

# **Stratford upon Avon School**

Registered number: 7690776

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 August 2019**

# **STRATFORD UPON AVON SCHOOL**

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# STRATFORD UPON AVON SCHOOL

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

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<b>Members</b>	C Barton (resigned 11 December 2018) S Drummond C Faulkner (resigned 31 December 2018) T Handcock (resigned 1 July 2019) P Heath N Whan N Wallace T Irish W Mills J Price C Rivett A Scott-Lee V Hopkins (appointed 1 July 2019) P Wright (appointed 1 July 2019)
<b>Trustees</b>	C Barton (resigned 11 December 2018) S Drummond C Faulkner, staff trustee (resigned 31 December 2018) T Handcock (resigned 1 July 2019) P Heath T Irish W Mills (resigned 1 July 2019) J Price C Rivett A Scott-Lee, staff trustee N Wallace, Head Teacher & Accounting Officer N Whan S Mitchell (resigned 30 April 2019) T Paxton L Wretham G Inglis (appointed 1 July 2019) S Nicholson (appointed 1 July 2019) E Heathcote-James (appointed 1 July 2019) P Wright (resigned 25 January 2019)
<b>Company registered number</b>	7690776
<b>Company name</b>	Stratford upon Avon School
<b>Principal and registered office</b>	Alcester Road Stratford-upon Avon Warwickshire CV37 9DH

# STRATFORD UPON AVON SCHOOL

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

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### Advisers (continued)

**Company secretary** R Barton (resigned 1 November 2018)  
S Jones (appointed 1 November 2018)

### Senior leadership team

N Wallace, Head Teacher  
K Berwick, Deputy Head Teacher  
N Wood, Deputy Head Teacher  
M Brennan, Assistant Head Teacher  
K Lister, Senior Assistant Head Teacher  
C Sampson-Marr, Assistant Head Teacher  
A Hodgkinson, Assistant Head Teacher  
J Hill, Assistant Head Teacher  
P Stacey, Assistant Head Teacher  
A Mason, School Business Manager  
J McCormick, HR & Training Manager

**Independent auditors** Mazars LLP  
Chartered Accountants  
45 Church Street  
Birmingham  
B3 2RT

**Bankers** Lloyds Bank Plc  
22 Bridge Street  
Stratford upon Avon  
CV37 6AG

**Solicitors** Harrison Clark Rickerbys Ltd  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

# **STRATFORD UPON AVON SCHOOL**

## **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 period 1st 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 trust operates an academy for students aged 11 to 18 serving a catchment area in the town of Stratford upon Avon and immediate environs.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of the academy trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Stratford upon Avon School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. See note 11 for further details.

Corporate entities in which one of the trustees is a member have sought and been granted an indemnity in respect of his service as a trustee. The academy holds appropriate liability insurance in this regard.

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

Following a review of skills available on the board, appropriately qualified and experience trustees are sought through advertisement or word of mouth, and, if elected, commence their term as a non-voting member, serving on a committee, before being appointed as a trustee, following an induction and further review period.

Parent trustees may also be sought through notices on the school website, and are subject to election if the level of interest exceeds the number of positions available.

During 2018-19 movements of trustees are as noted in the Reference and Administrative Details, on page 1.

The current composition of trustees includes:

- A minimum of 2 and up to 7 parent trustees who are elected by parents of registered pupils at the academy.
- Up to 14 trustees who are appointed by the members.
- The Head Teacher.

In addition, staff trustees can be appointed by the Members provided that the number of trustees including the Head Teacher, who are employees of the academy, does not exceed the lesser of 4 in number or one third of the total number of trustees.

# **STRATFORD UPON AVON SCHOOL**

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

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Trustees are appointed for a four year period, except that the time limit does not apply to the Head Teacher. Subject to remaining eligible, a trustee can be re-appointed or re-elected. When appointing new trustees, the board will give consideration to the skills and experience mix of existing trustees in order to ensure that the group as a whole has the necessary skills to contribute fully to the academy's development.

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

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy, attend a briefing and receive an induction pack on the role and responsibilities of trustees. They are encouraged to visit the school to meet with key staff.

The academy purchases a training programme from an external provider, and, during the year, trustees were offered all necessary training, through a range of options. They included a training day one Saturday, attendance on courses, and reading material. Governors have access to a purchased advice website, and receive the local authority governor newsletter and NGA newsletters. Governors are also invited to one or more of the academy's five annual staff learning days, when the agenda is relevant, for example covering safeguarding, child protection or other issues.

Although connected more with familiarisation than training, each committee meets in school time on at least one occasion in the spring term, in lieu of the more usual evening meeting, and takes lunch in the canteen alongside students. During the course of the visit, governors are encouraged to visit other areas of the school.

### **Organisational Structure**

The board of trustees met 4 times during 2018-19.

