

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 2022

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 Mrs G A Glover Mrs F L Trigwell Mr N Tyler (appointed 17 May 2022)
Trustees	Mr O Aje Miss R L Howell, Chief Executive Officer and Accounting Officer ¹ Dr D J Moore Ms N J Paterson (resigned 29 April 2022) Mr T P Singh Miss V E Standing, Vice Chair Mrs F L Trigwell, Chair Mrs S Wraight Mrs N L Ralph (appointed 21 November 2022)
	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	PHP Law LLP
Chief executive officer	Miss R Howell
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 (resigned 31 October 2022) Mr R Butterworth, Director of Marketing and Communications Mrs V Acors, School Improvement Partner Mrs A Bevan, 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)
For the year ended 31 August 2022

**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 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2021 to 31st August 2022. 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. During the year Chilmington Green Primary School opened a Nursery and an ASD Specialist Resource Provision meaning we now have 3 of each across the Trust.

This was the second year as CEO and Accounting Officer for Rachael Howell, and the first year with no periods of COVID-19 periods of enforced remote learning.

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 2022 there were 2003 pupils were on roll across the organisation. 3 of the 8 schools are going through a period of growth due to need within the local area through local building developments.

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. During the year 2021-22 the Trust updated its procedures in terms of cyber security ready for 2022-23 insurances.

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 2022

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 2022, the Board comprised of 7 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. The Trust plans to undertake a full governance review in 2022-23, which will have oversight on these procedures to check for areas for development.

Employee engagement

The Trust and Trustees actively engage with employees on a range of areas through staff voice, surveys and operating a culture in which employees really do have a voice. We worked further to develop smart, time saving systems to cut our unnecessary tasks.

During the year the Trust heavily invested time and funds into an electronic induction process to ensure all employees have a good start at The Stour Academy Trust. This has been welcomed by all new employees and provides a tool to regularly refer to thus improving employee wellbeing and support.

Engagement with suppliers, customers and other stakeholders

The Trust ensures that business relationships with suppliers, customers and other key stakeholders are developed and maintained in a positive way that supports a mutually beneficial partnership. All suppliers are treated with fairness and equality; strict procurement procedures are followed to avoid undue bias or favouritism; payments are made to suppliers within agreed terms and relationships developed with suppliers to enhance the service received.

The Trust continues to strengthen relations and communication with parents and is utilising digital communication to further enhance this. Parent Forums are now embedded in each school and feed directly to the Board of Directors to ensure their voice is heard, especially with key policies that impact on parents, such as attendance, homework and uniform. The use of Microsoft Teams and Microsoft forms continues to remove barriers and include harder to reach parents, especially those who work full time.

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Trustees' report (continued)
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Staff communication, especially regarding support staff, was a focus for the year 2021-22 and surveys report positively on the changes made so far. Again, the use of digital solutions has ensured staff across all schools are kept well-informed and connected through the embedded use of Microsoft Teams. The Trust has provided extensive training for all staff, focusing on support staff, to ensure the technology is accessible to all and improving communication.

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 21-22 is shown below:

- CEO
- Chief Operating Officer (whom acts as CFO)
- School Improvement Partner
- 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 the CEO and COO 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/COO reporting back to the Board.

Within the year 2021-22 the Board commissioned a thorough independent pay and rewards scheme review for the CEO/COO. This scheme came into effect 1st September 2022.

This plan enables budget planning to take place for a period of 3 years along with ensuring a transparent and fair process has been adopted in June with ESFA best practice.

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. This building is still undergoing a snagging process at the time of writing this report. This building will become a donating asset once the snagging has been completed and building signed over by Kent County Council.

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Trustees' report (continued)
For the year ended 31 August 2022

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

2020-21 saw the Trust with its new CEO launching an exciting vision for a 21st Century education. During the period 2021-22 our focus was clear to further develop this vision and embed this into everyday practice and make adjustments on the way through periods of reflection.

