

**STOUR VALE ACADEMY TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STOUR VALE ACADEMY TRUST**  
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**CONTENTS**

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	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 12
<b>Governance statement</b>	13 - 15
<b>Statement on regularity, propriety and compliance</b>	16
<b>Statement of Trustees' responsibilities</b>	17
<b>Independent auditor's report on the financial statements</b>	18 - 20
<b>Independent accountants' assurance report on regularity</b>	21 - 22
<b>Statement of financial activities</b>	23
<b>Balance sheet</b>	24 - 25
<b>Statement of cash flows</b>	26
<b>Notes to the financial statements</b>	27 - 55

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Members**

Mrs Diane Baker  
Mr Dennis Hodson  
Prof Linda Lang  
Mr Martin Stevens  
Mrs Joanne Williams

**Trustees**

Dr Laura Braznell  
Ms Rachel Cutting (resigned 5 December 2018)  
Mr Stephen Dunster<sup>1</sup>  
Mr Gary Mills  
Mr Andrew Mullaney  
Mrs Joanne Williams, Chair of Trustees  
Mrs Remley Mann  
Mr Stephen Bell

<sup>1</sup> Chief Executive and Accounting Officer

**Company registered number**

07865663

**Company name**

Stour Vale Academy Trust

**Principal and registered office**

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

**Company secretary**

Mrs Louise Broxton

**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 (appointed 1 May 2019)  
Miss Hannah Grasby, Olive Hill Primary School, Acting Headteacher (appointed 1 September 2018)  
Mr Philip Loveday, The Earls High School, Principal (resigned 30 April 2019)  
Miss Christine McGrail, Redhill School, Headteacher (resigned 31 August 2019)  
Miss Joanne Murphy, Trust Chief Finance Officer  
Mrs Rachel Salter, Executive Lead for Primary

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Advisers (continued)**

**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

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**STOUR VALE ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy trust operates one primary school and three secondary schools within the Dudley Borough. Its academies have a combined pupil capacity of 4,096 and had a roll of 4,062 in the school census on 3 October 2019.

During the accounting period one school, Northfield Road Primary School, transferred to the Trust on 1 July 2019.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **CONSTITUTION**

The 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 are also the directors of the charitable company for the purpose 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 that these accounts are approved are included in the Reference and administrative details on page 1.

### **MEMBERS' LIABILITY**

Every 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 and pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before they ceased to be a member.

### **TRUSTEES' INDEMNITIES**

Trustees benefit from indemnity insurance 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. The cost of this insurance in the current year was £777.

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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.

**POLICIES AND PROCEDURES 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.

**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.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

Redhill School is a National Teaching School.

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**STOUR VALE ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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## **OBJECTIVES AND ACTIVITIES**

### **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.

### **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

### **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)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**ACHIEVEMENTS AND PERFORMANCE**

The pupil outcomes in the five Trust schools as at 31 August 2019 are highlighted in the tables below.

- **Primary Sector**

<b>Key Stage Progress measures</b>	<b>Olive Hill Primary School</b>	<b>Northfield Road Primary School</b>
Reading	Average (1.5)	Well Below (-6.5)
Maths	Average (1.4)	Well Below (-5.4)
Writing	Average (-0.8)	Well Below (-5.4)

Writing progress at Olive Hill returned to the 'average' band in 2019 and progress in reading and maths was at the high end of the 'average' band. Progress in all three subjects is currently predicted to sit comfortably within this broad 'average' band in 2020.

Over the next two years attainment at Northfield Road will continue to improve from its very low baseline of 35% in 2018. By summer 2021 we predict that it will be approaching the current national average of 65% in reading, writing and maths. There is a robust school improvement plan in place, focused particularly on raising attainment at the end of key stage two.



