection
- Re-Align, Implement & Develop Leadership Structures across the Organisation
- Review and establish sub-committees for effectiveness in partnership with a MAT to MAT governance review in line with the revised Scheme of Delegation
- Further utilise technologies to stream-line business operations and improve efficiencies
- Building confidence and skills in digital competencies at all levels
- Foster an environment of learning and growth through the innovative use of technologies using Microsoft solutions
- Ensure all additional post COVID premiums achieve accelerated progress for affected pupils
- Enhance the culture and employee experience for all support staff

The Trust plans to continue sharing good practice with other local MATs and support if requested. In addition, the Trust strategic growth plan currently expires in 2021 and will therefore be revisited and presented to Directors, to set out our clear plan for both internal and external Trust capacity and growth.

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 to allow the Trust to continue to support the employee. All staff have access to annual on-site health checks as well as a telephone counselling service.

Political donations

No political donations have taken place.

Auditor

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 auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:



Mrs F L Trigwell
Chair of Trustees

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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 governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that which is described in the Trustees' Report and in the Statement of Trustee's responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Director Title	Forename	Surname	Role	Meeting Attendance 2020/21	
				Meetings Attended	Out of a possible
Mrs	Fiona	Trigwell	Director/Chair of the Board	7	7
Miss	Robyn	Ford	Director	2	2
Mr	Teejay	Sing	Director	5	7
Mr	Daniel	Moore	Director	5	7
Miss	Rachael	Howell	Director/CEO	7	7
Mr	Olatunde	Aje	Director	5	7
Mrs	Vicki	Standing	Director/Vice Chair	4	7
Mrs	Sarah	Wraight	Director	5	7
Mrs	Niki	Paterson	Director	3	5

In addition, during the year meetings were held for Members, the Audit Committee and the Pay Committee.

These meetings were held virtually from March 2020 given the COVID-19 pandemic. The introduction of virtual meetings allowed for governance to continue in its robust nature, and has seen attendance at meetings rise.

The Chair of the Board Mrs F Trigwell, was re-elected Chair in September 2020. Mrs Trigwell's career in education, mainly in areas of significant social deprivation has enabled The Board to consistently and thoroughly drive forward standards.

Governance review:

A skills audit has been undertaken by The Board and this has identified training needs and potential gaps in expertise. All training needs can be met by The Trust and The Board are hoping to appoint new Trustees to further enhance expertise. In addition, an external governance review is planned for 2021-22.

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Governance Statement (continued)

Review of value for money

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

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

The Accounting Officer supported by the COO for the Academy Trust has delivered improved value for money during the year by:

- Further improving procurement policies, and engaging with additional tendering agencies therefore creating in significant savings allowing for further investment in much needed capital projects
- Engaging in new printing services which represent a large saving due to implementation of new paperless processes both in and out of the classroom
- Review of IT software's to cut out ensure we are maximising the potential of current systems, therefore resulting in savings from cancellations of other software (along with developing our own software)
- Further embedding a number of marketing strategies which have seen a rise in pupil numbers

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 period 1st September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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 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 Stour Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

The Board of Trustees appointed SBM Services as the internal auditor in 2020-21 to undertake a whom undertook a rigorous process of 8 days internal auditing over the period.

The internal auditors 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 including creditors
- testing of income
- testing of accounting systems and processes
- testing of management account reporting and VAT
- testing of control account/bank reconciliations

On a quarterly 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 and presented to the Audit and Finance Committee.

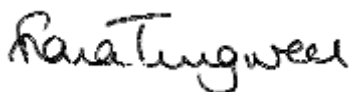
Review of effectiveness

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 14 December 2021 and signed on their behalf by:



Mrs F L Trigwell
Chair of Trustees



Miss R L Howell
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



Miss R L Howell
Accounting Officer
Date: 14 December 2021

The Stour Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2021

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2021 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 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis 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

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

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

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

Other information

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

We have nothing to report in this regard.