The board establishes an overall framework for the governance of the academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports, including policies, from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There were three main, plus two subsidiary, committees during 2018-19, as follows;

- Finance Committee - meets at least six times in the year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving Internal Audit reports and drafting the annual budget including staffing levels. It has incorporated the responsibilities of an Audit Committee.
- Curriculum Committee – meets at least six times in the year to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, target setting and assessment, any examinations.
- Pastoral Committee - meets at least five times in the year to deal with all matters relating to student welfare, safeguarding, health and safety, Special Educational Needs, Inclusion, attendance and vulnerable student groups. A Health and Safety specialist Governor, who is a member of the Pastoral Committee, attends meetings of the Staff Health and Safety Committee.
- Human Resources Committee, being a subsection of the Finance Committee – meets a minimum of four times in the year to deal with all Human Resources related matters. It is a joint staff and governor committee.
- Additionally, the Appraisal Committee meets, usually annually, to manage the appraisal of the Head Teacher.

# STRATFORD UPON AVON SCHOOL

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

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The following decisions are reserved for the board of trustees; to consider any proposals for changes to the status or constitution of the academy and its committee structure, to appoint or remove the Chairman and / or Vice Chairman, to appoint the Head Teacher and Clerk to the Trustees, to approve the School Development Plan and budget.

The trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academy by the use of budgets and other data, and making major decisions about the direction of the academy, capital expenditure and staff appointments.

The trustees have devolved responsibility for day to day management of the academy to the Head Teacher and Senior Leadership Team (SLT).

The academy has a leadership structure which consists of the trustees and The Senior Leadership Team (SLT). The leadership structure aim is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the academy at an executive level, implementing the policies laid down by the trustees and reporting back to them. The Head Teacher, School Business Manager and Finance Committee are responsible for the authorisation of expenditure within agreed budgets, a summary of which is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Head Teacher is responsible for the appointment of staff, though appointment panels for senior leadership posts always include at least one governor.

The Head Teacher is the Accounting Officer.

The School Business Manager is the Chief Financial Officer.

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

The Academy's Pay Policy, applicable to all staff, broadly follows the provisions of national pay arrangements, according to the School Teachers' Pay and Conditions and the NJC scales for support staff. Exceptions have historically been made to accommodate the Living Wage as recommended by the Living Wage Foundation.

In relation to key management personnel, the Head Teacher's salary is set within the range for the appropriate sized School Group, and salary levels for Deputy Heads and the Assistant Heads are scaled appropriately with each having a 5 point range on the Leadership scale, according to job weight. The School Business Manager and HR and Training Manager are scaled appropriately on the NJC grades.

An annual pay increment is awarded in line with successful performance until the top of the point scale is reached.

None of the trustees is paid for the role as trustee

# STRATFORD UPON AVON SCHOOL

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

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### Trade Union facility time

The trust employs more than 49 full time equivalent employees and details the following information in accordance with schedule 2 of the Trade Unions (Facility Time Publication Requirements) Regulations 2017 for the period 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

#### Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
3	140.49

#### Percentage of Time spent on Facility Time

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

#### Percentage of Paybill spent on Facility Time

Total cost of facility time	£0
Total Pay bill	£5,849,806.50
Percentage of total paybill spent on facility time	0.0000%

#### Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	Not applicable
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#### Related Parties and other Connected Charities and Organisations

The academy has strong although informal collaborative links with feeder primary schools, including a contract for provision of ICT services, and with the local Shires Teaching School Alliance. The academy is a member of the South Warwickshire Education Partnership (SWEP), sharing practice and development opportunities in the spheres of strategy, resources and curriculum. The academy has a usage agreement for the athletics track, to allow specific usage by the neighbouring Stratford upon Avon Grammar School for Girls, and has agreements in place with Sports Clubs that use the site and facilities, including the local Athletics Club who share use of a sports pavilion on site. In all cases, the building and sports surfaces are managed by the academy.

There are no sponsors or formal Parent Teacher Associations associated with the academy.



# **STRATFORD UPON AVON SCHOOL**

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

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### **Objectives and Activities**

#### **Core Purpose**

The Core Purpose is to prepare young people to play an active role in society by providing them with the skills, attributes and qualifications to flourish in the future.

#### **Values**

We hold these truths to be self-evident; that everyone is entitled to feel safe, happy and successful. We like and care for young people. We have a growth mindset and believe that everyone can improve through hard work if they are engaged, enthused and inspired. We believe in comprehensive values and a student-centred approach. We work better and are more productive when we feel good about ourselves and trust each other.

#### **Objects and Aims**

##### Objects

Advance for public benefit in the United Kingdom by establishing, maintaining and carrying on a school offering a broad and balanced curriculum; and

Promoting for the benefit of the inhabitants of Stratford Upon Avon and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities.