**STOUR VALE ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

• **Secondary Sector**

	Earls High School			Redhill School			Ridgewood High School		
	Gen	2019%	2018%	Gen	2019%	2018%	Gen	2019%	2018%
Cohort	All	100	100	All	100	100	All	100	100
	F	54.2	50.9	F	49.6	50	F	46.5	49.2
	M	45.8	49.1	M	50.4	50	M	53.5	50.8
Att/Progress									
Av Att 8	All	46.6	48.9	All	52.8	50.5	All	41.7	42.5
	F	50.5	53.4	F	53.8	54.0	F	41.9	43.3
	M	41.9	44.3	M	51.8	47.1	M	41.5	41.5
Av Prog 8	All	-0.05	0.19	All	0.16	0.16	All	-0.41	-0.24
	F	0.38	0.48	F	0.40	0.49	F	-0.18	-0.03
	M	-0.57	-0.05	M	-0.08	-0.09	M	-0.62	-0.44
Basics									
9-5 En+Ma	All	42.4	48.7	All	49.2	50	All	32.3	38.1
	F	50.8	58.1	F	48.3	56.4	F	30.5	38.7
	M	32.4	38.9	M	50.0	43.6	M	33.8	37.5
9-4 En+Ma	All	64.4	69.0	All	78.6	75.2	All	55.9	64.3
	F	68.8	79.0	F	78.8	79.5	F	57.6	72.6
	M	59.3	59.0	M	78.3	70.9	M	54.4	56.3
En Ma Sc									
En 9-5	All	57.2	62.6	All	73.1	66.2	All	55.9	49.2
	F	70.3	76.9	F	79.7	73.5	F	67.8	61.3
	M	41.7	47.8	M	66.7	59.0	M	45.6	37.5
Mat 9-5	All	48.3	57.8	All	53.8	58.5	All	33.9	47.6
	F	54.7	63.2	F	51.7	62.4	F	30.5	45.2
	M	40.7	52.2	M	55.8	54.7	M	36.8	50.0
2xSci 9-5	All	35.0	45.4	All	68.8	68.0	All	25.2	35.5
	F	41.7	50.0	F	70.7	73.0	F	19.3	35.0
	M	27.1	40.7	M	66.9	62.8	M	30.3	35.9
En 9-4	All	78.4	77.8	All	92.0	82.5	All	73.2	67.5
	F	85.9	88.9	F	95.8	87.2	F	83.1	75.8
	M	69.4	66.4	M	88.3	77.8	M	64.7	59.4
Ma 9-4	All	69.9	73.0	All	80.7	79.5	All	63.8	72.2
	F	71.9	82.1	F	79.7	82.9	F	62.7	75.8
	M	67.6	63.7	M	81.7	76.1	M	64.7	68.8
2xSci 9-4	All	62.0	64.2	All	81.6	80.7	All	52.0	58.9
	F	66.9	69.0	F	83.6	83.5	F	49.1	63.3
	M	56.1	59.3	M	79.7	77.9	M	54.5	54.7

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The three secondary schools in the Trust have reported the provisional Key Stage 4 results. Pupil outcomes in Redhill School and The Earls High School are generally strong. Outcomes in Ridgewood High School reflected a challenging year group with Maths and Science reporting weak results. English at Ridgewood High School showed improvement and this will be a strong base for improvements across the curriculum in this academic year.

### **KEY PERFORMANCE INDICATORS**

Staffing costs as a percentage of General Annual Grant (GAG) is a key performance indicator. For the year ended 31 August 2019 this was 91% 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.

### **GOING CONCERN**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Multi Academy Trust has adequate resources to continue operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statement.

### **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 31st August 2019 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 balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, the Trust received charitable income grants amounting to £18,887,794 and generated other income amounting to £2,241,135. On 1 July 2019, Northfield Road Primary School converted to an academy and joined the trust. The net assets converted amounted to £1,451,709, including fixed assets of £2,875,622, cash of £140,087 and a pension deficit of £1,564,000.

Total Trust expenditure was £21,165,651 (2018 - £17,503,869) whilst the total income for the year excluding transfers into the Trust was £21,128,929 (2018 - £18,074,244). This resulted in excess expenditure over income for the year of £36,722 (2018 - surplus of £570,375) before actuarial movements. During the year Redhill School and The Earls High School were awarded monies from the Condition Improvement Fund for replacement windows and external works. The Trust must account for all capital income in the financial year awarded.

As at 31 August 2019 the net book value of tangible fixed assets was £31,630,517 (2018 - £27,934,294) and movements in tangible assets are shown in note 14 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 2019 of £23,977,046 (2018 - £24,008,059) comprising £32,427,956 (2018 - £29,272,288) restricted fixed assets funds, £46,398 (2018 - £Nil) of restricted general funds (excluding the pension fund), a restricted endowment fund of £127,586 (2018 - £127,586) and £1,996,106 (2018 - £1,549,185) of unrestricted general funds. The restricted pension fund deficit amounted to £10,621,000 (2018 - £6,941,000).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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## **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

The Trust's free reserves at 31 August 2019 amounted to £2,042,504, comprising £46,398 of restricted funds and £1,996,106 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.

## **INVESTMENTS 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.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trust has implemented a risk management policy and created a risk 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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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.

**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:

- School Improvement
- Finance and Business
- Governance
- Information Technology
- Communications
- Buildings and Estate

In order to provide support for these priorities the Trust Central Team structure is being reviewed with new posts created to build the capacity of the team.

Across all Trust schools we will 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

The Trust plans to grow by supporting schools who join the Trust either through directed academy orders by transfer from 'empty-MATS' or stand alone academies.

**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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 School 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

**TRADE UNION FACILITY TIME**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The information below relates to the period 1 April 2018 to 31 March 2019.

**Relevant union officials**

Number of employees who were relevant union officials during the year	9
Full-time equivalent employee number	8

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	4
1%-50%	3
51%-99%	-
100%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	24,281
Total pay bill	15,559,000
Percentage of total pay bill spent on facility time	0.16 %

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours **0.20 %**

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

Employees have been consulted on issues of concern to them by means of regular consultative and staff meetings, they have also been kept informed on specific matters directly by management.

