

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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STOUR VALE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs Diane Baker
Mr Dennis Hodson
Prof Linda Lang (resigned 31 August 2020)
Mr Martin Stevens
Mrs Joanne Williams

Trustees

Mrs Remley Mann
Mr Stephen Bell (deceased 25 February 2020)
Dr Laura Braznell
Mr Stephen Dunster¹
Mr Gary Mills
Mr Andrew Mullaney (resigned 12 October 2020)
Rev Chris Siviter (appointed 28 May 2020)
Mr Carl James (appointed 1 December 2019)
Mrs Joanne Williams, Chair of Trustees

¹ Chief Executive and Accounting Officer

Company registered number

07865663

Company name

Stour Vale Academy Trust

Principal and registered office

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

Company secretary

Mrs Louise Broxton

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Senior leadership team

Mr Stephen Dunster, Chief Executive and Accounting Officer
Mrs Nicky Bennett, Northfield Road Primary School, Headteacher (appointed 1 September 2019)
Mr Jamie Clayton, Redhill School, Headteacher (appointed 1 September 2019)
Mrs Rachel Cope, Ridgewood High School, Headteacher
Mr Jamie Fox, The Earls High School, Acting Headteacher
Miss Hannah Grasby, Olive Hill Primary School, Headteacher
Miss Joanne Murphy, Trust Chief Finance Officer
Mrs Rachel Salter, Executive Leader for Schools

Independent auditor

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

Bankers

Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Solicitors

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates three primary schools and three secondary schools within the boroughs of Dudley and Sandwell. Its academies have a combined pupil capacity of 4,371 and had a roll of 4,233 in the school census on 3 October 2020.

During the accounting period one school, Newtown Primary School, transferred to the Trust on 1 April 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

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

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

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

The charitable company is known as Stour Vale Academy Trust.

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

b. MEMBERS LIABILITY

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

c. TRUSTEES INDEMNITIES

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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

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

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

f. ORGANISATIONAL STRUCTURE

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

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

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

g. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	11
Full-time equivalent employee number	10

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	10
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	11,627
Total pay bill	17,997,000
Percentage of total pay bill spent on facility time	0.06 %

Paid trade union activities

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

I. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

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

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

Equal opportunities policy
Health & safety policy

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

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

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (CONTINUED)

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust's objectives are summarised below:

Leadership

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

Teaching

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

Safeguarding is effective

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

Pupil outcomes

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

c. PUBLIC BENEFIT

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

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TRUSTEES' REPORT (CONTINUED)
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STRATEGIC REPORT

ACHIEVEMENTS & PERFORMANCE

The closure of schools to most pupils from 20 March 2020 due to the COVID-19 pandemic created an incredible challenge for our schools but also provided an opportunity for us to innovate and respond to the new demands of providing remote learning. All staff worked extremely hard to ensure that our schools could remain open to the small numbers of vulnerable pupils and the children of key workers for childcare and supervision. This provision was maintained over the Easter and Whitsun holidays. During this period our schools implemented extensive home and remote learning provision. This included on-line programmes and, where pupils do not have access to IT devices, learning packs that parents picked up from school sites. Schools ensured that they remained in contact with families during this time and families and carers valued this communication. In addition, greater links were forged with local communities with our schools writing letters and sending pictures to care home residents plus making PPE face visors.

Before the government's Free School Meal Voucher system went live all the schools arranged for food vouchers or packages to be sent to the families of children in receipt of free school meals.

In the second half of the Summer Term our primary schools opened for pupils in Nursery, Reception, Year 1 and Year 6 and our secondary schools opened for Year 10 pupils. Extensive work was undertaken to ensure that the schools could open and operate in a safe way following government guidelines.

There were no statutory assessment or examinations for primary or secondary aged pupils in the 2019-2020 academic year. The key stage two outcomes for Stour Vale primary schools were based on teacher assessments informed by the 'practice SAT' papers which had been completed by pupils between January and March 2020. For secondary schools the government decided shortly before results day to award pupils their Centre-Assessed Grades in GCSEs, except where these had already been increased through the national moderation process. Secondary schools in the Trust set up a rigorous process to ensure that the centre assessed grades accurately represented the achievement of the pupils in each subject. All Year 11 pupils leaving schools in the Trust were supported into post 16 learning and training placements.

The nationally published data indicates that many schools inflated the GCSE grades. Performance tables have been suspended for 2020 and data from 2020 will not be used by Ofsted, the DfE or the Regional Schools Commission (RSC).

The Trust also followed the government's Procurement Policy Notices e.g. the finance function of the schools adapted and continued to ensure that suppliers and agency/casual workers were paid. Like all companies COVID-19 has had an impact on finances and will continue to do so for the foreseeable future. Cleaning costs have grown due to increasing cleaning regimes and purchasing additional materials. During the Summer Term schools were unable to hire out their sporting facilities so there has been a loss in school lettings income. The same will be said for facilities hire in 2020/2021.

At the start of the pandemic Newtown Primary School joined the Trust as a sponsored academy. Even through these difficult times it is pleasing to note the rapid progress that has been made in the school.