The Stour Academy Trust
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Independent auditors' Report on the financial statements to the Members of The Stour Academy Trust
(continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to: posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and noncompliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of corporate governance arrangements; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

The Stour Academy Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Stour Academy Trust
(continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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

Robert Sellers FCCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

15 December 2021

The Stour Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's 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 27 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Stour Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Stour Academy Trust and 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 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 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

The Stour Academy Trust
(A company limited by guarantee)

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

Approach

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

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

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

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

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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountant

Date: 14 December 2021

The Stour Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	27,495	-	3,663,770	3,691,265	8,366,122
Other trading activities		203,923	-	-	203,923	187,528
Charitable activities	4	-	11,476,686	-	11,476,686	10,400,359
Total income		231,418	11,476,686	3,663,770	15,371,874	18,954,009
Expenditure on:						
Charitable activities	6	-	12,069,786	644,024	12,713,810	11,312,295
Total expenditure		-	12,069,786	644,024	12,713,810	11,312,295
Net income/(expenditure)		231,418	(593,100)	3,019,746	2,658,064	7,641,714
Transfers between funds	15	(53,706)	(110,548)	164,254	-	-
Net movement in funds before other recognised gains/(losses)		177,712	(703,648)	3,184,000	2,658,064	7,641,714
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(929,000)	-	(929,000)	(565,000)
Net movement in funds		177,712	(1,632,648)	3,184,000	1,729,064	7,076,714
Reconciliation of funds:						
Total funds brought forward		316,344	(3,488,729)	27,072,709	23,900,324	16,823,610
Net movement in funds		177,712	(1,632,648)	3,184,000	1,729,064	7,076,714
Total funds carried forward		494,056	(5,121,377)	30,256,709	25,629,388	23,900,324

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

The notes on pages 26 to 53 form part of these financial statements.

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

Balance sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	30,256,709	27,072,709
Current assets			
Debtors	13	262,627	198,765
Cash at bank and in hand		1,509,873	1,423,265
		1,772,500	1,622,030
Creditors: amounts falling due within one year	14	(254,821)	(356,415)
Net current assets		1,517,679	1,265,615
Total assets less current liabilities		31,774,388	28,338,324
Net assets excluding pension liability		31,774,388	28,338,324
Defined benefit pension scheme liability	22	(6,145,000)	(4,438,000)
Total net assets		25,629,388	23,900,324
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	15	30,256,709	27,072,709
Restricted income funds	15	1,023,623	949,271
Restricted funds excluding pension asset	15	31,280,332	28,021,980
Pension reserve	15	(6,145,000)	(4,438,000)
Total restricted funds	15	25,135,332	23,583,980
Unrestricted income funds	15	494,056	316,344
Total funds		25,629,388	23,900,324

The financial statements on pages 23 to 53 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



Mrs F L Trigwell
Chair of Trustees

The notes on pages 26 to 53 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	257,931	335,302
Cash flows from investing activities			
	19	(164,254)	(439,271)
Cash flows from financing activities			
	18	(7,068)	(22,453)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		86,609	(126,422)
Cash and cash equivalents at the beginning of the year		1,423,265	1,549,687
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	20, 21	1,509,874	1,423,265
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 53 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 2021

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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

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

The academy trust's functional and presentational currency is Pound Sterling.

The academy trust's financial statements are presented to the nearest pound.

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.

However, taking into consideration the UK Government's response and its continued support of schools, as well as the Academy Trust's own reserves and planning, 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. The Trustees confirm that 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.

The Stour Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy 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 Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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

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

1.4 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.

The Stour Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Premises occupied under a licence by church academies

The Incumbent and Churchwardens of the Parish of Sturry in the Diocese of Canterbury and the Rector and Churchwardens of the Parish of Adisham own the legal titles of land and freehold property for the church academies the Trust operate. In these circumstances, the Academy Trust's rights over the premises are considered to meet the definition of an asset as the Academy Trust has control over the premises. Accordingly the Academy Trust recognises these premises as a fixed asset on its balance sheet. There are no formal leases in place and The Incumbent and Churchwardens of the Parish of Sturry in the Diocese of Canterbury and the Rector and Churchwardens of the Parish of Adisham do not charge any rent for the use of these properties.

Premises leased from local authorities

Land, buildings and playing fields occupied under 125 year leases from a local authority are recognised as a fixed asset in the academy trust balance sheet at fair value.