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

- Equal opportunities policy
- Health & safety policy

The Trust has a long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

**DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:



**Mrs J Williams**  
Chair of Trustees

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**GOVERNANCE STATEMENT**

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**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.

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
Dr Laura Braznell	5	6
Ms Rachel Cutting	2	2
Mr Gary Mills	0	6
Mr Stephen Dunster (Chief Executive and Accounting Officer)	6	6
Mr Andrew Mullaney	6	6
Mrs Joanne Williams, Chair of Trustees	4	6
Mrs Remley Mann	4	6
Mr Stephen Bell	4	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 Trustees 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 the 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 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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**STOUR VALE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the 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 THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 2018 to 31 August 2019 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 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 Trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**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.
- 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 during 2018/19. 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:

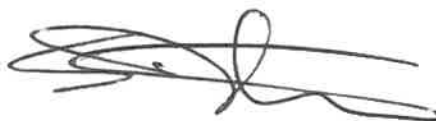
- the internal audit function;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 5 December 2019 and signed on their behalf, by:



**Mrs J Williams**  
Chair of Trustees



**Mr S Dunster**  
Accounting Officer

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 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: 5 December 2019

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who act as governors of Stour Vale Academy Trust and 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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 5 December 2019 and signed on its behalf by:



**Mrs J Williams**  
Chair of Trustees

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**OPINION**

We have audited the financial statements of Stour Vale Academy Trust (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**OTHER INFORMATION**

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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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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 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG  
5 December 2019

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 17 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stour Vale Academy Trust and the 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 THE 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Crowe U.K. LLP**

Reporting Accountant

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

5 December 2019



**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and expenditure account)  
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>							
Donations & capital grants:							
Donations & capital grants	2	140,087	(1,496,350)	3,766,967	-	2,410,704	9,452,848
Charitable activities:	5						
Other charitable activities		701,762	18,887,794	-	-	19,589,556	16,068,006
Teaching schools	30	126,484	119,024	-	-	245,508	193,282
Other trading activities	3	204,783	127,705	-	-	332,488	313,696
Investments	4	2,382	-	-	-	2,382	1,644
<b>TOTAL INCOMING RESOURCES</b>		<b>1,175,498</b>	<b>17,638,173</b>	<b>3,766,967</b>	<b>-</b>	<b>22,580,638</b>	<b>26,029,476</b>
<b>EXPENDITURE ON:</b>							
Raising funds:							
Voluntary income		-	13,153	-	-	13,153	6,648
Fundraising trading		108,212	73,989	-	-	182,201	193,351
Other charitable activities		562,166	19,458,894	683,410	-	20,704,470	17,115,415
Teaching schools	30	-	265,827	-	-	265,827	188,455
<b>TOTAL EXPENDITURE</b>	<b>6</b>	<b>670,378</b>	<b>19,811,863</b>	<b>683,410</b>	<b>-</b>	<b>21,165,651</b>	<b>17,503,869</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>505,120</b>	<b>(2,173,690)</b>	<b>3,083,557</b>	<b>-</b>	<b>1,414,987</b>	<b>8,525,607</b>
Transfers between Funds	19	(58,199)	(13,912)	72,111	-	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>446,921</b>	<b>(2,187,602)</b>	<b>3,155,668</b>	<b>-</b>	<b>1,414,987</b>	<b>8,525,607</b>
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(1,446,000)	-	-	(1,446,000)	1,288,000
<b>NET MOVEMENT IN FUNDS</b>		<b>446,921</b>	<b>(3,633,602)</b>	<b>3,155,668</b>	<b>-</b>	<b>(31,013)</b>	<b>9,813,607</b>
<b>RECONCILIATION OF FUNDS:</b>							
Total funds brought forward		1,549,185	(6,941,000)	29,272,288	127,586	24,008,059	14,194,452
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,996,106</b>	<b>(10,574,602)</b>	<b>32,427,956</b>	<b>127,586</b>	<b>23,977,046</b>	<b>24,008,059</b>

The notes on pages 27 to 55 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Intangible assets	13		1,041		2,391
Tangible assets	14		31,630,517		27,934,294
Investments	15		86,335		85,763
			<u>31,717,893</u>		<u>28,022,448</u>
<b>CURRENT ASSETS</b>					
Stocks		48,614		43,189	
Debtors	16	1,773,245		1,624,516	
Cash at bank and in hand		2,629,421		2,591,389	
		<u>4,451,280</u>		<u>4,259,094</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(1,476,530)</u>		<u>(1,312,483)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,974,750</u>		<u>2,946,611</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>34,692,643</u>		<u>30,969,059</u>
<b>CREDITORS: amounts falling due after more than one year</b>	18		<u>(94,597)</u>		<u>(20,000)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>34,598,046</u>		<u>30,949,059</u>
Defined benefit pension scheme liability	25		<u>(10,621,000)</u>		<u>(6,941,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,977,046</u></u>		<u><u>24,008,059</u></u>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2019**