All our schools reopened fully from September 2020, for some of our pupils it was the first time back to school since March 2020. Mental health and well-being is a key focus for our Trust. A great deal of planning and work has enabled us to welcome back staff and pupils to schools. School and Trust leaders have implemented plans to support the mental well-being of our pupils and staff.

The virus continues to have an impact on teaching and learning and resources due to the need to closedown 'bubbles' in order that pupils and staff can self-isolate if required to do so. Staff affected are expected to work from home and pupils are supported for home-based learning. Ideally this is through online lessons and

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS & PERFORMANCE (CONTINUED)

resources, but where pupils do not have reliable access to the internet, home learning packs are provided.

Predicted outcomes for pupil outcomes in 2021

Our expectations for pupil outcomes in 2021 are very positive. We expect to see KS2 attainment outcomes in Olive Hill in line with National Averages. KS2 attainment outcomes at Northfield Road are predicted to increase significantly so they are close to National Averages. At Newtown Primary school results will significantly improve this year and it is expected that they will approach National Averages in 2022.

In the three secondary schools we expect the GCSE progress measure (P8) to be positive for The Earls High School and Redhill School and close to zero for Ridgewood High School.

OFSTED

Two schools in the Trust were subject to OFSTED inspections in the last academic year. Both inspections were very positive with Ridgewood being removed from 'special measures' to overall judgement of 'requires improvement'. Leadership, behaviour and pupil development in the school were all graded 'good'. The Earls High School was inspected and was graded 'good' across all the categories. The DFE have returned 'outstanding' schools into the inspection schedule and we expect Redhill to be inspected in the next five terms. Olive Hill is currently graded 'good' and is due to be inspected once OFSTED restart their inspection programme. The school should retain an overall 'good' judgement and we hope will recognise will some 'outstanding' elements. We have two primary schools in special measures, Northfield Road and Newtown. It is unlikely that either will be subject to a full inspection this year. Our evaluation is that Northfield Road is making good progress towards the requirements to be graded 'good'. We are earlier in the journey with Newtown but we are very pleased with the progress made.

a. KEY PERFORMANCE INDICATORS

Staffing costs as a percentage of General Annual Grant (GAG) is a key performance indicator. For the year ended 31 August 2020 this was 94% for the Trust in total. This may be higher than the average due to the number of staff employed to support non teaching and learning areas as opposed to contract provision. In addition, staff costs funded via Pupil Premium and Teaching Schools also raises the measure as these funding streams are not classified as GAG.

b. GOING CONCERN

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

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FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, the Trust received charitable income grants amounting to £ 22,209,592 and generated other income amounting to £ 980,251. On 1 April 2020, Newtown Primary School converted to an academy as part of a sponsored academy transfer and joined the Trust. The net assets converted amounted to £1,723,100 this was for fixed assets of £2,507,100, cash of £nil and a pension deficit of £784,000.

Total Trust expenditure was £ 25,042,632 (2019 £21,165,651) whilst the total income for the year excluding transfers into the Trust was £ 29,120,755 (2019 £21,128,929). This resulted in excess income over expenditure for the year of £ 4,078,123 (2019 surplus of £36,722) before actuarial movements, however, this does include £4,500,000 in relation to a donated asset at Ridgewood High School. From April 2020 the Trust became eligible for the School Capital Allocation (SCA) and was awarded £1,267,153. The Trust must account for all capital income in the financial year awarded.

As at 31 August 2020 the net book value of tangible fixed assets was £ 38,423,993 (2019 £31,630,517) and movements in tangible assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Trust.

The Trust held fund balances at 31 August 2020 of £ 27,031,354 (2019 £23,977,046) comprising £ 39,508,586 (2019 £32,427,956) restricted fixed assets funds, £ 1,877,995 (2019 £46,398) of restricted general funds (excluding the pension fund), a restricted endowment fund of £ 127,586 (2019 £127,586) and £ 371,187 (2019 £1,996,106) of unrestricted general funds. The restricted pension fund deficit amounted to £ 14,854,000 (2019 £10,621,000).

a. RESERVES POLICY

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

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

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

The Trust's free reserves at 31 August 2020 amounted to £2,249,182, comprising £1,877,995 of restricted funds and £371,187 of unrestricted funds. This represents approximately 1.5 months of the Trust's annual payroll cost which is considered to be a reasonable level of reserves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

b. INVESTMENT POLICY

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

c. PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

FUNDRAISING

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

FUNDRAISING (CONTINUED)

STREAMLINED ENERGY AND CARBON REPORTING

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

	2020
Energy consumption used to calculate emissions (kWh):	5,218,058
ENERGY CONSUMPTION BREAKDOWN (KWH):	
Gas	4,282,279
Electricity	925,214
Transport fuel	8,750
Heating oil	1,814
SCOPE 1 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):	
Gas consumption	787,383
Owned transport	2,876
TOTAL SCOPE 1	<u>790,259</u>
SCOPE 2 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):	
Purchased electricity	<u>215,704</u>
TOTAL GROSS EMISSIONS (IN TONNES OF CO2 EQUIVALENT)	<u><u>1,005,963</u></u>

Intensity ratio:

Tonnes of CO2 equivalent per pupil - 0.24

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

Trust schools have reviewed the curriculum provision and have set out clearly the intent to provide all learners with a knowledge rich curriculum. The focus for the year will be to implement the changes in the curriculum and support subject leaders and teachers so that learners are making great progress.