##### Aims

Over the next five years we will:

- Engage, Enthuse and Inspire our students so that they Learn, Contribute and Lead
- Improve achievement and raise standards so that the school adds value to students based on their prior attainment
- Celebrate comprehensive values and a student-centred approach, within an equitable and inclusive school.
- Become one of the best schools in the country, characterised by our creative and innovative practice

We will know that we have achieved this because we will:

- Develop students who are proud of their achievements and their school
- Achieve value added results that place us in the top 25% of schools nationally
- Meet the needs of our local community
- Be an influential regional voice and determined to keep improving

#### **Objectives, Strategies and Activities**

Strategic Priorities emerging from our Vision

##### Leadership and Management

- Develop leadership and management at all levels
- Develop collaborative and more formal links with other schools and organisations, especially local primaries (to ensure more effective all-through educational provision)

##### Teaching, Learning and Assessment

- Develop a creative and innovative approach to learning and teaching which helps engage, enthuse and inspire students
- Develop transferable skills so they are evident in different areas of learning

##### Personal development, behaviour and welfare

- Develop and enhance a positive learning community
- Maximise opportunities for home-school liaison

# STRATFORD UPON AVON SCHOOL

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

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### Outcomes

- Ensure that monitoring student progress is an integral part of what we do in every year group and at all levels
- Improve the (opportunities for and) performance of our most disadvantaged students

### Resources and Environment

- Continue to create an environment for learning that is exceptionally attractive, motivating and fit for purpose, utilising new technologies in and out of school
- Manage finance/resources and embed growth and change in a measured, planned way that promotes sustainability.

### **Public Benefit**

The academy trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

### **Strategic Report**

#### **Achievements and Performance**

##### Develop leadership and management at all levels

Leadership and management are strong at all levels. All Senior and Middle Leaders completed Healthcheck documents for their respective areas with a common evidential framework to ensure that all subject leaders are rigorous in quality assuring the highest expectations of their colleagues. These Healthchecks have been an effective tool developing Middle Leaders and they are now being redesigned in light of the new Ofsted framework. Three new Lead Practitioner roles were created to lead on curriculum development going forwards.

Senior and Middle Leader meetings contain a mixture of developmental & operational foci to develop leadership and management at all levels. Two Middle Leaders completed the PIXL Engagement Leadership programme. Middle Leaders are in a good place with a considerable amount of autonomy enabling them to respond appropriately to the demands of the new Ofsted framework.

##### Develop collaborative and more formal links with other schools and organisations, especially local primaries

The academy has continued to work with a wide range of partner schools to improve the educational opportunities for students in the wider community. The academy has continued to play an active role as part of The Shires Teaching School Alliance with two Senior Staff part-delivering the 'NPQSL and NPQML courses. Three staff completed their NPQSL qualification. Three of our Specialist Leaders in Education were deployed supporting North Bromsgrove High School, whilst the rest were deployed internally. The academy benefitted from a review of Economics conducted by another local school.

The academy hosted the local primary SENCO network and the Headteacher became Vice Chair of the STARS Primary Cluster.

##### Develop a creative and innovative approach to learning and teaching which helps engage, enthuse and inspire students

The quality of learning and teaching was consistently good. Internal monitoring showed that the quality of work in students books was the best to date. Work sampling took place on an individual level with critical-friend relationships established within Humanities, Maths, English and Science. In light of staff feedback and the new Ofsted framework, the academy changed the expectations regarding marking and has been developing a model of whole class feedback in numerous subjects. The implementation of Whole Class Feedback within Humanities, English, P.E, Psychology and Sociology was well received. No staff were subject to capability procedures.

# STRATFORD UPON AVON SCHOOL

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

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### Develop transferable skills so they are evident in different areas of learning

This was a relatively lower area of priority, the introduction of visualisers being the key development in helping to showcase examples of student work during lessons. PEEL paragraphs were strongly evident within P.E, English, Psychology and Sociology, Geography and Humanities. Two groups of students in Years 7 and 8 utilised SSIF Reading strategies, in additional Literacy lessons instead of studying MFL.

### Develop and enhance a positive climate for learning

This was a very successful year in terms of student behaviour. The introduction of a new Attendance Support Room with effect from September 2018 had a positive impact on the smooth running of the academy, leading to an increase in attendance, a reduction in lates and more effective responses to pastoral and behavioural concerns on a daily basis. Changes to the timings of the school day, with lessons beginning straightaway in the morning, had a positive impact. Another effective change was the movement of tutor period to the end of the day which enabled tutors to keep behind students who had behaved poorly during lessons that day. These changes had a very positive impact on the climate for learning as reflected in a range of statistical indicators. There were no permanent exclusions and the number of fixed term exclusions was reduced from 80 to 62. The average number of positives being issued increased from 3.88 to 5.02 per student per week. Significant improvement in behaviour around school were reflected by the best-ever parental feedback with 90.3% of parents believing the school makes sure pupils behave well (up from 85.2%), with 7.8% disagreeing (down from 13.2%).

An Inclusion restructure was undertaken and LEAP, a full time, internally based Key Stage 4 alternative provision became operational in the Athletics Pavilion. The Inclusion and Achievement Centre (IAC) was relocated within the main school.

### Maximise opportunities for home-school liaison

Evidence of increased parental satisfaction with the school was published on the website following surveys at every parents evening, with all categories showing an improvement from the previous year. Attendance at Parents Evenings (especially disadvantaged parents) set new records during 2018-19 due to the considerable efforts made by Form Tutors, College and Progress Leaders to engage with parents, particularly those who had not attended previously. Attendance at those Parents Evenings increased to 82.0% (up from 79.2%); PP attendance increased to 71.4% (up from 66.3%). A SEND parental termly bulletin was introduced.