	Note	£	2019 £	£	2018 £
<b>FUNDS OF THE ACADEMY</b>					
Endowment funds	19		<b>127,586</b>		<b>127,586</b>
Restricted income funds:					
Restricted funds	19	<b>46,398</b>		-	
Restricted fixed asset funds	19	<b>32,427,956</b>		<b>29,272,288</b>	
Restricted income funds excluding pension reserve		<b>32,474,354</b>		<b>29,272,288</b>	
Pension reserve		<b>(10,621,000)</b>		<b>(6,941,000)</b>	
Total restricted income funds			<b>21,853,354</b>		<b>22,331,288</b>
Unrestricted income funds	19		<b>1,996,106</b>		<b>1,549,185</b>
<b>TOTAL FUNDS</b>			<b>23,977,046</b>		<b>24,008,059</b>

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue, on 5 December 2019 and are signed on their behalf, by:

  
**Mrs J Williams**  
Chair of Trustees

  
**Mr S Dunster**  
Accounting Officer

The notes on pages 27 to 55 form part of these financial statements.

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<b>420,910</b>	<b>(549,896)</b>
<b>Cash flows from investing activities:</b>			
Interest received		2,382	1,644
Purchase of tangible fixed assets		<b>(1,502,660)</b>	<b>(137,941)</b>
Capital grants from DfE/ESFA and other sources		891,345	1,483,931
Salix Loan received		90,968	-
<b>Net cash (used in)/provided by investing activities</b>		<b>(517,965)</b>	<b>1,347,634</b>
<b>Cash flows from financing activities:</b>			
Repayments of Salix loan		<b>(5,000)</b>	<b>(5,000)</b>
Cash transferred from Northfield Primary on conversion		<b>140,087</b>	-
Cash transferred from Olive Hill School on conversion		-	142,053
Cash transferred from Ridgewood School upon joining the trust		-	250,417
<b>Net cash provided by financing activities</b>		<b>135,087</b>	<b>387,470</b>
<b>Change in cash and cash equivalents in the year</b>		<b>38,032</b>	<b>1,185,208</b>
Cash and cash equivalents brought forward		<b>2,591,389</b>	<b>1,406,181</b>
<b>Cash and cash equivalents carried forward</b>	22	<b>2,629,421</b>	<b>2,591,389</b>

The notes on pages 27 to 55 form part of these financial statements.

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stour Vale Academy Trust constitutes a public benefit entity as defined by 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, Wittingham 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 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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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 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.

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

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

Where assets are received by the 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 risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

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

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 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.

**1.7 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or 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:

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £5,000 are capitalised 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.

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

Freehold property	-	over useful economic life (2-5% straight line)
Long term leasehold property	-	over the life of the lease
Equipment	-	20% straight line
Furniture and fixtures	-	10 - 15% 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 buildings 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 indefinitely. The buildings have therefore been treated as long leasehold property and depreciated 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.

**1.9 INVESTMENTS**

Investments represent cash held on deposit measured at amortised cost.

**1.10 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.



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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**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 TAXATION**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

**1.13 CASH AT BANK AND IN HAND**

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

**1.14 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 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 Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. 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 instruments.

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.16 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 incorporating Income and Expenditure Account 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.

**1.17 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.

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**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 Northfield Road Primary School to an Academy Trust on 1 July 2019 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 Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

**1.19 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements 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 LGPS 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfers from existing academy	-	-	-	-	5,441,531
Transfer on conversion from local authority (note 25)	140,087	(1,564,000)	2,875,622	1,451,709	2,513,701
Transfers subtotal	140,087	(1,564,000)	2,875,622	1,451,709	7,955,232
Donations	-	67,650	-	67,650	13,685
Capital grants	-	-	891,345	891,345	1,483,931
Other donations and capital grants	-	67,650	891,345	958,995	1,497,616
	140,087	(1,496,350)	3,766,967	2,410,704	9,452,848
Total 2018	142,053	(2,354,629)	11,665,424	9,452,848	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	15,557	63,156	78,713	94,801
Rental income	189,226	-	189,226	166,719
Music tuition fees	-	64,549	64,549	52,176
	204,783	127,705	332,488	313,696
Total 2018	192,607	121,089	313,696	

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	2,382	2,382	1,644
	<u>2,382</u>	<u>2,382</u>	<u>1,644</u>
<i>Total 2018</i>	<u>1,644</u>	<u>1,644</u>	