The Trust's priority is to provide support for schools in the Trust focussing on the following priorities:

- Advice and support regarding CV19 measures and actions resulting from confirmed and possible cases
- Keeping schools safe for pupils and staff
- Identifying issues for curricular and pastoral support for pupils resulting from the pandemic
- Support for schools in planning and implementing home-based learning
- Staff and pupil well-being and mental health
- Develop a digital learning strategy for all the schools to contribute to in this year

In order to provide support for these priorities the Trust's Central Team structure has been reviewed with new posts created to build the capacity of the team.

All Trust schools continue to improve the achievement of boys compared to the national average measures. The Trust is a leading partner in the 'Voice Black Country' project and we will continue to develop the oracy skills of our pupils

At the beginning of 2021 the Regional Schools Commission (RSC) gave approval for Oldbury Academy to join the Trust. The transfer has been delayed due to the pandemic however the transfer should take place by Spring 2021. Over the last two years the Trust has established a strong relationship with the school at every level.

There are many uncertainties in the year ahead but it is important that the Trust has a plan to continue to develop and grow.

At the end of the Spring Term 2021 the current Chief Executive Officer will be leaving the Trust. The Board of Directors has agreed to appoint an internal Acting Chief Executive Officer to allow for continuity and time whilst a permanent replacement is sought.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9th December 2020 and signed on its behalf by:

Mrs J Williams
Chair of Trustees



STOUR VALE ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stour Vale Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

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

Trustee	Meetings attended	Out of a possible
Mrs Remley Mann	4	6
Mr Stephen Bell	2	3
Dr Laura Braznell	6	6
Mr Stephen Dunster	6	6
Mr Gary Mills	4	6
Mr Andrew Mullaney	5	6
Rev Chris Siviter	0	1
Mr Carl James	5	5
Mrs Joanne Williams, Chair of Trustees	3	6

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

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

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

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

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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 for the Trust has delivered improved value for money during the year by:

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

THE PURPOSE OF SYSTEM INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stour Vale Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

- delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Dudley MBC Audit Services as the internal auditor for 2019/20. The Audit Team's role is to perform a range of checks on the Trust's financial systems and statutory duties, these checks include the testing of payroll/personnel, procurement, income collection, health and safety, governance.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 9th December 2020 and signed on their behalf by:

Mrs J Williams
Chair of Trustees



Mr S Dunster
Accounting Officer



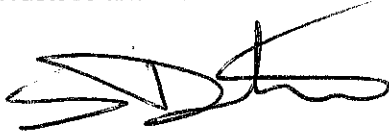
STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stour Vale Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr S Dunster

Accounting Officer

Date: 9 December 2020

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020
- 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
9th December 2020 and signed on its behalf by:

Mrs J Williams
Chair of Trustees



STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Stour Vale Academy Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

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



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Reporting Accountant

Statutory Auditor
Black Country House
Rounds Green Road

Oldbury
West Midlands
B69 2DG

Date: 11 December 2020

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 17 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stour Vale Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Stour Vale Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Crowe U.K. LLP

Reporting Accountant

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

Date: 11 December 2020

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME AND ENDOWMENTS FROM:							
Donations and capital grants	3	15,775	(571,000)	8,464,097	-	7,908,872	2,410,704
Charitable activities		480,932	22,209,592	-	-	22,690,524	19,589,556
Teaching schools		172,049	54,000	-	-	226,049	245,508
Other trading activities		147,890	106,584	-	-	254,474	332,488
Investments	6	3,021	-	-	-	3,021	2,382
TOTAL INCOME AND ENDOWMENTS		819,667	21,799,176	8,464,097	-	31,082,940	22,580,638
EXPENDITURE ON:							
Raising funds:							
Voluntary income		1,290	-	-	-	1,290	13,153
Trading activities		-	60,266	-	-	60,266	182,201
Charitable activities		1,219,249	22,715,287	797,024	-	24,731,560	20,704,470
Teaching schools		-	249,516	-	-	249,516	265,827
TOTAL EXPENDITURE		1,219,732	23,025,876	797,024	-	25,042,632	21,165,651
NET (EXPENDITURE)/ INCOME		(400,065)	(1,226,700)	7,667,073	-	6,040,308	1,414,987
Transfers between funds	20	(1,224,854)	1,811,297	(586,443)	-	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES) CARRIED FORWARD		(1,624,919)	584,597	7,080,630	-	6,040,308	1,414,987

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note							
	NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED (LOSSES)/GAINS BROUGHT FORWARD	(1,624,919)	584,597	7,080,630	-	6,040,308	1,414,987
	OTHER RECOGNISED GAINS/(LOSSES):						
	Actuarial losses on defined benefit pension schemes	-	(2,986,000)	-	-	(2,986,000)	(1,446,000)
28							
	NET MOVEMENT IN FUNDS	(1,624,919)	(2,401,403)	7,080,630	-	3,054,308	(31,013)
	RECONCILIATION OF FUNDS:						
	Total funds brought forward	1,996,106	10,574,602	32,427,956	127,586	23,977,046	24,008,059
	TOTAL FUNDS CARRIED FORWARD	371,187	12,976,005	39,508,586	127,586	27,031,354	23,977,046