Meanwhile, whole school student attendance increased to 93.51% (up from 92.85%) over the full 39 weeks of the academic year. Attendance of Pupil Premium students showed an even greater increase at 90.14% (up from 88.71%). However, our Pupil Premium population contained a disproportionate number of students for whom regular attendance was not possible, including some Gipsy Romany Traveller (GRT) students and a number looked after by the Warwickshire Ill Health Team. Shadow data removing those students (less than 1% of the whole student population) resulted in Pupil Premium attendance for the same period moving to 92%. Punctuality also improved significantly, averaging 0.18 lates per student per week (down from 0.35).

### Ensure that monitoring student progress is an integral part of what we do in every year group and at all levels

Examination results were consistently good across the board. Our Year 11 cohort were national average in terms of prior attainment, but key headline measures consistently exceeded national averages according to the provisional, unvalidated data in the DfE performance tables. 45.5% achieved grade 5+ in English and Maths (43.0% national); Attainment 8 score of 46.7 (46.5 national); EBacc entry 48.9% (40.0% national); EBacc average points score 4.09 (4.06 national); 96% staying in education or employment (94% nationally).

According to the provisional, unvalidated data in the DfE performance tables, the academy had a headline P8 score of -0.18 which falls within the 'below average' category. However, we believe that this figure gives a misleading and inaccurate picture regarding our performance last summer. The figure is based on an incomplete data set and does not include numerous grades that were increased in several subjects following a successful review of marking by the different examination boards. These grades will be incorporated when the validated results are published sometime early in 2020. We anticipate that our Progress 8 will then be readjusted and fall within the 'Average' category. Nevertheless, the 2019 results were heavily impacted by a small proportion of students, both as a whole school and within the disadvantaged group, who did not attend the school fully for a variety of reasons. Each one has a case study that details the support offered by the school.

# STRATFORD UPON AVON SCHOOL

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

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A Level results reflect another solid achievement. A more rigorous approach to sixth form supervised private study was introduced with additional periods in the Independent Study Centre. Our Year 13 cohort were below national average in terms of prior attainment. However, outcomes show good progress being made by students. Level 3 Value Added scores were +0.06 for A Level; +0.06 for Academic; +0.28 for Applied General. This contributed to an ALPS 5 ranking (top 50% of schools).

### Improve the (opportunities for and) performance of our most disadvantaged students

Disadvantaged students performed broadly in line with their peers nationally on headline measures. The following results are compared against shadow data which removes 6 disadvantaged students who were not educated at the academy who were not educated at Stratford throughout Years 10 and 11 because they were either late admissions, school refusers or under the care of the Flexible Learning Team due to ill health; the national data in 2018 was provided by the Department for Education in response to a Freedom of Information request.

26.2% achieved grade 5+ in English and Maths (31.4% shadow data; 24.9% national in 2018);

Attainment 8 score of 34.4 (39.3 shadow data; 36.6 national in 2018);

EBacc average points score 2.89 (3.22 shadow data; national in 2018 not available);

Progress 8 -0.92 (-0.47 shadow data; -0.44 national in 2018).

The vast majority of our disadvantaged students performed well. However, the performance of disadvantaged students remains an ongoing area of focus as there is still a sizeable gap. Disadvantaged students in Year 7-10 present a more positive picture with Progress Leaders having a positive impact on the monitoring of student progress across year groups. Individuals were targeted for mentoring and other interventions in every year group.

### Continue to create an environment for learning that is exceptionally attractive, motivating and fit for purpose, utilising new technologies in and out of school

The environment for learning continues to be one that is attractive, motivating and fit for purpose. A new audio-visual system & projectors were installed in the Hall and tiered seating was ordered for 2019-20. Vision panels were fitted on the external doors to student toilets to deter vandalism. The Independent Study Centre, English & Technology had replacement posture chairs. Gates and additional fencing were fitted to the playing fields to improve security and control access. Internet connectivity was upgraded to 1Gbit and all of the edge switches were replaced as part of ICT strategy. A new telephone system was also introduced over the summer. The academy also invested in laptops for all teachers.

### Manage finance / resources and embed growth and change in a measured, planned way that promotes sustainability

The academy manages finance/resources in a measured, planned way that promotes sustainability. Curriculum planning was rigorous and was based on viable group sizes. The number of teaching periods per A Level in the Sixth Form was reduced from 11 to 10 in September 2020 with additional supervised private study in order to maintain high levels of student achievement.

Nevertheless, student recruitment and retention was strong with a net in-year gain in student numbers for years 7-11. September 2020 also saw a record intake of 296 students into Year 7 pushing the number on roll over 1500 for the first time ever.