**5. CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	17,616,379	17,616,379	14,265,772
Other DfE Group grants	-	932,872	932,872	868,156
	<u>-</u>	<u>18,549,251</u>	<u>18,549,251</u>	<u>15,133,928</u>
<b>Other government grants</b>				
Local Authority grants	-	326,620	326,620	296,590
GUTP income and teacher recharges	-	11,923	11,923	20,899
	<u>-</u>	<u>338,543</u>	<u>338,543</u>	<u>317,489</u>
<b>Other funding</b>				
School funds	631,510	-	631,510	554,950
Other income	70,252	-	70,252	61,639
	<u>701,762</u>	<u>18,887,794</u>	<u>19,589,556</u>	<u>16,068,006</u>
<i>Total 2018</i>	<u>616,589</u>	<u>15,451,417</u>	<u>16,068,006</u>	

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**6. EXPENDITURE**

	<b>Staff costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other costs 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Expenditure on raising voluntary income					
Direct costs	-	-	13,153	13,153	6,648
Expenditure on fundraising trading	-				-
Direct costs	72,980	-	182,201	182,201	193,351
Funding for educational operations:					
Direct costs	13,449,932	-	1,815,523	15,265,455	12,492,341
Support costs	3,260,197	1,526,460	652,358	5,439,015	4,623,074
Teaching school costs	193,478	-	72,349	265,827	188,455
	<b>16,976,587</b>	<b>1,526,460</b>	<b>2,662,604</b>	<b>21,165,651</b>	<b>17,503,869</b>
<i>Total 2018</i>	<i>13,708,495</i>	<i>1,273,533</i>	<i>2,521,841</i>	<i>17,503,869</i>	

**7. SUPPORT COSTS**

	<b>Educational operations £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Excluded pupils	20,853	20,853	54,769
Insurance	118,536	118,536	92,190
Maintenance of premises and equipment	174,979	174,979	346,933
Cleaning	130,794	130,794	119,708
Rent and rates	136,071	136,071	102,991
Light and heat	282,670	282,670	206,560
Security and transport	42,074	42,074	44,674
Catering	167,107	167,107	130,099
Legal and professional fees	209,916	209,916	183,695
Other support costs	187,698	187,698	179,315
Governance costs	24,710	24,710	19,714
Amortisation of intangible assets	1,350	1,350	4,345
Wages and salaries	1,951,562	1,951,562	1,577,494
National insurance	93,956	93,956	140,411
Pension cost	1,214,679	1,214,679	843,969
Depreciation	682,060	682,060	576,207
	<b>5,439,015</b>	<b>5,439,015</b>	<b>4,623,074</b>
<i>Total 2018</i>	<i>4,623,074</i>	<i>4,623,074</i>	

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>682,059</b>	<b>576,207</b>
Amortisation of intangible fixed assets	<b>1,350</b>	<b>4,345</b>
Auditor's remuneration - audit	<b>17,900</b>	<b>16,350</b>
Auditor's remuneration - other services	<b>3,240</b>	<b>3,050</b>
Operating lease rentals	<b>88,912</b>	<b>40,637</b>
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**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	12,484,581	10,158,377
Social security costs	1,154,571	973,189
Operating costs of defined benefit pension schemes	2,925,406	2,241,338
	<u>16,564,558</u>	<u>13,372,904</u>
Agency staff costs	412,029	272,348
Staff restructuring costs	-	63,243
	<u>16,976,587</u>	<u>13,708,495</u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £NIL (2018: £63,243).

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	225	177
Administration and support	255	191
Management	25	24
	<u>505</u>	<u>392</u>

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	6	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	0
In the band £110,001 - £120,000	1	1

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £657,507 (2018: £581,615).



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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**10. CENTRAL SERVICES**

The 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 trust charges for these services on the following basis:

4% of GAG income

The actual amounts charged during the year were as follows:

	2019 £	2018 £
The Earls High School	200,835	53,235
Redhill School	204,731	50,417
Ridgewood High School	139,166	12,601
Olive Hill Primary School	63,562	14,347
Northfield Road Primary School	11,637	-
	<u>619,931</u>	<u>130,600</u>
Total		

**11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mr S Dunster	Remuneration	115,000-120,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Ms R Cutting	Remuneration	20,000-25,000	70,000-75,000
	Pension contributions paid	0-5,000	10,000-15,000

During the year, no Trustees received any gifts (2018 - £40).

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018 - £NIL).

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £777 (2018 - £534).