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

Notes to the financial statements
For the year ended 31 August 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land and assets under construction. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- over 50 years straight line
Furniture and equipment	- over 5 years straight line
Computer equipment	- over 3 years straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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Notes to the financial statements
For the year ended 31 August 2021

1. Accounting policies (continued)

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14 and . Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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Notes to the financial statements
For the year ended 31 August 2021

1. Accounting policies (continued)

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Multi-employer defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £30,256,709 at the reporting date (see note 12). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the governors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

The Academy Trust originally recognised long term leasehold property which now have a carrying value of £5,977,643 which are subject to Church supplemental agreements. It is the Trustees opinion that this Church Supplemental Agreement constitutes a long term lease with substantially all the risks and rewards of ownership of the land and buildings transferring to The Stour Academy Trust and consequently the value of the land and buildings have been included above in long term leasehold property.

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Notes to the financial statements
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2. Critical accounting estimates and areas of judgment (continued)

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

Land and buildings

It is the opinion of the Trustees that the Trust exercises control over the long leasehold property subject to Church supplemental agreements and therefore the value of land and buildings has been recognised as an asset of the Trust.

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 22 for further details.

Going concern

In the judgement of the Governors it is appropriate to prepare the financial statements in accordance with the going concern basis of accounting. See note 1.2 for further details.

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Notes to the financial statements
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3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	27,495	2,990,090	3,017,585	8,312,970
Capital Grants	-	673,680	673,680	53,152
	<u>27,495</u>	<u>3,663,770</u>	<u>3,691,265</u>	<u>8,366,122</u>
Total 2020	<u>42,202</u>	<u>8,323,920</u>	<u>8,366,122</u>	

4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	8,268,490	8,268,490	7,766,653
Other DfE/ESFA grants			
Other Grants	288,918	288,918	184,026
Universal Infant Free School Meals	245,422	245,422	256,708
Pupil Premium	863,129	863,129	826,930
Teachers Pay and Pension Grant	372,379	372,379	362,144
	<u>10,038,338</u>	<u>10,038,338</u>	<u>9,396,461</u>
Other Government grants			
Local authority grants	1,280,948	1,280,948	1,000,254
	<u>1,280,948</u>	<u>1,280,948</u>	<u>1,000,254</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	157,400	157,400	-
Other DfE/ESFA COVID-19 funding	-	-	3,644
	<u>157,400</u>	<u>157,400</u>	<u>3,644</u>
	<u>11,476,686</u>	<u>11,476,686</u>	<u>10,400,359</u>
Total 2020	<u>10,400,359</u>	<u>10,400,359</u>	

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Notes to the financial statements
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4. Funding for the Academy's educational operations (continued)

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

In the prior year, the academy trust was eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. The funding received is shown as "Other DfE/ESFA COVID-19 funding".

- The funding received in the prior year for Coronavirus exceptional support covered £3,644 of additional cleaning costs. These costs are included in note 6 below as appropriate.

5. Other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Residential trip and visit income	29,970	29,970	17,110
Income from facilities/services	21,655	21,655	6,181
Breakfast/after school club income	95,373	95,373	104,056
Other income	56,925	56,925	60,181
Total 2021	<u>203,923</u>	<u>203,923</u>	<u>187,528</u>
Total 2020	<u>187,528</u>	<u>187,528</u>	

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	<u>8,348,246</u>	<u>4,365,564</u>	<u>12,713,810</u>	<u>11,312,295</u>
Total 2020 (restated)	<u>7,810,925</u>	<u>3,501,370</u>	<u>11,312,295</u>	

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6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	7,619,969	7,619,969	6,965,423
Books, stationary and materials	421,464	421,464	463,016
Other educational supplies & services	87,957	87,957	41,626
Staff development and other staff costs	47,881	47,881	179,912
Agency staff	170,975	170,975	160,948
	<u>8,348,246</u>	<u>8,348,246</u>	<u>7,810,925</u>
	<u><u>8,348,246</u></u>	<u><u>8,348,246</u></u>	<u><u>7,810,925</u></u>
Total 2020 (restated)	<u>7,810,925</u>	<u>7,810,925</u>	
	<u><u>7,810,925</u></u>	<u><u>7,810,925</u></u>	