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

The notes on pages 30 to 66 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	31	1,041
Tangible assets	15	38,423,993	31,630,517
Investments	16	86,710	86,335
		<u>38,510,734</u>	<u>31,717,893</u>
CURRENT ASSETS			
Stocks		33,059	48,614
Debtors	17	1,641,161	1,773,245
Cash at bank and in hand		3,709,387	2,629,421
		<u>5,383,607</u>	<u>4,451,280</u>
Creditors: amounts falling due within one year	18	(1,596,581)	(1,476,530)
NET CURRENT ASSETS		<u>3,787,026</u>	<u>2,974,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,297,760</u>	<u>34,692,643</u>
Creditors: amounts falling due after more than one year	19	(412,406)	(94,597)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>41,885,354</u>	<u>34,598,046</u>
Defined benefit pension scheme liability	28	(14,854,000)	(10,621,000)
TOTAL NET ASSETS		<u><u>27,031,354</u></u>	<u><u>23,977,046</u></u>

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

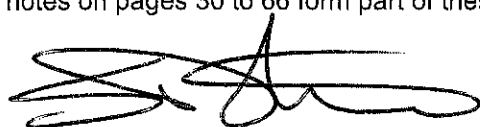
BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FUNDS OF THE ACADEMY TRUST			
Endowment funds	20	127,586	127,586
Restricted funds:			
Fixed asset funds	20	39,508,586	32,427,956
Restricted income funds	20	1,877,995	46,398
Restricted funds excluding pension asset	20	41,386,581	32,474,354
Pension reserve	20	(14,854,000)	(10,621,000)
Total restricted funds	20	26,532,581	21,853,354
Unrestricted income funds	20	371,187	1,996,106
TOTAL FUNDS		27,031,354	23,977,046

The financial statements on pages 25 to 66 were approved by the Trustees, and authorised for issue on
9th December 2020 and are signed on their behalf, by:

Mr S Dunster
 Accounting Officer

The notes on pages 30 to 66 form part of these financial statements.



Mrs J Williams
 Chair



STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	15,069	420,910
CASH FLOWS FROM INVESTING ACTIVITIES	24	1,069,897	(517,965)
CASH FLOWS FROM FINANCING ACTIVITIES	23	(5,000)	135,087
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,079,966	38,032
Cash and cash equivalents at the beginning of the year		2,629,421	2,591,389
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25, 26	<u>3,709,387</u>	<u>2,629,421</u>

The notes on pages 30 to 66 form part of these financial statements

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 COMPANY INFORMATION

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

1.3 GOING CONCERN

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INCOME

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

Grants

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

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

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

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an academy, 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 as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.5 EXPENDITURE

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

Expenditure on raising funds

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

Charitable activities

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

1.6 INTEREST RECEIVABLE

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

1.7 TAXATION

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

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

1.8 INTANGIBLE ASSETS

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	-	33% Straight line
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STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.9 TANGIBLE ASSETS AND DEPRECIATION

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

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

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

Depreciation is provided on the following bases:

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

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

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

1.10 INVESTMENTS

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

1.11 STOCKS

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

1.12 DEBTORS

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.13 CASH AT BANK IN HAND

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

1.14 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges

1.15 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.16 OPERATING LEASES

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

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.17 PENSIONS

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

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

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

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

1.18 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Newtown Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.19 ACCOUNTING FOR AGENCY ARRANGEMENTS

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

1.20 FUND ACCOUNTING

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

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2020. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
DONATIONS				
Donated assets	-	-	4,500,000	4,500,000
Transfer on conversion from local authority (Note 29)	12,185	(571,000)	2,521,000	1,962,185
SUBTOTAL DETAILED DISCLOSURE	12,185	(571,000)	7,021,000	6,462,185
Donations	3,590	-	-	3,590
Capital Grants	-	-	1,443,097	1,443,097
Other donations and capital grants	3,590	-	1,443,097	1,446,687
	15,775	(571,000)	8,464,097	7,908,872

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
DONATIONS				
Transfer on conversion from local authority	140,087	(1,564,000)	2,875,622	1,451,709
Transfers subtotal	140,087	(1,564,000)	2,875,622	1,451,709
Donations	5,671	61,979	-	67,650
Capital Grants	-	-	891,345	891,345
SUBTOTAL	5,671	61,979	891,345	958,995
	145,758	(1,502,021)	3,766,967	2,410,704

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DFE/ESFA GRANTS			
General Annual Grant (GAG)	-	20,537,643	20,537,643
Other DfE grants	-	1,237,280	1,237,280
	<u>-</u>	<u>21,774,923</u>	<u>21,774,923</u>
Other government grants			
Local Authority grants	-	377,362	377,362
GUTP Income and teacher recharges	-	5,402	5,402
	<u>-</u>	<u>382,764</u>	<u>382,764</u>
Exceptional government funding			
Coronavirus Exceptional Support	-	16,665	16,665
	<u>-</u>	<u>16,665</u>	<u>16,665</u>
Other Funding			
School funds	392,466	-	392,466
Other income	88,466	-	88,466
Insurance income	-	35,240	35,240
	<u>480,932</u>	<u>22,209,592</u>	<u>22,690,524</u>

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £16,665 of costs the Academy Trust bore upto July 2020 as a result of the virus. This predominantly related to the provision of online learning and enhanced hygiene solutions costs in line with government guidance for the opening and operation of schools during the pandemic.