**13. INTANGIBLE FIXED ASSETS**

	<b>Computer Software £</b>
<b>COST</b>	
At 1 September 2018 and 31 August 2019	<b>59,777</b>
<b>AMORTISATION</b>	
At 1 September 2018	<b>57,386</b>
Charge for the year	<b>1,350</b>
At 31 August 2019	<b>58,736</b>
<b>CARRYING AMOUNT</b>	
At 31 August 2019	<b>1,041</b>
At 31 August 2018	<b>2,391</b>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Long term leasehold property £	Furniture, fixtures and equipment £	Computer Equipment £	Total £
<b>COST</b>					
At 1 September 2018	23,871,309	5,640,376	514,194	199,417	30,225,296
Additions	1,467,633	-	34,078	949	1,502,660
Transfer from Northfield	-	2,875,622	-	-	2,875,622
At 31 August 2019	<u>25,338,942</u>	<u>8,515,998</u>	<u>548,272</u>	<u>200,366</u>	<u>34,603,578</u>
<b>DEPRECIATION</b>					
At 1 September 2018	1,538,712	173,548	401,910	176,832	2,291,002
Charge for the year	535,348	76,562	57,212	12,937	682,059
At 31 August 2019	<u>2,074,060</u>	<u>250,110</u>	<u>459,122</u>	<u>189,769</u>	<u>2,973,061</u>
<b>NET BOOK VALUE</b>					
At 31 August 2019	<u>23,264,882</u>	<u>8,265,888</u>	<u>89,150</u>	<u>10,597</u>	<u>31,630,517</u>
At 31 August 2018	<u>22,332,597</u>	<u>5,466,828</u>	<u>112,284</u>	<u>22,585</u>	<u>27,934,294</u>

Included within freehold land and buildings cost is freehold land of £5,185,590 which is not depreciated. The land value included within Leasehold is not depreciated.

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

**15. FIXED ASSET INVESTMENTS**

	Other investments
<b>Cash held on deposit</b>	
At 1 September 2018	85,763
Change in market value	572
At 31 August 2019	<u>86,335</u>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. DEBTORS**

	2019 £	2018 £
Trade debtors	13,031	35,128
Other debtors	182,844	161,331
Prepayments and accrued income	780,971	518,426
Accrued capital grants	796,399	909,631
	<u>1,773,245</u>	<u>1,624,516</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Salix loan (note 18)	16,371	5,000
Trade creditors	409,541	365,057
Other taxation and social security	318,439	289,498
Other creditors	281,292	250,553
Accruals and deferred income	450,887	402,375
	<u>1,476,530</u>	<u>1,312,483</u>

	2019 £	2018 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2018	223,098	160,041
Resources deferred during the year	297,044	223,098
Amounts released from previous years	(223,098)	(160,041)
Deferred income at 31 August 2019	<u>297,044</u>	<u>223,098</u>

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

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Salix loan	<u>94,597</u>	<u>20,000</u>

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salix loan	<b>34,113</b>	<b>-</b>

The Salix loans are repayable twice yearly, in equal instalments of £2,500, £533 and £5,153 and are all interest free.

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
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>
<b>Restricted Endowment funds</b>						
Endowment Funds - all funds	<u>127,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,586</u>
<b>Restricted general funds</b>						
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>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted fixed assets	27,936,685	94,946	(683,410)	4,283,337	-	31,631,558
Transfers on conversion from Northfield Road Primary School	-	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 of 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>

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**19. STATEMENT OF FUNDS (continued)**

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

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

Restricted fixed asset funds will be reserved against future depreciation charges. There are no unspent capital grants at the year end.

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

Transfers between funds represent capital expenditure from funds other than the restricted fixed asset fund and reclassifications of certain funds between restricted and unrestricted.

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

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2019 were allocated as follows:

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
The Earls High School	700,383	728,945
Redhill School	573,332	390,165
Ridgewood High School	300,805	235,227
Northfield Road Primary	122,664	-
Olive Hill Primary School	181,362	98,175
Foundation property/Endowment fund	127,586	127,586
Trust	163,958	96,673
<b>Total before fixed asset fund and pension reserve</b>	<b>2,170,090</b>	<b>1,676,771</b>
<b>Restricted fixed asset fund</b>	<b>32,427,956</b>	<b>29,272,288</b>
<b>Pension reserve</b>	<b>(10,621,000)</b>	<b>(6,941,000)</b>
<b>Total</b>	<b>23,977,046</b>	<b>24,008,059</b>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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 depreciat- ion £	Total 2019 £	Total 2018 £
The Earls High School	4,702,340	864,211	407,576	661,262	6,635,389	6,588,139
Redhill School	4,373,810	1,010,301	439,024	646,452	6,469,587	6,779,274
Ridgewood High School	3,071,145	659,472	253,055	407,368	4,391,040	1,417,743
Olive Hill Primary School	1,396,950	238,420	112,657	223,082	1,971,109	1,949,244
Northfield Road Primary School Trust	287,444 200,664	38,156 133,674	15,258 25,682	34,203 280,035	375,061 640,055	- 188,917
	<u>14,032,353</u>	<u>2,944,234</u>	<u>1,253,252</u>	<u>2,252,402</u>	<u>20,482,241</u>	<u>16,923,317</u>