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Notes to the financial statements
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6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
FRS102 pension finance costs	70,000	70,000	61,000
Staff costs	1,895,169	1,895,169	1,291,785
Depreciation	644,024	644,024	563,176
Maintenance of premises	219,594	219,594	169,442
Cleaning	240,366	240,366	188,250
Premises insurance	87,921	87,921	71,043
ICT (not capitalised)	221,111	221,111	198,003
Catering costs	320,118	320,118	357,011
Other occupancy costs	110,216	110,216	125,815
Security	3,141	3,141	5,191
Capital expenditure (items less than £5,000)	-	-	32,783
Water	25,603	25,603	27,452
Energy	92,592	92,592	132,928
Furniture and equipment (items less than £5,000)	7,669	7,669	34,202
Loan interest	8	8	263
Professional fees	132,787	132,787	101,941
Other services and supplies	295,245	295,245	141,085
	<u>4,365,564</u>	<u>4,365,564</u>	<u>3,501,370</u>
Total 2020 (restated)	<u>3,501,370</u>	<u>3,501,370</u>	

A reclassification of staff costs has been made between direct costs and support costs in the prior year in line with the Academies Accounts Direction.

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7. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	37,798	32,911
Depreciation of tangible fixed assets	644,024	563,173
Fees paid to auditors for:		
- audit	20,000	21,050
- other services	11,373	16,400
	=====	=====

8. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	6,792,634	6,003,487
Social security costs	598,990	569,596
Pension costs	2,123,514	1,674,264
	=====	=====
	9,515,138	8,247,347
Agency staff costs	170,975	160,948
Staff restructuring costs	-	9,861
	=====	=====
	9,686,113	8,418,156
	=====	=====

Staff restructuring costs comprise:

	2021	2020
	£	£
Redundancy payments	-	9,861
	=====	=====
	-	9,861
	=====	=====

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Notes to the financial statements
For the year ended 31 August 2021

8. Staff (continued)

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	118	107
Administration and support	194	190
Management	5	5
	317	302

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total salaries received by key management personnel for their services to the Academy Trust was £342,210 (2020: £338,305). Employer pension contributions were a total of £34,793 (2020: £44,337) and employer national insurance contributions were a total of £41,147 (2020: £40,326).

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For the year ended 31 August 2021

9. Central services

A significant number of MATs within the sector hold back for central salaries only and then charge all services such as safeguarding, accounting and legal on a case by case basis. This is both costly and unmanageable/ unpredictable for our schools. In 2017 we introduced a Hub and Trust Services holdback to achieve better VFM and to fit in with our Hub growth collaborative ethos and model. This achieved greater savings and was a fairer process. All eventualities are planned for to provide reassurance and peace of mind to the Board.

Currently in 2020-21 we have deducted the following holdbacks as agreed in July 2020:

Central Holdback - 6.28%

- Trust Leadership
- Trust CPD
- Marketing resources
- Trust Finance, HR and Premises departments

Lead Practitioner Holdback 2.27%

- School improvement personnel

Safeguarding Holdback 1.14%

- Safeguarding personnel
- Safeguarding software
- Safeguarding CPD

Trust Services 1.31%

- Software both curriculum and non-curriculum
- Speech and language therapy services
- Audit, banking, legal and insurance fees

Total 10.82% funded by school GAG income (decrease of 0.84% from previous year).

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Sturry Church of England Primary School	188,613	162,755
Water Meadows Primary School	41,758	47,020
Lansdowne Primary School	194,243	159,831
Adisham Church of England Primary School	52,549	52,689
Finberry Primary School	94,306	97,147
Thistle Hill Academy	143,571	146,165
Richmond Academy	144,509	175,464
Chilington Green Primary School	35,189	57,938
Total	894,738	899,009

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For the year ended 31 August 2021

10. Trustees' remuneration and expenses

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

	2021 £	2020 £
Miss R L Howell , Chief Executive Officer and Accounting Officer	100,000 - 105,000	95,000 - 100,000
Pension contributions paid		20,000 - 25,000

During the year ended 31 August 2021, expenses totalling £61 were reimbursed or paid directly to 1 Trustee (2020 - £159 to 2 Trustees).