During the year no staff were furloughed under the government's CJRS.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DFE/ESFA GRANTS			
General Annual Grant (GAG)	-	17,616,379	17,616,379
Other DfE grants	-	932,872	932,872
	<u>-</u>	<u>18,549,251</u>	<u>18,549,251</u>
Other government grants			
Local Authority grants	-	326,620	326,620
GUTP income and teacher recharges	-	11,923	11,923
	<u>-</u>	<u>338,543</u>	<u>338,543</u>
Other funding			
School funds	631,510	-	631,510
Other income	70,252	-	70,252
	<u>701,762</u>	<u>18,887,794</u>	<u>19,589,556</u>

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Other income	11,460	63,017	74,477
Rental income	136,430	-	136,430
Music tuition fees	-	43,567	43,567
	<u>147,890</u>	<u>106,584</u>	<u>254,474</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other income	15,557	63,156	78,713
Rental income	189,226	-	189,226
Music tuition fees	-	64,549	64,549
	<u>204,783</u>	<u>127,705</u>	<u>332,488</u>

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £
Bank Interest	<u>3,021</u>	<u>3,021</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest received	<u>2,382</u>	<u>2,382</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising voluntary income:				
Direct costs	-	-	1,290	1,290
Expenditure on fundraising trading activities:				
Direct costs	-	-	60,266	60,266
Direct costs - funding for educational operations:				
Direct costs	15,882,059	-	1,737,493	17,619,552
Allocated support costs	3,716,540	2,624,455	771,013	7,112,008
Teaching school	161,610	-	87,906	249,516
	<u>19,760,209</u>	<u>2,624,455</u>	<u>2,657,968</u>	<u>25,042,632</u>
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income:				
Direct costs	-	-	13,153	13,153
Expenditure on fundraising trading activities:				
Direct costs	72,980	-	109,221	182,201
Direct costs - funding for educational operations:				
Direct costs	13,449,932	-	1,815,523	15,265,455
Allocated support costs	3,260,197	1,526,460	652,358	5,439,015
Teaching school	193,478	-	72,349	265,827
	<u>16,976,587</u>	<u>1,526,460</u>	<u>2,662,604</u>	<u>21,165,651</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Direct costs - Educational operations	17,619,552	7,112,008	24,731,560

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs - Educational operations	15,265,455	5,439,015	20,704,470

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	3,716,540	3,260,197
Depreciation	797,024	682,060
Excluded pupils	17,581	20,853
Insurance	114,077	118,536
Maintenance of premises and equipment	255,932	174,979
Cleaning	161,319	130,794
Rent and rates	137,944	136,071
Light and heat	276,859	282,670
Security and transport	62,195	42,074
Catering	236,743	167,107
Legal and professional fees	215,864	209,916
Other support costs	201,902	187,698
Governance costs	36,728	26,060
Loss of disposal of assets	881,300	-
	<u><u>7,112,008</u></u>	<u><u>5,439,015</u></u>

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	63,812	88,912
Depreciation of tangible fixed assets	796,014	682,059
Amortisation of intangible assets	1,010	1,350
Fees paid to auditor for:		
- audit	18,950	17,900
- other services	3,365	3,240
	<u><u>18,950</u></u>	<u><u>17,900</u></u>
	<u><u>3,365</u></u>	<u><u>3,240</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	13,878,487	12,484,581
Social security costs	1,348,165	1,154,571
Pension costs	4,014,994	2,925,406
	<u>19,241,646</u>	<u>16,564,558</u>
Agency staff costs	471,898	412,029
Staff restructuring costs	46,665	-
	<u><u>19,760,209</u></u>	<u><u>16,976,587</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	46,665	-
	<u>46,665</u>	<u>-</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £46,665 (2019: £NIL). Individually, the payments were: £46,665.

c. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	261	225
Administration and support	267	255
Management	18	25
	<u>546</u>	<u>505</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	8	<i>6</i>
In the band £70,001 - £80,000	1	<i>2</i>
In the band £80,001 - £90,000	4	<i>2</i>
In the band £90,001 - £100,000	-	<i>1</i>
In the band £110,001 - £120,000	-	<i>1</i>
In the band £120,001 - £130,000	1	<i>-</i>
	=====	<i>=====</i>

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £883,351 (2019 £657,507).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. CENTRAL SERVICES

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

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

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

4% GAG income

The actual amounts charged during the year were as follows:

	2020 £	2019 £
The Earls High School	233,299	200,835
Redhill School	232,896	204,731
Ridgewood High School	160,152	139,166
Olive Hill Primary School	81,568	63,562
Northfield Road Primary School	68,904	11,637
Newtown Primary School	16,052	-
TOTAL	792,871	619,931