The school is in a very healthy position financially with a slight operational surplus of income over expenditure and approximately £1m reserves. This can help support targeted development of the facilities, planned maintenance priorities and leverage additional funding through a strategy of a contribution of reserves to specific projects. Maintaining a surplus carry forward in the medium term will act as a contingency which allows time to take appropriate decisions and adapt to any risks associated with any possible reduction in student numbers, reductions in income associated with the national funding rates and any further rise to employer pension contributions. These intangibles can rapidly have a drastic impact on the balance sheet.

We are aware that the uncertainty currently surrounding Brexit would potentially impact our operations, service users and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

# **STRATFORD UPON AVON SCHOOL**

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

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Key financial performance indicators include:

Monthly management accounts (actual vs budget), including analysis of material variances and balance sheet, reserves and cash flow information.

Performance reports of activities for generating funds (catering and lettings).

Periodic full year forecast management accounts, including analysis of material variances.

GAG carry forward to following year, both absolute and percentage (£344,000 and 5% respectively).

Staff absence through sickness (2.88%) (17/18 4.13%).

### **Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial Review**

Most of the academy'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 year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for capital expenditure from the ESFA. In accordance with the Charities SORP, such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund. The restricted fixed assets fund balance is then reduced by annual depreciation charges over the expected useful life of the assets concerned.

The academy continues to review the use of its finances and provisions for financial risks associated with funding levels and renewal of capital assets. The change in the timings of the day, to reduce the length of the lunch break, move it later in the day, and move tutor time from the beginning to the end of the day was introduced successfully with levels of catering income maintained with a higher intake of pupils.

The school is in a very healthy position financially.

The academy generated an overall surplus of £228,691 after pension costs of £300k, capital spending of £201k and capital receipts of £132k. The difference in capital is covered by the transfer of reserves.

Cash balances at year end are £1,291,189 and the current net assets are £1,162,774, and this was aided by additional revenue and capital income receipts in the year.

Cost pressures associated with the teachers pay award in September 2018 remain challenging but the extra cost associated with this year's pay award was supported through the additional teachers pay grant receipts totalling £63k.

A supplementary grant of £14.9k was received for free school meals provision.

The academy generates additional income from its other regular activities, notably lettings and associated sporting and holiday uses, largely by members of the community. In the year, this amounted to £179,609. After allowing for all direct staffing costs, unreclaimable VAT and overhead allocation this resulted in a direct contribution of £98,488 towards the unrestricted reserves to support the upkeep of facilities and contribute towards the educational provision of the academy in this financial year.

Catering performed above expectation following the restructure of the school day and a higher intake of pupils into year 7. It increased its sales from £422k to £471k (11.6%) including an additional £13k to provide free school meals support. The catering performance allowed for some replacement of kitchen equipment and

# **STRATFORD UPON AVON SCHOOL**

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

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contributed £2k towards the school reserves.

The academy is also pleased to acknowledge the generous and welcome ongoing financial support provided by the Stratford Town Trust, which provides funds for qualifying activity, including hardship support, to be used at the Academy's discretion. This has helped us to support many students access music lessons, the young apprentice award and support other opportunities when required.

£30.8k of the anticipated Section 106 funding from new housing developments in the area, relating to toilet improvements in 16/17 has now been received. Other allocated funds are deferred, and are expected to become payable in subsequent years as receipts are received by Warwickshire County Council.

Overhead costs were well controlled within budget with lower repair and maintenance, utility and photocopier lease costs associated with a new fixed 4 year gas contract and an improved 45 month copier contract.

Staff costs represent the most significant cost to the School but were well controlled during the year with recruitment, absence and agency cover costs all lower as absence rates decreased and retention of staff was at its best level for many years.

Unfunded cost pressures continue to impact upon the resources available to the school.

With effect from April 2016 an increase in Employers NI rate (from 10.4% to 13.8%) representing an extra cost of approximately £80,000 per annum;

With effect from 1st April 2019 the second year of the 2 year pay agreement budgeted to be 1% per annum. This includes annual cost of living pay increase for NJC support staff at between 3.0%-7.3% (scp4- 28 year 2) and 2% for all staff representing an extra cost of approximately £40,000 in 18/19;

The extra cost of the teachers pay award for both September 2018 and September 2019 are fully covered by a teachers pay grant for the next 2 years but there is risk that the legacy cost of these pay awards may not be fully funded by future funding grants specifically for this liability.

The introduction of the Apprenticeship levy in April 2017 @ 0.5% of salary bill (excludes on-costs) over £3M, which cost £8,020 p a (2018-2019).

During the year ended 31 August 2019, total expenditure of £7,498,671 (excluding Depreciation of £716,579 and FRS17 Pensions of £300,000) was covered by recurrent grant funding from the ESFA together with other incoming resources. This resulted in a surplus of income over expenditure for the year (excluding Depreciation and FRS17 Pensions) of £430,514, of which a surplus of £124,164 has been generated from unrestricted activities.

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 academy 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. The next revaluation and assessment of contribution rates for the TPS have been published from the Government. The current employer contribution rate of 16.4% will rise significantly to 23.6% for the period 1 September 2019 to 31 March 2023. There will be funding from the DfE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Recent announcements indicate the teachers pension grant will be paid until 2021/2022.