11. Trustees' and Officers' insurance

in accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the Academy Trust's insurance policy.

12. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	28,385,200	340,003	585,371	29,310,574
Additions	3,664,826	-	163,198	3,828,024
At 31 August 2021	<u>32,050,026</u>	<u>340,003</u>	<u>748,569</u>	<u>33,138,598</u>
Depreciation				
At 1 September 2020	1,632,259	200,477	405,129	2,237,865
Charge for the year	501,947	27,596	114,481	644,024
At 31 August 2021	<u>2,134,206</u>	<u>228,073</u>	<u>519,610</u>	<u>2,881,889</u>
Net book value				
At 31 August 2021	<u>29,915,820</u>	<u>111,930</u>	<u>228,959</u>	<u>30,256,709</u>
At 31 August 2020	<u>26,752,941</u>	<u>139,526</u>	<u>180,242</u>	<u>27,072,709</u>

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Notes to the financial statements
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12. Tangible fixed assets (continued)

Included in long term leasehold property is leasehold land at cost of £5,314,000 (2020: £5,314,000) which is not depreciated.

During the year, Kent County Council constructed a new building on behalf of Finberry Primary School. As the final building work completion certificate was approved, the asset was transferred to the Trust. The total valuation of the project was calculated at £2,990,090 which has been recognised as a donation of a tangible fixed asset.

13. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	42,458	-
Other debtors	35,023	42,603
Prepayments and accrued income	185,146	156,162
	<u>262,627</u>	<u>198,765</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	-	7,068
Trade creditors	33	-
Other creditors	2,186	-
Accruals and deferred income	252,602	349,347
	<u>254,821</u>	<u>356,415</u>

	2021 £	2020 £
Deferred income at 1 September 2020	226,233	173,704
Resources deferred during the year	162,429	226,233
Amounts released from previous periods	(226,233)	(173,704)
	<u>162,429</u>	<u>226,233</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2020/21 financial year in respect of free school meals and rates.

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Notes to the financial statements
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15. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted revenue fund	323,412	231,418	-	(60,774)	-	494,056
Deficit on conversation	(7,068)	-	-	7,068	-	-
	<u>316,344</u>	<u>231,418</u>	<u>-</u>	<u>(53,706)</u>	<u>-</u>	<u>494,056</u>
Restricted general funds						
General Annual Grant (GAG)	949,271	8,268,490	(8,083,590)	(110,548)	-	1,023,623
Other DfE / ESFA grant	-	1,927,248	(1,927,248)	-	-	-
Other government grant	-	1,280,948	(1,280,948)	-	-	-
Pension reserve	(4,438,000)	-	(778,000)	-	(929,000)	(6,145,000)
	<u>(3,488,729)</u>	<u>11,476,686</u>	<u>(12,069,786)</u>	<u>(110,548)</u>	<u>(929,000)</u>	<u>(5,121,377)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	27,072,709	2,990,090	(644,024)	837,934	-	30,256,709
DfE/ESFA capital grants	-	673,680	-	(673,680)	-	-
	<u>27,072,709</u>	<u>3,663,770</u>	<u>(644,024)</u>	<u>164,254</u>	<u>-</u>	<u>30,256,709</u>
Total Restricted funds	<u>23,583,980</u>	<u>15,140,456</u>	<u>(12,713,810)</u>	<u>53,706</u>	<u>(929,000)</u>	<u>25,135,332</u>
Total funds	<u>23,900,324</u>	<u>15,371,874</u>	<u>(12,713,810)</u>	<u>-</u>	<u>(929,000)</u>	<u>25,629,388</u>

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Notes to the financial statements
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15. Statement of funds (continued)

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

DfE/ESFA capital grants funds is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents unspent capital grant money to be spent in the first school term of 2021/22.