As part of our 21st Century approach during the year 3 of our 8 schools focussed on becoming accredited Microsoft Showcase Schools. This accreditation is global involving 48 countries and there are less than 400 schools globally. This is a remarkable achievement which has been derived from significant time, monetary and CPD investment.

Showcase Schools create student-centered, immersive, and inclusive experiences that inspire lifelong learning, stimulating development of essential future-ready skills so students are empowered to achieve more. The Microsoft Showcase Schools Program is an opportunity to engage with Microsoft and like-minded school leaders around the world to deepen and expand education transformation.

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Trustees' report (continued)
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Objectives, Strategies and Activities

As detailed above 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 core objectives in 2021-22 were to ensure this vision further embedded.

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

During the period 2021-22 Thistle Hill Academy underwent an Ofsted inspection. Although the inspection was graded as requires improvement overall there was significant progress in many areas. This inspection was graded as follows:

	May-18	Apr-22
Overall Effectiveness	Requires improvement	Requires improvement
Leadership and management	Requires improvement	Requires improvement
Personal development, behaviour and welfare	Requires improvement	Good
Outcomes for pupils	Requires improvement	Good
Early years provision	Good	Good

SIAMS

No SIAMS inspections took place during the year 2021-22.

The Stour Academy Trust Data 2021-22

Despite this being the first year of National assessments post covid, The Stour Academy Trust continues to make good progress in terms of outcomes. Richmond Academy and Thistle Hill Academy are still below National for combined outcomes but progress data is very encouraging and especially strong for Thistle Hill Academy where all progress measures are above National average and the strongest in the Trust for Writing.

Year 6	National 2021-2022	Adisham outcomes 2021-22	Chilmington Green outcomes 2021-22	Finberry outcomes 2021-22	Lansdowne outcomes 2021-22	Sturry outcomes 2021-22	Thistle outcomes 2021-22	Richmond outcomes 2021-22	Water Meadows outcomes 2021-22
KS2 reading exp+	74%	79%	73%	86%	82%	85%	60%	50%	85%
KS2 writing exp+	69%	93%	80%	83%	78%	72%	70%	58%	69%
KS2 maths exp+	71%	79%	73%	83%	83%	78%	56%	46%	85%
KS2 combined exp+	59%	72%	67%	79%	75%	70%	46%	36%	69%

Progress Measures 2021-22

	Adisham	Chilmington Green	Finberry	Lansdowne	Sturry	Thistle	Richmond	Water Meadows
Reading	-1.5	n/a	2.4	-0.3	-0.2	1	-2.8	-0.3
Writing	2.4	n/a	0.3	-1.3	1.7	3.5	0.5	-1.2
Maths	-2.0	n/a	2.7	-0.1	-0.1	-0.5	-3.5	1.2

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Trustees' report (continued)
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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 recent 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.

Key Performance Indicators

The Trustees identified the following performance indicators for the Trust in 2021-22:

- 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
- Ensuring financial stability for the future of the Trust
- Ensuring improved gradings of statutory inspections
- Improving the employee support package to all new and current employees – measured through staff data

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Trustees' report (continued)
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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 2021 to 31st August 2022), the Academy Trust received the majority of its funding from the ESFA, however significant investment was also received from Kent County Council in which some schools are growing in pupil PAN size.

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 to enhance educational outcomes from learning lost during periods of COVID absence were awarded by the ESFA and Kent County Council to provide additional support to pupil learning.

In November 2021 we moved into a new multi million pound building for Chilmington Green Primary School. This asset is still undergoing the snagging process so has yet to be recognised in the annual accounts as a donated asset. In addition to this the opening of the Chilmington Green Primary School nursery saw a significant increase in early years income.

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. Meaning that in 6 of our 8 schools all KS2 pupils had a personal electronic device and all staff throughout departments also had an iPad.

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 speaking at a number of local and national conferences.

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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 a risk in terms of would the period be a "normal year," or would there be further periods of closure or budgeting uncertainty.

An additional uncertainty was the increased costs of fuel and increased salaries, in which during the period the government were yet to provide any support or clarity.