It is forecast that the increase in contributions for the school would be £240,000 per annum which will be fully funded in 2019/2020 and 2020/2021. If not fully funded by additional resources from Government in future years this would have a significant impact upon the level of school reserves and future cashflow plus implication for maintaining an adequate level of funding as prescribed in the reserves policy.

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

# **STRATFORD UPON AVON SCHOOL**

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

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an actuarial basis.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the academy is recognising a significant pension fund deficit of £3,650,000 at the end of August 2019 and an actuarial loss of £1,066,000 for the year. This does not mean this is an immediate liability, for this amount creates such a deficit that results in a cash flow effect in the form of increased employer contributions spread over a number of years. The academy is currently making total secondary rate lump sum payments of £22,000, £38,000 and £55,000 (16/17, 17/18 & 18/19 respectively) per annum towards the deficit. The LGPS pension is due a review to be implemented in April 2020. Any significant increase in the primary and secondary rates payable will require additional funding from the reserves unless there is an equivalent level of increased funding from the Government in the 20/21 budget spending review. The recognition of this deficit has no direct impact on the free reserves of the academy.

At 31 August 2019 the net book value of intangible and tangible fixed assets were £25,862,771. Movements in intangible fixed assets are shown in note 12 of the financial statements and tangible fixed assets note 13. The assets were used exclusively for providing education and the associated support services to the students of the academy.

A programme of refurbishment and environmental improvements was continued in 2018-19, replacing computers and switches, replacing the phone system, providing laptops, installing gating to the sports fields, installing large screen projection in both sides of the dining hall and investing in LED lighting to stairwells and the larger hall areas of the school. This will remain a recurring priority in future years, along with improvement to theatre and performance seating, replacement of student chairs, and ICT main server replacement.

Capital expenditure of £197.7k was funded using £28.2k DFC funding, £73.0k additional DFC, £30.8k S106 contribution receipt and £69,803.90 transferred from reserves.

There is no capital surplus relating to unspent devolved formula capital allocation 18/19 to be carried forward into the 19/20 budget forecast. Capital reserve at the year end is zero.

The capital commitment for the tiered seating has been moved into 2019-2020.

During the year historic assets received on transfer to a trust totalling £120,509.42 have been written off. Most were fully depreciated.

Whilst the Academy has a sound financial basis and has a reasonable level of reserve, it sits within a local authority area which is not amongst the more generously funded. The Academy noted details of the national funding adjustments with interest, and while broadly welcoming the resolution to provide a minimum AWPU per student, of £4,800 and recent government announcements indicating an uplift in both AWPU and post-16 funding for 2020/2021.

### **Reserves Policy**

The trustees review the cash reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of cash reserves. The trustees have determined that the appropriate level of free cash reserves should be equivalent to one month's gross salary expenditure, which for the purposes of this year's report is in the region of £600,000, and the academy does hold a free reserve at this level. The rationale for this value is to provide for unforeseen events and to ensure commitments can be made in the event of a late income payment from the ESFA.

The academy's current level of free reserves (total funds less fixed assets and restricted funds) is £783,033. The value of restricted reserves is £22,592,572.

### **Investment Policy**

The academy 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 academy does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

# **STRATFORD UPON AVON SCHOOL**

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

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Nevertheless, the trustees' policy is to invest any surplus funds in low risk short to medium term bank deposits using the products available with our bankers, Lloyds.

### **Principal Risks and Uncertainties**

The academy has implemented a risk management policy and created a risk register and risk review process. The trustees have assessed the major risks to which the academy is exposed, in particular those relating to management of student recruitment and attainment, provision of facilities and other operational areas, its finances in the context of the national funding position and reductions in post-16 funding, and local competition for places, including the potential for expansion of grammar school places.

The trustees have implemented a system to assess risks that the academy faces. They have introduced systems in order to minimise risk, including operational procedures (e.g. vetting of new staff and visitors, ICT back-up systems and testing) and internal financial controls. Where significant financial risk still remains, the trustees have ensured there is adequate insurance cover.

The formal risk management process assesses business risks and implements risk management strategies. This process involves identifying the types of risk the academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. The analysis has been extended in the past year to include a further factor, namely the likelihood of being able to foresee the risk. The Risk Register is maintained and reviewed on a regular basis, and scores updated if appropriate once control measures are fully in place.

The following general controls are in place.

- Terms of reference for all board of trustees and delegated committees under the direction of the board of trustees;
- Business and Pecuniary interests of trustees 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

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### **Fundraising**

Trustees and senior staff are mindful of the provisions of the Charities (Protection and Social Investment) Act 2016.

Grants have been applied for and received, as described in the Financial Review.

Donations are welcomed from parents and other friends of the school, although are not currently actively sought. Where applicable, donations are Gift Aided. Care is taken to protect privacy under the prevailing Data Protection regulation.

There have been no complaints about fundraising during the period covered.