**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
Teaching school	290,974	44,290	-	(39,463)	-	295,801
School fund	312,602	554,950	(466,383)	-	-	401,169
Other unrestricted funds	213,879	352,993	(51,250)	275,005	-	790,627
Football development centre fund	71,059	44,950	(52,160)	(2,261)	-	61,588
	<u>888,514</u>	<u>997,183</u>	<u>(569,793)</u>	<u>233,281</u>	<u>-</u>	<u>1,549,185</u>
Endowment Funds - all funds	127,586	-	-	-	-	127,586
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	14,268,041	(14,214,112)	(53,929)	-	-
Other DfE/ESFA grants	-	868,156	(868,156)	-	-	-
Other grants	-	296,590	(296,590)	-	-	-
Other restricted funds	99,582	406,090	(354,438)	(151,234)	-	-
Teaching school	-	148,992	(206,228)	57,236	-	-
Pension reserve	(5,194,000)	(2,621,000)	(414,000)	-	1,288,000	(6,941,000)
	<u>(5,094,418)</u>	<u>13,366,869</u>	<u>(16,353,524)</u>	<u>(147,927)</u>	<u>1,288,000</u>	<u>(6,941,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted fixed assets	18,197,803	-	(580,552)	10,319,434	-	27,936,685
Transfers from Olive Hill Primary School	-	3,256,648	-	(3,256,648)	-	-
Transfers in from Ridgewood High School	-	6,924,845	-	(6,924,845)	-	-
Capital grant	-	72,544	-	(72,544)	-	-
Transfers in from Ridgewood High School	74,967	-	-	(74,967)	-	-
Condition Improvement Fund Grant	-	1,411,387	-	(75,784)	-	1,335,603
	<u>18,272,770</u>	<u>11,665,424</u>	<u>(580,552)</u>	<u>(85,354)</u>	<u>-</u>	<u>29,272,288</u>
Total restricted funds	<u>13,178,352</u>	<u>25,032,293</u>	<u>(16,934,076)</u>	<u>(233,281)</u>	<u>1,288,000</u>	<u>22,331,288</u>
Total of funds	<u>14,194,452</u>	<u>26,029,476</u>	<u>(17,503,869)</u>	<u>-</u>	<u>1,288,000</u>	<u>24,008,059</u>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Intangible fixed assets	-	-	1,041	-	1,041
Tangible fixed assets	-	-	31,630,517	-	31,630,517
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)
	<u>1,996,106</u>	<u>(10,574,602)</u>	<u>32,427,956</u>	<u>127,586</u>	<u>23,977,046</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	2,391	-	2,391
Tangible fixed assets	-	-	27,934,294	-	27,934,294
Fixed asset investments	85,763	-	-	-	85,763
Current assets	1,463,422	1,332,483	1,335,603	127,586	4,259,094
Creditors due within one year	-	(1,312,483)	-	-	(1,312,483)
Creditors due in more than one year	-	(20,000)	-	-	(20,000)
Provisions for liabilities and charges	-	(6,941,000)	-	-	(6,941,000)
	<u>1,549,185</u>	<u>(6,941,000)</u>	<u>29,272,288</u>	<u>127,586</u>	<u>24,008,059</u>

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	1,414,987	8,525,607
<b>Adjustment for:</b>		
Depreciation and amortisation charges	683,409	580,552
Interest receivable	(2,382)	(1,644)
Increase in stocks	(5,425)	(1,925)
Increase in debtors	(148,729)	(1,104,250)
Increase in creditors	152,676	474,750
Capital grants from DfE and other capital income	(891,345)	(1,483,931)
Defined benefit pension scheme obligation inherited	1,564,000	2,621,000
Defined benefit pension scheme cost less contributions payable	492,000	248,000
Defined benefit pension scheme finance cost	178,000	166,000
Net assets transferred from existing and converted academies	(2,875,622)	(10,181,493)
(Decrease)/Increase in valuation of investments	(572)	(92)
Donations of local authority budget surpluses and school funds on conversion/transfer	(140,087)	(392,470)
<b>Net cash provided by/(used in) operating activities</b>	<b>420,910</b>	<b>(549,896)</b>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash at bank and in hand	2,629,421	2,591,389
<b>Total</b>	<b>2,629,421</b>	<b>2,591,389</b>

**23. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2019 Northfield Road 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 Dudley 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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - 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 incorporating Income and Expenditure Account.

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**23. CONVERSION TO AN ACADEMY TRUST (continued)**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Endowment funds £	Total funds £
Leasehold land and buildings	-	-	2,875,622	-	2,875,622
Budget surplus/(deficit) on LA funds	140,087	-	-	-	140,087
LGPS pension surplus/(deficit)	-	(1,564,000)	-	-	(1,564,000)
Net assets/(liabilities)	<u>140,087</u>	<u>(1,564,000)</u>	<u>2,875,622</u>	<u>-</u>	<u>1,451,709</u>

The above net assets include £140,087 that were transferred as cash.

**24. CONTINGENT LIABILITIES**

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**25. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 pension schemes.

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

Contributions amounting to £278,148 were payable to the schemes at 31 August 2019 (2018 - 246,172) and are included within creditors.