Streamlined Energy and Carbon Reporting

See below current emissions from 2021-22, which does see an increase on previous years however, previous years factored in periods of COVID school closures. In addition within the year we have acquired a new building which has added to our carbon footprint. The Trust is committed to reducing its footprint and is developing a Trust wide carbon reduction plan in 2022-23.

	Oil	Gas	Electricity	Cars	Total
kg CO ₂ e	38,106	358,817	141,559	7,522	546,003
kg CO ₂	37,955	358,127	140,112	7,462	543,656

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

	Total Emissions	Per Pupil
kg CO ₂ e	546,003	272.59
kg CO ₂	543,656	271.42

Plans for Future Periods

As detailed within these accounts, the Trust launched a vision for education in 2020-21 and the implementation of this will take a number of years to fully embed, this will remain as a plan for future periods.

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

- Ensure Richmond Academy, and Chilmington Green Primary School achieve at least "good," Ofsted judgements
- Ensure Sturry C.E. Primary School achieves at least "good," in its upcoming SIAMs inspection
- Re-Align, Implement & Develop Leadership succession planning for all roles

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Trustees' report (continued)
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- Undertake a reorganisation of the operational structures of the Trust e.g. introducing the role of Head of People and Culture
- Implement a new approach to reading to ensure every child is a reader
- Apply for upcoming Kent Free School to increase Trust to 9 schools by 2025
- Foster an environment of learning and growth through the innovative use of technologies using Microsoft solutions
- Expand the size and skill set of the Board of Directors to become broader and education focussed.

The Trust plans to continue sharing good practice with other local MATs and support if requested. Alongside speaking at a number of local and national conferences further sharing the good practices of the Trust.

Funds Held as Custodian 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.

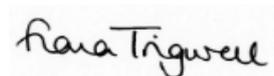
Auditor

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 13 December 2022 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Title	Forename	Surname	Governing Role	No of Meetings	No attended
Mrs	Fiona	Trigwell	Director/Chair of the Board	6	6
Mr	Teejay	Singh	Director	6	1
Mr	Daniel	Moore	Director	6	3
Miss	Rachael	Howell	CEO/Director	6	6
Mrs	Vicki	Standing	Director/Vice Chair	6	3
Mrs	Sarah	Wraight	Director	6	5
Mr	Olatunde	Aje	Director	6	5
Mrs	Niki	Paterson	Director	3	3

Within the year the Trust established a Standards Committee to ensure a focus on statutory data and educational vision being achieved.

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

The Chair of the Board Mrs F Trigwell, was re-elected Chair in September 2021. 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 2022-23, along with developing a detailed governance action plan.

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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:

- Making significant savings in IT contracts leading to further investment in IT hardware to be achieved e.g. green screen studios
- Through our new approach to learning savings in excess of £50,000 have been made in printing costs
- Undertaking a number of procurements activities such as fire alarm servicing, sanitary waste alongside the 7 year procurement planner to ensure we are stretching the pounds and keeping value for money in mind with all decisions and purchases made
- Procuring for a new catering provider which has allowed for a significant financial investment alongside improved standards for pupils in terms of catering
- A number of refurbishment projects being able to take place sooner than planned due to financial savings being derived in other areas

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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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Governance Statement (continued)

The risk and control framework (continued)

The Board of Trustees appointed SBM Services as the internal auditor in 2021-22 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.

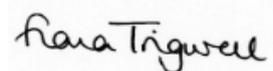
Review of effectiveness

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 13 December 2022 and signed on their behalf by:



Mrs F L Trigwell
Chair of Trustees



Miss R L Howell
Accounting Officer

The Stour Academy Trust
(A company limited by guarantee)

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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



Miss R L Howell
Accounting Officer
Date: 13 December 2022

The Stour Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2022

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:

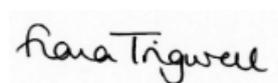
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 13 December 2022 and signed on its behalf by:



Mrs F L Trigwell
Chair of Trustees

The Stour Academy Trust
(A company limited by guarantee)