# STRATFORD UPON AVON SCHOOL

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

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### Plans for Future Periods

The focus of the School Development Plan for 2019-20 is as follows:

#### A. ESTABLISH THE CONDITIONS

- Strengthen effective behaviour routines: Implement revised lesson grading 1-5.
- Deepen positive relationships: Emphasise "Preferred Practices" of behaviour management
- Shaping the future: Early closure half termly for curriculum development

#### B. DEVELOP THE CURRICULUM AND BUILD KNOWLEDGE

- Curriculum intent: Clear rationale between the design and sequence of the curriculum.
- Teach explicit strategies for the retention of knowledge
- Make reading explicit within curriculum, including reciprocal reading
- Ensure cultural capital is mapped, taught & visible throughout the school
- Departmental action plans to be in place supported by SLT links, leading to improved provision and better outcomes.

The immediate priority is to develop the curriculum and build student knowledge in light of the new Ofsted framework. In doing so, the academy will continue to strive to provide high quality education and improve still further the levels of performance of its students at all levels, particularly disadvantaged students.

The academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Strategic planning will focus on liaising with the local authority in order to plan for the provision of additional places. As the academy is the only non-selective school in Stratford town the number on roll is expected to increase in the next couple of years as larger primary cohorts move through into secondary. There are also some large housing developments with permission still to build out. The local authority are projecting that an additional two forms of entry will be required increasing our published admission number to 350.

The school will prioritise spending on appropriate staffing, on any necessary capital investment in order to extend provision, and on development of the curriculum. Our financial planning allows for the utilisation of the Reserves, built up over a period of time, as capital developments are realised.

### Funds Held as Custodian Trustee on Behalf of Others

The academy and its trustees do not act as the Custodian Trustees of any other Charity.

### Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report incorporating a strategic report, approved by order of the Trustees, as the company directors, on the 9th December 2019, and signed on the board's behalf by:



Jane Price  
Chair of Trustees

# STRATFORD UPON AVON SCHOOL

## GOVERNANCE STATEMENT

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### SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Stratford upon Avon School 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 Head Teacher, 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 Stratford upon Avon School 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 4 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
C Barton	0	0
S Drummond	4	4
C Faulkner, staff trustee	2	2
T Handcock	3	3
P Heath	4	4
T Irish	2	4
W Mills	2	4
J Price	4	4
C Rivett	3	4
A Scott-Lee, staff trustee	4	4
N Wallace, Head Teacher & Accounting Officer	4	4
N Whan	4	4
S Mitchell	2	2
T Paxton	0	4
L Wretham	1	4
G Inglis	2	3
S Nicholson	1	3
E Heathcote-James	3	4
P Wright	0	2

Note: For those appointed as Trustees during the course of 2018-19, but having previously joined the board as a committee member, their attendance at meetings as a committee member / observer is included in the totals shown.

### Governance Review

During 2018-2019 a review of the governance arrangements for 2019-2020 took place. The main aim was to reduce the size of the Board, separate the academy members from the Board of Directors and ensure the Trustees have the appropriate skill set for strategic management of the academy and these are reflected within the members.

The Finance Committee is a sub-committee of the main board of trustees and includes committee members in addition to trustees. Its purpose is to secure the financial position of the academy, and ensure compliance and propriety in the planned and actual use of funds. Audit matters are covered by the Finance Committee.

# STRATFORD UPON AVON SCHOOL

## GOVERNANCE STATEMENT (continued)

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Barton	0	0
P Heath	6	6
W Mills	3	6
J Price	4	6
N Wallace	5	6
S Mitchell	2	2
T Handcock	6	6
G Inglis	3	5
E Heathcote-James	3	4

Note: For those appointed as Trustees during the course of 2018-19, but having previously attended the meeting as an observer, their attendance at meetings as an observer is included in the totals shown.

### REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the academy'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 academy has delivered improved value for money during the year by:

1. Making use of an interactive deployment planning tool, to ensure recruitment only where we can evidence the need. This is supported by a justification being made for every post, prior to recruitment. This is an open and transparent system.
2. Provision of ICT services to a local primary school, providing value for money to that school, and a valuable income stream to the academy.
3. Making maximum use of external grants and funding streams to expand and enhance our provision, including Careers Advice and Guidance, and renewal of the all weather pitch surface and refurbishment of the all weather athletics track.
4. Continuing work with other local academies into shared procurement and using joint benchmarking to drive costs down.
5. Making use of the published DfE spending breakdowns to benchmark the academy spend.
6. Making use of brokerage and crown commercial services frameworks to reduce operational costs.

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Stratford upon Avon School 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 academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy'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.

# STRATFORD UPON AVON SCHOOL

## GOVERNANCE STATEMENT (continued)

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### THE RISK AND CONTROL FRAMEWORK

The academy'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 finance committee 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 continued in 2018-19 to purchase an external independent internal audit service for two visits, one during January, the other during May.

The decision has been taken by the trustees to continue to purchase the external service for two visits during 2019-20.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- cash management
- governance and committee terms of reference
- budget setting and control processes
- risk register
- finance regulations manual

On a periodic basis, the auditor reports to the Board of trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of trustees' financial responsibilities.