The Restricted fixed asset fund represents the leasehold land and buildings and other assets which were donated upon conversion to academy status, the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

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

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15. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted revenue fund	349,456	229,730	(162,313)	(93,461)	-	323,412
Deficit on conversion	(30,041)	-	(236)	23,209	-	(7,068)
	<u>319,415</u>	<u>229,730</u>	<u>(162,549)</u>	<u>(70,252)</u>	<u>-</u>	<u>316,344</u>
Restricted Funds						
General Annual Grant (GAG)	729,080	7,766,653	(7,431,081)	(115,381)	-	949,271
Other DfE / ESFA grant	-	1,633,452	(1,633,452)	-	-	-
Other government grant	-	1,000,254	(1,000,254)	-	-	-
Pension reserve	(3,384,000)	-	(489,000)	-	(565,000)	(4,438,000)
	<u>(2,654,920)</u>	<u>10,400,359</u>	<u>(10,553,787)</u>	<u>(115,381)</u>	<u>(565,000)</u>	<u>(3,488,729)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	18,872,957	8,270,768	(600,707)	529,691	-	27,072,709
DfE/ESFA capital grants	286,158	53,152	4,748	(344,058)	-	-
	<u>19,159,115</u>	<u>8,323,920</u>	<u>(595,959)</u>	<u>185,633</u>	<u>-</u>	<u>27,072,709</u>
Total Restricted funds	<u>16,504,195</u>	<u>18,724,279</u>	<u>(11,149,746)</u>	<u>70,252</u>	<u>(565,000)</u>	<u>23,583,980</u>
Total funds	<u><u>16,823,610</u></u>	<u><u>18,954,009</u></u>	<u><u>(11,312,295)</u></u>	<u><u>-</u></u>	<u><u>(565,000)</u></u>	<u><u>23,900,324</u></u>

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15. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Sturry Church of England Primary School	38,610	84,308
Water Meadows Primary School	102,044	4,415
Lansdowne Primary School	342,788	329,621
Adisham Church of England Primary School	88,997	50,173
Finberry Primary School	92,273	83,600
Thistle Hill Academy	168,708	162,401
Richmond Academy	328,355	387,402
Chilmington Academy	337,045	121,535
The Stour Academy Trust	18,859	42,160
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,517,679	1,265,615
Restricted fixed asset fund	30,256,709	27,072,709
Pension reserve	(6,145,000)	(4,438,000)
	<hr/>	<hr/>
Total	25,629,388	23,900,324
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
For the year ended 31 August 2021

15. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Sturry Church of England Primary School	1,228,552	112,669	85,779	276,745	1,703,745	1,584,995
Water Meadows Primary School	330,611	57,789	50,588	132,253	571,241	533,658
Lansdowne Primary School	1,397,274	160,236	85,723	250,709	1,893,942	1,613,602
Adisham Church of England Primary School	343,563	55,745	39,872	91,090	530,270	516,672
Finberry Primary School	1,020,956	95,761	62,628	208,366	1,387,711	1,239,570
Thistle Hill Academy	1,220,462	101,816	64,300	225,953	1,612,531	1,484,034
Richmond Academy	1,415,621	141,451	80,330	273,325	1,910,727	1,793,369
Chilmington Primary School	493,817	84,867	53,962	115,866	748,512	570,341
The Stour Academy Trust	1,176,819	378,434	1,162	154,692	1,711,107	1,412,878
Academy Trust	8,627,675	1,188,768	524,344	1,728,999	12,069,786	10,749,119

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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	30,256,709	30,256,709
Current assets	494,056	1,278,444	-	1,772,500
Creditors due within one year	-	(254,821)	-	(254,821)
Provisions for liabilities and charges	-	(6,145,000)	-	(6,145,000)
Total	<u>494,056</u>	<u>(5,121,377)</u>	<u>30,256,709</u>	<u>25,629,388</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	27,072,709	27,072,709
Current assets	323,412	1,298,618	-	1,622,030
Creditors due within one year	(7,068)	(349,347)	-	(356,415)
Provisions for liabilities and charges	-	(4,438,000)	-	(4,438,000)
Total	<u>316,344</u>	<u>(3,488,729)</u>	<u>27,072,709</u>	<u>23,900,324</u>

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17. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	2,658,064	7,641,714
Adjustments for:		
Depreciation	644,024	563,173
Capital grants from DfE and other capital income	(673,680)	(53,152)
Defined benefit pension scheme cost less contributions payable	778,000	489,000
Decrease/(increase) in debtors	(63,862)	244,997
(Decrease)/increase in creditors	(101,593)	(302,378)
Returns on investments and servicing of finance	7,068	22,716
Donated assets	(2,990,090)	(8,270,768)
Net cash provided by operating activities	257,931	335,302

18. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(7,068)	(22,453)
Net cash used in financing activities	(7,068)	(22,453)

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	-	(263)
Purchase of tangible fixed assets	(837,934)	(492,160)
Capital grants from DfE Group	673,680	53,152
Net cash used in investing activities	(164,254)	(439,271)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,509,874	1,423,265
Total cash and cash equivalents	1,509,874	1,423,265

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21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,423,265	86,608	1,509,873
Debt due within 1 year	(7,068)	7,068	-
	<u>1,416,197</u>	<u>93,676</u>	<u>1,509,873</u>

22. Pension commitments

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

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Notes to the financial statements
For the year ended 31 August 2021

22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £929,636 **(2020 - £840,640)**.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £612,000 **(2020 - £526,000)**, of which employer's contributions totalled £480,000 **(2020 - £411,000)** and employees' contributions totalled £ 132,000 **(2020 - £115,000)**. The agreed contribution rates for future years are 20 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.85	3.20
Rate of increase for pensions in payment/inflation	2.85	2.20
Discount rate for scheme liabilities	1.70	1.65

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22. Pension commitments (continued)

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

	2021	2020
	Years	Years
Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(332,000)	(247,000)
Discount rate -0.1%	343,000	254,000
Mortality assumption - 1 year increase	318,000	291,000
Mortality assumption - 1 year decrease	(308,000)	(281,000)
Salary rate +0.1%	21,000	18,000
Salary rate -0.1%	(21,000)	(18,000)

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,333,000	2,526,000
Gilts	29,000	26,000
Corporate bonds	707,000	504,000
Property	524,000	429,000
Cash and other liquid assets	146,000	119,000
Absolute return fund	355,000	297,000
Total market value of assets	5,094,000	3,901,000

The actual return on scheme assets was £603,000 **(2020 - £284,000)**.

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Notes to the financial statements
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22. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2021	2020
	£	£
Current service cost	(1,185,000)	(837,000)
Interest income	(139,000)	(133,000)
Interest cost	69,000	72,000
Administrative expenses	(3,000)	(2,000)
Total amount recognised in the Statement of financial activities	<u>(1,258,000)</u>	<u>(900,000)</u>

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

	2021	2020
	£	£
At 1 September	8,339,000	6,974,000
Current service cost	1,185,000	837,000
Interest cost	139,000	133,000
Employee contributions	132,000	115,000
Actuarial losses	1,463,000	356,000
Benefits paid	19,000	(76,000)
At 31 August	<u>11,277,000</u>	<u>8,339,000</u>

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

	2021	2020
	£	£
At 1 September	3,901,000	3,590,000
Interest income	69,000	72,000
Actuarial gains/(losses)	534,000	(209,000)
Employer contributions	480,000	411,000
Employee contributions	132,000	115,000
Benefits paid	(19,000)	(76,000)
Administration expenses	(3,000)	(2,000)
At 31 August	<u>5,094,000</u>	<u>3,901,000</u>

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23. Operating lease commitments

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

	2021	2020
	£	£
Not later than 1 year	28,619	26,581
Later than 1 year and not later than 5 years	44,938	9,669
	<u>73,557</u>	<u>36,250</u>

24. Members' liability

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

25. Related party transactions

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

During the year Mr M Tottman, Mrs J Howell and Mrs V Shrivell, close family of Mrs V Tottman, Miss R Howell And Mr T Cullen, members of Key Management Personnel, were employed by the Academy Trust and were remunerated £23,814 (2020: £21,544), £11,295 (2020: £13,129) and £46,897 (2020: £37,600) respectively. Mrs V Tottman, Miss R Howell and Mr T Cullen were not involved in the selection process and did not influence the decision. The relationships were declared to the Academy Trust and included on the register of business interests.

During the year, there was transactions of £1,303 (2020: £1,344) to Ethos School Improvement Limited, of which Miss Ford was a director and Ms N J Patterson is a director..

26. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.