12. RELATED PARTY TRANSACTIONS - TRUSTEES REMUNERATION AND EXPENSES

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. INTANGIBLE ASSETS

	Computer Software £
COST	
At 1 September 2019	59,777
At 31 August 2020	<u>59,777</u>
AMORTISATION	
At 1 September 2019	58,736
Charge for the year	1,010
At 31 August 2020	<u>59,746</u>
NET BOOK VALUE	
At 31 August 2020	<u><u>31</u></u>
At 31 August 2019	<u><u>1,041</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2019	25,338,942	8,515,998	548,272	200,366	34,603,578
Additions	1,405,848	-	43,942	-	1,449,790
Conversion to academy trust	-	2,521,000	-	-	2,521,000
Donated assets	4,500,000	-	-	-	4,500,000
Disposals	(981,038)	-	-	-	(981,038)
At 31 August 2020	30,263,752	11,036,998	592,214	200,366	42,093,330
DEPRECIATION					
At 1 September 2019	2,074,060	250,110	459,122	189,769	2,973,061
Charge for the year	640,175	127,390	19,431	9,018	796,014
On disposals	(99,738)	-	-	-	(99,738)
At 31 August 2020	2,614,497	377,500	478,553	198,787	3,669,337
NET BOOK VALUE					
At 31 August 2020	27,649,255	10,659,498	113,661	1,579	38,423,993
At 31 August 2019	23,264,882	8,265,888	89,150	10,597	31,630,517

Included within freehold land and buildings cost is freehold land of £6,038,590 which is not depreciated. The land value included within Leasehold is not depreciated.

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

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

	Other fixed asset investments £
Cash held on deposit	
At 1 September 2019	86,335
Change in market value	375
AT 31 AUGUST 2020	<u><u>86,710</u></u>

17. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	18,240	13,031
Other debtors	209,387	182,844
Prepayments and accrued income	912,796	780,971
Accrued Capital grants	500,738	796,399
	<u><u>1,641,161</u></u>	<u><u>1,773,245</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Salix loan	16,371	16,371
Trade creditors	373,077	409,541
Other taxation and social security	332,941	318,439
Other creditors	371,942	281,292
Accruals and deferred income	502,250	450,887
	<u>1,596,581</u>	<u>1,476,530</u>
	2020 £	2019 £
Deferred income at 1 September 2019	297,044	223,098
Resources deferred during the year	222,379	297,044
Amounts released from previous periods	(297,044)	(223,098)
	<u>222,379</u>	<u>297,044</u>

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

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Salix loans	412,406	94,597

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

	2020 £	2019 £
Salix loan	195,517	34,113
	<u>195,517</u>	<u>34,113</u>

The Salix loans are repayable twice yearly, in equal instalments of £2,500, £533, £5,153, £8,999, £7,834, £1,710, £907 and £725 and are all interest free.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. STATEMENT OF FUNDS

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

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FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Restricted fixed assets	31,631,558	-	(797,024)	7,589,490	-	38,424,024
Devolved capital funding	-	90,227	-	41,534	-	131,761
Condition Improvement Fund Grant	796,398	66,029	-	(719,702)	-	142,725
Transfer on conversion of Newtown	-	2,521,000	-	(2,521,000)	-	-
School Capital Allocation	-	1,286,841	-	(47,988)	-	1,238,853
Ridgewood High donated Fixed assets	-	4,500,000	-	(4,500,000)	-	-
Fixed assets purchased with Salix loan	-	-	-	(428,777)	-	(428,777)
	<u>32,427,956</u>	<u>8,464,097</u>	<u>(797,024)</u>	<u>(586,443)</u>	<u>-</u>	<u>39,508,586</u>
TOTAL RESTRICTED FUNDS	<u>21,853,354</u>	<u>30,263,273</u>	<u>(23,822,900)</u>	<u>1,224,854</u>	<u>(2,986,000)</u>	<u>26,532,581</u>
TOTAL FUNDS	<u>23,977,046</u>	<u>31,082,940</u>	<u>(25,042,632)</u>	<u>-</u>	<u>(2,986,000)</u>	<u>27,031,354</u>

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

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

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

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

Included within Restricted fixed asset funds is £1,238,853 of unspent income from the School Capital Allocation grants awarded and recognised in full in income during the year. There are also Salix loans of (£428,777) that relate to numerous energy efficiency fixed assets projects, these have been received in conjunction with Conditional Improvement Fund grants. The loans are repayable as a deduction to GAG payments issued by the DfE over 6-8 years. Therefore a transfer will be made for the same amount between GAG and the Restricted fixed assets fund each year to reduce the outstanding loan balance. The repayment is expected to be covered by the energy efficiency savings each year.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (CONTINUED)

funds going forward.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
The Earls High School	639,283	700,383
Redhill School	662,765	573,332
Ridgewood High School	179,768	300,805
Northfield Road Primary	204,576	122,664
Olive Hill Primary School	217,783	181,362
Foundation property/Endowment fund	127,586	127,586
Trust	329,576	163,958
Newtown Primary School	15,431	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,376,768	2,170,090
Restricted fixed asset fund	39,508,586	32,427,956
Pension reserve	(14,854,000)	(10,621,000)
	<hr/>	<hr/>
TOTAL	27,031,354	23,977,046
	<hr/>	<hr/>