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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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
(A company limited by guarantee)

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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)

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 non-compliance 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; and
- 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 2022

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 17 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountant

Date: 15 December 2022

The Stour Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	16,486	-	174,270	190,756	3,691,265
Other trading activities	5	595,474	-	-	595,474	203,923
Charitable activities	4	-	12,230,039	-	12,230,039	11,476,686
Total income		611,960	12,230,039	174,270	13,016,269	15,371,874
Expenditure on:						
Charitable activities	6	-	13,900,802	658,634	14,559,436	12,713,810
Total expenditure		-	13,900,802	658,634	14,559,436	12,713,810
Net income/(expenditure)		611,960	(1,670,763)	(484,364)	(1,543,167)	2,658,064
Transfers between funds	15	(214,873)	35,966	178,907	-	-
Net movement in funds before other recognised gains/(losses)		397,087	(1,634,797)	(305,457)	(1,543,167)	2,658,064
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	6,437,000	-	6,437,000	(929,000)
Net movement in funds		397,087	4,802,203	(305,457)	4,893,833	1,729,064
Reconciliation of funds:						
Total funds brought forward		494,056	(5,121,377)	30,256,709	25,629,388	23,900,324
Net movement in funds		397,087	4,802,203	(305,457)	4,893,833	1,729,064
Total funds carried forward		891,143	(319,174)	29,951,252	30,523,221	25,629,388

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

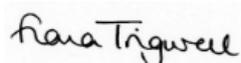
The notes on pages 27 to 56 form part of these financial statements.

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

Balance sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	29,951,252	30,256,709
Current assets			
Debtors	13	253,514	262,627
Cash at bank and in hand		1,538,140	1,509,873
		<u>1,791,654</u>	<u>1,772,500</u>
Creditors: amounts falling due within one year	14	(319,685)	(254,821)
Net current assets		1,471,969	1,517,679
Total assets less current liabilities		31,423,221	31,774,388
Net assets excluding pension liability		31,423,221	31,774,388
Defined benefit pension scheme liability	22	(900,000)	(6,145,000)
Total net assets		30,523,221	25,629,388
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	15	29,951,252	30,256,709
Restricted income funds	15	580,826	1,023,623
Restricted funds excluding pension asset	15	30,532,078	31,280,332
Pension reserve	15	(900,000)	(6,145,000)
Total restricted funds	15	29,632,078	25,135,332
Unrestricted income funds	15	891,143	494,056
Total funds		30,523,221	25,629,388

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue on 13 December 2022 and are signed on their behalf, by:



Mrs F L Trigwell
Chair of Trustees

The notes on pages 27 to 56 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	17	207,360	257,931
Cash flows from investing activities			
	19	(179,094)	(164,254)
Cash flows from financing activities			
	18	-	(7,068)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		28,266	86,609
Cash and cash equivalents at the beginning of the year		1,509,874	1,423,265
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	20, 21	1,538,140	1,509,874
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 56 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 2022

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 2021 to 2022 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.

Notes to the financial statements
For the year ended 31 August 2022

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 2022

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 2022

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 2022

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 2022

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.

Notes to the financial statements
For the year ended 31 August 2022

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 2022. 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 £29,951,252 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 £5,464,886 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.

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.

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Notes to the financial statements
For the year ended 31 August 2022

2. Critical accounting estimates and areas of judgment (continued)

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.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	16,486	-	16,486	3,017,585
Capital Grants	-	174,270	174,270	673,680
	<u>16,486</u>	<u>174,270</u>	<u>190,756</u>	<u>3,691,265</u>
Total 2021	<u>27,495</u>	<u>3,663,770</u>	<u>3,691,265</u>	

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Notes to the financial statements
For the year ended 31 August 2022