**Teachers' Pension Scheme**

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,488,140 (2018 - £1,220,407) and at the year-end Nil (2018 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**25. PENSION COMMITMENTS (continued)**

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £958,000 (2018 - £775,000), of which employer's contributions totalled £792,000 (2018 - £643,000) and employees' contributions totalled £166,000 (2018 - £132,000). The agreed contribution rates for future years are between 17.9 and 21.5% for employers and between 5.5 and 12.5% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.88 %	2.66 %
Rate of increase in salaries	3.69 %	3.80 %
Rate of increase for pensions in payment	2.21 %	2.30 %
Inflation assumption (CPI)	2.19 %	2.30 %

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

	2019	2018
Retiring today		
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years		
Males	22.6	24.1
Females	25.1	26.7

	At 31 August 2019 £	At 31 August 2018 £
<b>Sensitivity analysis - on pension liabilities</b>		
Discount rate +0.1%	20,660,000	15,094,000
Discount rate -0.1%	21,685,000	15,825,000
Mortality assumption - 1 year increase	21,945,000	15,959,000
Mortality assumption - 1 year decrease	20,577,000	14,968,000

**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**25. PENSION COMMITMENTS (continued)**

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	6,341,000	5,387,000
Gilts	998,000	612,000
Other bonds	398,000	314,000
Property	861,000	692,000
Cash and other liquid assets	381,000	319,000
Other	1,566,000	1,189,000
	<u>10,545,000</u>	<u>8,513,000</u>
Total market value of assets	<u>10,545,000</u>	<u>8,513,000</u>

The actual return on scheme assets was £576,000 (2018 - £79,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2019 £	2018 £
Current service cost	(1,003,000)	(889,000)
Past service cost	(277,000)	-
Interest income	239,000	176,000
Interest cost	(417,000)	(342,000)
Admin expenses	(4,000)	(2,000)
	<u>(1,462,000)</u>	<u>(1,057,000)</u>
Total	<u>(1,462,000)</u>	<u>(1,057,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2019 £	2018 £
Opening defined benefit obligation	15,454,000	10,646,000
Transferred in on academies joining the trust	2,350,000	4,919,000
Interest cost	417,000	342,000
Employee contributions	166,000	132,000
Actuarial losses/(gains)	1,783,000	(1,385,000)
Benefits paid	(284,000)	(89,000)
Past service cost	277,000	-
Current service cost	1,003,000	889,000
	<u>21,166,000</u>	<u>15,454,000</u>
Closing defined benefit obligation	<u>21,166,000</u>	<u>15,454,000</u>

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**STOUR VALE ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**25. PENSION COMMITMENTS (continued)**

Movements in the fair value of the academy's share of scheme assets:

	2019 £	2018 £
Opening fair value of scheme assets	8,513,000	5,452,000
Transferred in on academies joining the trust	786,000	2,298,000
Interest income	239,000	176,000
Actuarial (losses)/gains	337,000	(97,000)
Employer contributions	792,000	643,000
Employee contributions	166,000	132,000
Benefits paid	(284,000)	(89,000)
Administration expenses	(4,000)	(2,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	10,545,000	8,513,000
	<hr/>	<hr/>

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	36,103	41,788
Between 1 and 5 years	36,809	33,295
	<hr/>	<hr/>
Total	72,912	75,083
	<hr/>	<hr/>

**27. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the 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.

**28. 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 amounts as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.



**STOUR VALE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**29. AGENCY ARRANGEMENTS**

The academy distributes training bursaries to student teachers as an agent for the NCTL. In the accounting period ending 31 August 2019 the trust received £37,000 and disbursed £36,050 from the fund. The trust is entitled to withhold an administration charge from the grants received and this amounted to £950 during the year. There are no undistributed funds at the balance sheet date.

**30. TEACHING SCHOOL TRADING ACCOUNT**

	2019 £	2019 £	2018 £	2018 £
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
Grant income	119,024		148,992	
<b>OTHER INCOME</b>				
Fundraising and other trading activities	126,484		44,290	
	<u>          </u>		<u>          </u>	
<b>TOTAL INCOME</b>		<b>245,508</b>		<b>193,282</b>
		<u>          </u>		<u>          </u>
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	177,223		109,045	
<b>OTHER EXPENDITURE</b>				
Other staff costs	16,255		10,342	
Other support costs	72,349		69,068	
	<u>          </u>		<u>          </u>	
<b>TOTAL OTHER EXPENDITURE</b>	<b>88,604</b>		<b>79,410</b>	
	<u>          </u>		<u>          </u>	
<b>TOTAL EXPENDITURE</b>		<b>265,827</b>		<b>188,455</b>
		<u>          </u>		<u>          </u>
<b>(DEFICIT) / SURPLUS FROM ALL SOURCES</b>		<b>(20,319)</b>		<b>4,827</b>
<b>TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2018</b>		<b>295,801</b>		<b>290,974</b>
		<u>          </u>		<u>          </u>
<b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2019</b>		<b>275,482</b>		<b>295,801</b>
		<u>          </u>		<u>          </u>