Included in the balances for The Earls High School, Redhill School, and Redhill School are amounts of £151,944, £249,466 and £27,366 respectively, relating to Salix loan balances that are repayable in equal instalments over 6 years. Each repayment will reduce each Academy's fund balance each year until the loans are fully repaid.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. 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 2020 £
The Earls High School	4,831,855	904,743	414,069	496,791	6,647,458
Redhill School	4,300,839	1,158,183	396,857	430,320	6,286,199
Ridgewood High School	3,258,110	760,770	268,320	1,253,104	5,540,304
Olive Hill Primary School	1,407,899	231,602	110,589	225,692	1,975,782
Northfield Road Primary School	1,345,782	384,008	145,929	210,402	2,086,121
Newtown Primary School	342,903	103,684	10,169	38,762	495,518
Trust	556,281	173,550	53,611	430,784	1,214,226
ACADEMY TRUST	16,043,669	3,716,540	1,399,544	3,085,855	24,245,608

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
The Earls High School	4,702,340	864,211	407,576	661,262	6,635,389
Redhill School	4,373,810	1,010,301	439,024	646,452	6,469,587
Ridgewood High School	3,071,145	659,472	253,055	407,368	4,391,040
Northfield Road Primary	287,444	38,156	15,258	34,203	375,061
Olive Hill Primary School	1,396,950	238,420	112,657	223,082	1,971,109
Trust	200,664	133,674	25,682	280,035	640,055
ACADEMY TRUST	14,032,353	2,944,234	1,253,252	2,252,402	20,482,241

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

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
UNRESTRICTED FUNDS						
Teaching school	295,801	126,484	(88,604)	(58,199)	-	275,482
School fund	401,169	631,510	(473,562)	-	-	559,117
Other unrestricted funds	790,627	347,252	(72,980)	-	-	1,064,899
Football development centre fund	61,588	70,252	(35,232)	-	-	96,608
	<u>1,549,185</u>	<u>1,175,498</u>	<u>(670,378)</u>	<u>(58,199)</u>	<u>-</u>	<u>1,996,106</u>
ENDOWMENT FUNDS						
Endowment Fund	<u>127,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,586</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	17,616,379	(17,529,402)	(86,977)	-	-
Other DfE/ESFA grants	-	932,872	(932,872)	-	-	-
Other grants	-	326,620	(326,620)	-	-	-
Other restricted funds	-	207,278	(175,746)	14,866	-	46,398
Teaching school	-	119,024	(177,223)	58,199	-	-
Pension reserve	(6,941,000)	(1,564,000)	(670,000)	-	(1,446,000)	(10,621,000)
	<u>(6,941,000)</u>	<u>17,638,173</u>	<u>(19,811,863)</u>	<u>(13,912)</u>	<u>(1,446,000)</u>	<u>(10,574,602)</u>

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
RESTRICTED FIXED ASSET FUNDS						
Restricted fixed assets	27,936,685	94,946	(683,410)	4,283,337	-	31,631,558
Devolved capital funding	-	2,875,622	-	(2,875,622)	-	-
Condition Improvement Fund Grant	1,335,603	796,399	-	(1,335,604)	-	796,398
	<u>29,272,288</u>	<u>3,766,967</u>	<u>(683,410)</u>	<u>72,111</u>	<u>-</u>	<u>32,427,956</u>
TOTAL RESTRICTED FUNDS	<u>22,331,288</u>	<u>21,405,140</u>	<u>(20,495,273)</u>	<u>58,199</u>	<u>(1,446,000)</u>	<u>21,853,354</u>
TOTAL FUNDS	<u>24,008,059</u>	<u>22,580,638</u>	<u>(21,165,651)</u>	<u>-</u>	<u>(1,446,000)</u>	<u>23,977,046</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	31,630,517	-	31,630,517
Intangible fixed assets	-	-	1,041	-	1,041
Fixed asset investments	86,335	-	-	-	86,335
Current assets	1,909,771	1,617,525	796,398	127,586	4,451,280
Creditors due within one year	-	(1,476,530)	-	-	(1,476,530)
Creditors due in more than one year	-	(94,597)	-	-	(94,597)
Provisions for liabilities and charges	-	(10,621,000)	-	-	(10,621,000)
TOTAL	<u>1,996,106</u>	<u>(10,574,602)</u>	<u>32,427,956</u>	<u>127,586</u>	<u>23,977,046</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	6,040,308	1,414,987
ADJUSTMENTS FOR:		
Depreciation and amortisation charges	797,024	683,409
Capital grants from DfE and other capital income	(1,312,557)	(891,345)
Interest receivable	(3,021)	(2,382)
Defined benefit pension scheme obligation inherited	571,000	1,564,000
Defined benefit pension scheme cost less contributions payable	480,000	492,000
Defined benefit pension scheme finance cost	196,000	178,000
Decrease/(increase) in stocks	15,555	(5,425)
Decrease/(increase) in debtors	132,084	(148,729)
Increase in creditors	120,051	152,676
Net assets transferred from existing and converted academies	(2,521,000)	(2,875,622)
(Decrease)/Increase in valuation of investments	(375)	(572)
Donations of local authority budget surpluses and school funds on conversion/transfer	-	(140,087)
Donated Fixed assets	(4,500,000)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	15,069	420,910

23. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayments of Salix loan	(5,000)	(5,000)
Cash transferred from Northfield Primary on conversion	-	140,087
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(5,000)	135,087