4. Funding for the Academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	8,777,324	8,777,324	8,268,490
Other DfE/ESFA grants			
Other Grants	573,416	573,416	288,918
Universal Infant Free School Meals	304,760	304,760	245,422
Pupil Premium	969,717	969,717	863,129
Teachers Pay and Pension Grant	16,460	16,460	372,379
	<hr/>	<hr/>	<hr/>
	10,641,677	10,641,677	10,038,338
Other Government grants			
Local authority grants	1,588,362	1,588,362	1,280,948
	<hr/>	<hr/>	<hr/>
	1,588,362	1,588,362	1,280,948
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	157,400
	<hr/>	<hr/>	<hr/>
	-	-	157,400
	<hr/>	<hr/>	<hr/>
	12,230,039	12,230,039	11,476,686
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	11,476,686	11,476,686	
	<hr/> <hr/>	<hr/> <hr/>	

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".

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Notes to the financial statements
For the year ended 31 August 2022

5. Other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Residential trip and visit income	123,256	123,256	29,970
Income from facilities/services	55,662	55,662	21,655
Breakfast/after school club income	177,589	177,589	95,373
Other income	238,967	238,967	56,925
Total 2022	<u>595,474</u>	<u>595,474</u>	<u>203,923</u>
Total 2021	<u>203,923</u>	<u>203,923</u>	

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	<u>9,356,786</u>	<u>5,202,650</u>	<u>14,559,436</u>	<u>12,713,810</u>
Total 2021	<u>8,348,246</u>	<u>4,365,564</u>	<u>12,713,810</u>	

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Notes to the financial statements
For the year ended 31 August 2022

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	2022	Total	Total
	£	funds	funds
		2022	2021
		£	£
Staff costs	8,213,873	8,213,873	7,619,969
Books, stationary and materials	595,953	595,953	421,464
Other educational supplies & services	188,138	188,138	87,957
Staff development and other staff costs	66,749	66,749	47,881
Agency staff	292,073	292,073	170,975
	<u>9,356,786</u>	<u>9,356,786</u>	<u>8,348,246</u>
	<u><u>9,356,786</u></u>	<u><u>9,356,786</u></u>	<u><u>8,348,246</u></u>
Total 2021	<u>8,348,246</u>	<u>8,348,246</u>	
	<u><u>8,348,246</u></u>	<u><u>8,348,246</u></u>	

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Notes to the financial statements
For the year ended 31 August 2022

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	2022	Total	Total
	£	funds	funds
		2022	2021
		£	£
FRS102 pension finance costs	99,000	99,000	70,000
Staff costs	2,440,345	2,440,345	1,895,169
Depreciation	658,634	658,634	644,024
Maintenance of premises	272,859	272,859	219,594
Cleaning	251,559	251,559	240,366
Premises insurance	89,231	89,231	87,921
ICT (not capitalised)	234,258	234,258	221,111
Catering costs	381,253	381,253	320,118
Other occupancy costs	148,457	148,457	110,216
Security	4,120	4,120	3,141
Water	19,370	19,370	25,603
Energy	129,972	129,972	92,592
Furniture and equipment (items less than £5,000)	2,206	2,206	7,669
Loan interest	-	-	8
Professional fees	114,428	114,428	132,787
Other services and supplies	356,958	356,958	295,245
	<u>5,202,650</u>	<u>5,202,650</u>	<u>4,365,564</u>
Total 2021	<u>4,365,564</u>	<u>4,365,564</u>	

7. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	31,805	37,798
Depreciation of tangible fixed assets	658,820	644,024
Fees paid to auditors for:		
- audit	20,000	20,000
- other services	9,100	11,373
	<u>700,725</u>	<u>713,195</u>

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Notes to the financial statements
For the year ended 31 August 2022

8. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	7,330,931	6,792,634
Social security costs	669,566	598,990
Pension costs	2,653,721	2,123,514
	<u>10,654,218</u>	<u>9,515,138</u>
Agency staff costs	292,073	170,975
	<u>10,946,291</u>	<u>9,686,113</u>

Staff restructuring costs comprise:

	2022	2021
	£	£
Redundancy payments	12,199	-
	<u>12,199</u>	<u>-</u>

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	123	118
Administration and support	206	194
Management	4	5
	<u>333</u>	<u>317</u>

c. Higher paid staff

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

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Notes to the financial statements
For the year ended 31 August 2022

8. Staff (continued)

c. Higher paid staff (continued)

	2022	2021
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	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 £443,934 (2021: £342,210). Employer pension contributions were a total of £56,256 (2021: £34,793) and employer national insurance contributions were a total of £56,011 (2021: £41,147).

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Notes to the financial statements
For the year ended 31 August 2022

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 2021-22 we have deducted the following holdbacks as agreed in July 2021:

Central Holdback - 6.1%

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

Lead Practitioner Holdback 3.2%

- School improvement personnel

Safeguarding Holdback 1.1%

- Safeguarding personnel
- Safeguarding software
- Safeguarding CPD

Trust Services 0.9%

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

Total 11.3% funded by school GAG income - this has decreased to 11% in 2022-23.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Sturry Church of England Primary School	185,157	188,613
Water Meadows Primary School	57,414	41,758
Lansdowne Primary School	229,177	194,243
Adisham Church of England Primary School	54,812	52,549
Finberry Primary School	114,570	94,306
Thistle Hill Academy	163,247	143,571
Richmond Academy	167,000	144,509
Chilington Green Primary School	100,326	35,189
Total	1,071,703	894,738

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Notes to the financial statements
For the year ended 31 August 2022

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:

	2022 £	2021 £
Miss R L Howell , Chief Executive Officer and Accounting Officer	105,000 - 110,000	100,000 - 105,000

During the year ended 31 August 2022, expenses totalling £58 were reimbursed or paid directly to 1 Trustee (2021 - £61 to 1 Trustee).

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 2021	32,050,026	340,003	748,569	33,138,598
Additions	292,573	-	60,791	353,364
At 31 August 2022	<u>32,342,599</u>	<u>340,003</u>	<u>809,360</u>	<u>33,491,962</u>
Depreciation				
At 1 September 2021	2,134,206	228,073	519,610	2,881,889
Charge for the year	505,413	27,595	125,813	658,821
At 31 August 2022	<u>2,639,619</u>	<u>255,668</u>	<u>645,423</u>	<u>3,540,710</u>
Net book value				
At 31 August 2022	<u><u>29,702,980</u></u>	<u><u>84,335</u></u>	<u><u>163,937</u></u>	<u><u>29,951,252</u></u>
At 31 August 2021	<u><u>29,915,820</u></u>	<u><u>111,930</u></u>	<u><u>228,959</u></u>	<u><u>30,256,709</u></u>

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Notes to the financial statements
For the year ended 31 August 2022

12. Tangible fixed assets (continued)

Included in long term leasehold property is leasehold land at cost of £5,314,000 (2021: £5,314,000) which is not depreciated.

13. Debtors

	2022	2021
	£	£
Due within one year		
Trade debtors	684	42,458
Other debtors	38,881	35,023
Prepayments and accrued income	213,949	185,146
	253,514	262,627

14. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,003	33
Other creditors	-	2,186
Accruals and deferred income	317,682	252,602
	319,685	254,821

	2022	2021
	£	£
Deferred income at 1 September 2021	162,429	226,233
Resources deferred during the year	258,985	162,429
Amounts released from previous periods	(162,429)	(226,233)
	258,985	162,429

At the balance sheet date the Academy Trust was holding funds received in advance of the 2021/22 financial year in respect of free school meals and other grants.