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	3,021	2,382
Purchase of tangible fixed assets	(1,449,790)	(1,502,660)
Capital grants from DfE Group	1,312,557	891,345
Salix Loan received	322,809	90,968
Loss on disposal of assets	881,300	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,069,897	(517,965)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	3,709,387	2,629,421
TOTAL CASH AND CASH EQUIVALENTS	3,709,387	2,629,421

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,629,421	1,079,966	3,709,387
Debt due within 1 year	(16,371)	-	(16,371)
Debt due after 1 year	(94,597)	(317,809)	(412,406)
	2,518,453	762,157	3,280,610

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NOTES TO THE FINANCIAL STATEMENTS
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27. CONVERSION TO AN ACADEMY

On April 1 2020 Newtown Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Stour Vale Academy Trust from Sandwell Metropolitan Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS			
Freehold land and buildings	-	2,521,000	2,521,000
NON-CURRENT LIABILITIES			
Pension deficit on conversion	(571,000)	-	(571,000)
NET (LIABILITIES)/ASSETS	<u>(571,000)</u>	<u>2,521,000</u>	<u>1,950,000</u>

28. PENSION COMMITMENTS

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

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

Contributions amounting to £277,213 were payable to the schemes at 31 August 2020 (2019 - £278,148) and are included within creditors.

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
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28. 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 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £2,342,748 (2019 - £1,488,140).

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 2020 was £1,030,726 (2019 - £958,000), of which employer's contributions totalled £825,408 (2019 - £792,000) and employees' contributions totalled £ 205,318 (2019 - £166,000). The agreed contribution rates for future years are 22.4 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note 27 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
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28. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.27	3.69
Rate of increase for pensions in payment/inflation	2.27	2.21
Discount rate for scheme liabilities	1.61	1.88
Inflation assumption (CPI)	2.27	2.19

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26	25.1

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	26,949	20,660
Discount rate -0.1%	28,325	21,685
Mortality assumption - 1 year increase	28,728	21,945
Mortality assumption - 1 year decrease	26,570	20,577
Salary increase +0.1%	27,726	-
Salary increase -0.1%	27,531	-
Pension increase +0.1%	28,222	-
Pension increase -0.1%	27,051	-

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	7,175,000	6,341,000
Gilts	1,386,000	998,000
Other bonds	496,000	398,000
Property	963,000	861,000
Cash and other liquid assets	848,000	381,000
Other	1,906,000	1,566,000
TOTAL MARKET VALUE OF ASSETS	12,774,000	10,545,000

The actual return on scheme assets was £1,101,000 (2019 - £576,000).

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

	2020 £	2019 £
Current Service Cost	(1,413,000)	(1,003,000)
Past service cost	(25,000)	(277,000)
Interest income	208,000	239,000
Interest cost	(404,000)	(417,000)
Administrative expenses	(5,000)	(4,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,639,000)	(1,462,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
AT 1 SEPTEMBER	21,166,000	15,454,000
Transferred in on academies joining the Trust	666,000	2,350,000
Interest cost	404,000	417,000
Employee contributions	203,000	166,000
Actuarial losses	3,879,000	1,783,000
Benefits paid	(128,000)	(284,000)
Past service costs	25,000	277,000
Current service cost	1,413,000	1,003,000
AT 31 AUGUST	27,628,000	21,166,000

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

	2020 £	2019 £
AT 1 SEPTEMBER	10,545,000	8,513,000
Transferred in on academies joining the Trust	95,000	786,000
Interest income	208,000	239,000
Actuarial gains	893,000	337,000
Employer contributions	963,000	792,000
Employee contributions	203,000	166,000
Benefits paid	(128,000)	(284,000)
Administrative expenses	(5,000)	(4,000)
AT 31 AUGUST	12,774,000	10,545,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

29. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	50,099	36,103
Later than 1 year and not later than 5 years	57,923	36,809
	<u>108,022</u>	<u>72,912</u>

30. 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.

31. RELATED PARTY TRANSACTIONS

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

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

32. POST BALANCE SHEET EVENTS

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

33. AGENCY ARRANGEMENTS

The Trust distributes training bursaries to student teachers as an agent for the NCTL. In the accounting period ending 31 August 2020 the Trust received £14,000 and disbursed £13,400 from the fund. The Trust is entitled to withhold an administration charge from the grants received and this amounted to £600 during the year. There are no undistributed funds at the balance sheet date.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

34. TEACHING SCHOOL TRADING ACCOUNT

	2020 £	2020 £	2019 £	2019 £
Income				
DIRECT INCOME				
Grant income	54,000		119,024	
OTHER INCOME				
Fundraising and other trading activities	172,049		126,484	
TOTAL INCOME		226,049		245,508
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	146,752		177,223	
OTHER EXPENDITURE				
Other staff costs	14,858		16,255	
Other support costs	87,906		72,349	
TOTAL OTHER EXPENDITURE	102,764		88,604	
TOTAL EXPENDITURE		249,516		265,827
Transfers between funds excluding depreciation		(148,289)		-
Deficit from all sources		(171,756)		(20,319)
Teaching school balances at 1 September 2019		275,482		295,801
TEACHING SCHOOL BALANCES AT 31 AUGUST 2020		103,726		275,482