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Notes to the financial statements
For the year ended 31 August 2022

15. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted revenue fund	494,056	611,960	-	(214,873)	-	891,143
Restricted general funds						
General Annual Grant (GAG)	1,023,623	8,777,324	(9,256,087)	35,966	-	580,826
Other DfE / ESFA grant	-	1,864,353	(1,864,353)	-	-	-
Other government grant	-	1,588,362	(1,588,362)	-	-	-
Pension reserve	(6,145,000)	-	(1,192,000)	-	6,437,000	(900,000)
	<u>(5,121,377)</u>	<u>12,230,039</u>	<u>(13,900,802)</u>	<u>35,966</u>	<u>6,437,000</u>	<u>(319,174)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	30,256,709	-	(658,634)	353,177	-	29,951,252
DfE/ESFA capital grants	-	174,270	-	(174,270)	-	-
	<u>30,256,709</u>	<u>174,270</u>	<u>(658,634)</u>	<u>178,907</u>	<u>-</u>	<u>29,951,252</u>
Total Restricted funds	<u>25,135,332</u>	<u>12,404,309</u>	<u>(14,559,436)</u>	<u>214,873</u>	<u>6,437,000</u>	<u>29,632,078</u>
Total funds	<u><u>25,629,388</u></u>	<u><u>13,016,269</u></u>	<u><u>(14,559,436)</u></u>	<u><u>-</u></u>	<u><u>6,437,000</u></u>	<u><u>30,523,221</u></u>

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Notes to the financial statements
For the year ended 31 August 2022

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 2022/23.

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 2022.

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

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

	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 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><u>23,900,324</u></u>	<u><u>15,371,874</u></u>	<u><u>(12,713,810)</u></u>	<u><u>-</u></u>	<u><u>(929,000)</u></u>	<u><u>25,629,388</u></u>

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Notes to the financial statements
For the year ended 31 August 2022

15. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
Sturry Church of England Primary School	102,044	38,610
Water Meadows Primary School	35,082	102,044
Lansdowne Primary School	367,264	342,788
Adisham Church of England Primary School	84,201	88,997
Finberry Primary School	90,301	92,273
Thistle Hill Academy	161,585	168,708
Richmond Academy	349,396	328,355
Chilmington Academy	246,081	337,045
The Stour Academy Trust	36,015	18,859
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,471,969	1,517,679
Restricted fixed asset fund	29,951,252	30,256,709
Pension reserve	(900,000)	(6,145,000)
	<hr/>	<hr/>
Total	30,523,221	25,629,388
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Notes to the financial statements
For the year ended 31 August 2022

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 2022	Total 2021
	£	£	£	£	£	£
Sturry Church of England Primary School	1,311,212	146,572	131,124	300,503	1,889,411	1,703,745
Water Meadows Primary School	419,793	57,744	62,892	178,991	719,420	571,241
Lansdowne Primary School	1,378,288	134,034	154,771	244,229	1,911,322	1,893,942
Adisham Church of England Primary School	378,766	43,594	62,443	103,545	588,348	530,270
Finberry Primary School	1,100,031	122,149	106,980	242,325	1,571,485	1,387,711
Thistle Hill Academy	1,281,979	126,767	146,449	237,381	1,792,576	1,612,531
Richmond Academy	1,391,318	163,282	129,371	280,670	1,964,641	1,910,727
Chilmington Primary School	806,079	109,082	116,779	158,112	1,190,052	748,512
The Stour Academy Trust	1,674,356	441,121	23,599	134,471	2,273,547	1,711,107
Academy Trust	<u>9,741,822</u>	<u>1,344,345</u>	<u>934,408</u>	<u>1,880,227</u>	<u>13,900,802</u>	<u>12,069,786</u>

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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	29,951,252	29,951,252
Current assets	891,143	900,511	-	1,791,654
Creditors due within one year	-	(319,685)	-	(319,685)
Provisions for liabilities and charges	-	(900,000)	-	(900,000)
Total	891,143	(319,174)	29,951,252	30,523,221

Analysis of net assets between funds - prior 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	494,056	(5,121,377)	30,256,709	25,629,388

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Notes to the financial statements
For the year ended 31 August 2022

17. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,543,167)	2,658,064
Adjustments for:		
Depreciation	658,820	644,024
Capital grants from DfE and other capital income	(174,270)	(673,680)
Defined benefit pension scheme cost less contributions payable	1,192,000	778,000
Decrease/(increase) in debtors	9,113	(63,862)
(Decrease)/increase in creditors	64,864	(101,593)
Returns on investments and servicing of finance	-	7,068
Donated assets	-	(2,990,090)
Net cash provided by operating activities	207,360	257,931

18. Cash flows from financing activities

	2022	2021
	£	£
Repayments of borrowing	-	(7,068)
Net cash provided by/(used in) financing activities	-	(7,068)

19. Cash flows from investing activities

	2022	2021
	£	£
Purchase of tangible fixed assets	(353,364)	(837,934)
Capital grants from DfE Group	174,270	673,680
Net cash used in investing activities	(179,094)	(164,254)

20. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	1,538,140	1,509,874
Total cash and cash equivalents	1,538,140	1,509,874

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Notes to the financial statements
For the year ended 31 August 2022

21. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,509,873	28,267	1,538,140
	1,509,873	28,267	1,538,140

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 2022

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 £964,564 (2021 - £929,636).

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 2022 was £751,000 (2021 - £612,000), of which employer's contributions totalled £597,000 (2021 - £480,000) and employees' contributions totalled £ 154,000 (2021 - £132,000). The agreed contribution rates for future years are 22.5% per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

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Notes to the financial statements
For the year ended 31 August 2022

22. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.90	3.85
Rate of increase for pensions in payment/inflation	2.90	2.85
Discount rate for scheme liabilities	4.20	1.70

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

	2022	2021
	Years	Years
Retiring today		
Males	21.0	21.6
Females	23.5	23.6
Retiring in 20 years		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(191,000)	(332,000)
Discount rate -0.1%	197,000	343,000
Mortality assumption - 1 year increase	184,000	318,000
Mortality assumption - 1 year decrease	(179,000)	(308,000)
Salary rate +0.1%	10,000	21,000
Salary rate -0.1%	(10,000)	(21,000)

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Notes to the financial statements
For the year ended 31 August 2022

22. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	3,752,000	3,333,000
Gilts	33,000	29,000
Corporate bonds	757,000	707,000
Property	673,000	524,000
Cash and other liquid assets	97,000	146,000
Absolute return fund	412,000	355,000
Total market value of assets	<u>5,724,000</u>	<u>5,094,000</u>

The actual return on scheme assets was £-69,000 (2021 - £603,000).

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

	2022	2021
	£	£
Current service cost	(1,687,000)	(1,185,000)
Interest income	(192,000)	(139,000)
Interest cost	93,000	69,000
Administrative expenses	(3,000)	(3,000)
Total amount recognised in the Statement of financial activities	<u>(1,789,000)</u>	<u>(1,258,000)</u>

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

	2022	2021
	£	£
At 1 September	11,239,000	8,339,000
Current service cost	1,687,000	1,185,000
Interest cost	192,000	139,000
Employee contributions	154,000	132,000
Actuarial (gains)/losses	(6,599,000)	1,463,000
Benefits paid	(49,000)	(19,000)
At 31 August	<u>6,624,000</u>	<u>11,239,000</u>

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Notes to the financial statements
For the year ended 31 August 2022

22. Pension commitments (continued)

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

	2022	2021
	£	£
At 1 September	5,094,000	3,901,000
Interest income	93,000	69,000
Actuarial (losses)/gains	(162,000)	534,000
Employer contributions	597,000	480,000
Employee contributions	154,000	132,000
Benefits paid	(49,000)	(19,000)
Administration expenses	(3,000)	(3,000)
At 31 August	5,724,000	5,094,000

23. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	31,748	28,619
Later than 1 year and not later than 5 years	57,658	44,938
	89,406	73,557

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.

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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 Academy Trust 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 remunerated £7,690 (2021: £23,814), £11,673 (2021: £11,295) and £49,637 (2021: £46,897) 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 their register of business interests.

During the year, there were transactions of £1,535 (2021: £1,303) to Ethos School Improvement Limited, of which Mr Q Roper (member representative of The Diocese of Canterbury Academies Company Ltd) and Ms N J Patterson (former Trustee of the Academy Trust) are directors.

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.