### REVIEW OF EFFECTIVENESS

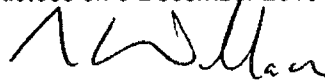
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy 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 9 December 2019 and signed on their behalf, by:

  
Jane Price  
Chair of Trustees

  
Neil Wallace  
Accounting Officer

# **STRATFORD UPON AVON SCHOOL**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Stratford upon Avon School 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 2018.

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 2018.

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.



**Neil Wallace**  
**Accounting Officer**

Date: 09/12/2019

# **STRATFORD UPON AVON SCHOOL**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 9 December 2019 and signed on its behalf by:



**Jane Price**  
Chair of Trustees

# **STRATFORD UPON AVON SCHOOL**

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STRATFORD UPON AVON SCHOOL**

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### **OPINION**

We have audited the financial statements of Stratford Upon Avon School ("the 'Academy Trust'") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs 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 Academies Accounts Direction 2018 to 2019.

### **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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

### **THE IMPACT OF UNCERTAINTIES DUE TO THE UNITED KINGDOM EXITING THE EUROPEAN UNION ON OUR AUDIT**

The Trustees' view on the impact of Brexit is disclosed on page 10.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy.

We considered the impact of Brexit on the Academy Trust as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Academy Trust's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Academy Trust and this is particularly the case in relation to Brexit.

### **CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of

# **STRATFORD UPON AVON SCHOOL**

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STRATFORD UPON AVON SCHOOL**

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

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

We have nothing to report in this regard.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report including the incorporated Strategic Report has 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 including the Strategic report.

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

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

### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement set out on page 20, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



# STRATFORD UPON AVON SCHOOL

## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STRATFORD UPON AVON SCHOOL

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concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF 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 THE AUDIT REPORT

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



David Hoose (Senior statutory auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

45 Church Street  
Birmingham  
B3 2RT

12/12/19

# **STRATFORD UPON AVON SCHOOL**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO STRATFORD UPON AVON SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 October 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 Stratford upon Avon School 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 Stratford upon Avon School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stratford upon Avon School 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 Stratford upon Avon School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF STRATFORD UPON AVON SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Stratford upon Avon School's funding agreement with the Secretary of State for Education dated 21 March 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 academy's income and expenditure.

# STRATFORD UPON AVON SCHOOL

## INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO STRATFORD UPON AVON SCHOOL AND THE EDUCATION 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.

*Mazars LLP*

### Mazars LLP

Chartered Accountants  
Statutory Auditor

45 Church Street  
Birmingham  
B3 2RT

*12/12/19*

# STRATFORD UPON AVON SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	4	37	132	173	215
Charitable activities	3	645	6,862	-	7,507	7,389
Other trading activities	4	54	191	-	245	297
Investments	5	4	-	-	4	3
<b>TOTAL INCOME</b>		<b>707</b>	<b>7,090</b>	<b>132</b>	<b>7,929</b>	<b>7,904</b>
<b>EXPENDITURE ON:</b>						
Raising funds		5	160	-	165	227
Charitable activities		578	7,055	717	8,350	8,808
<b>TOTAL EXPENDITURE</b>	<b>6</b>	<b>583</b>	<b>7,215</b>	<b>717</b>	<b>8,515</b>	<b>9,035</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	124	(125)	(585)	(586)	(1,131)
		-	(70)	70	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		124	(195)	(515)	(586)	(1,131)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(1,066)	-	(1,066)	668
<b>NET MOVEMENT IN FUNDS</b>		<b>124</b>	<b>(1,261)</b>	<b>(515)</b>	<b>(1,652)</b>	<b>(463)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		659	(2,009)	26,378	25,028	25,491
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>783</b>	<b>(3,270)</b>	<b>25,863</b>	<b>23,376</b>	<b>25,028</b>

**STRATFORD UPON AVON SCHOOL**

Registered number: 7690776

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

	Note	£000	2019 £000	£000	2018 £000
<b>FIXED ASSETS</b>					
Intangible assets	12		4		2
Tangible assets	13		25,859		26,376
			<u>25,863</u>		<u>26,378</u>
<b>CURRENT ASSETS</b>					
Stock	14	7		6	
Debtors	15	252		219	
Cash at bank and in hand		1,291		1,058	
		<u>1,550</u>		<u>1,283</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(387)		(349)	
<b>NET CURRENT ASSETS</b>			<u>1,163</u>		<u>934</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>27,026</u>		<u>27,312</u>
Defined benefit pension scheme liability	21		(3,650)		(2,284)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,376</u></u>		<u><u>25,028</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	380		275	
Restricted fixed asset funds	17	25,863		26,378	
		<u>26,243</u>		<u>26,653</u>	
Restricted income funds excluding pension liability					
Pension reserve		(3,650)		(2,284)	
		<u>22,593</u>		<u>24,369</u>	
Total restricted income funds			22,593		24,369
Unrestricted income funds	17		783		659
<b>TOTAL FUNDS</b>			<u><u>23,376</u></u>		<u><u>25,028</u></u>

The financial statements on pages 26 to 50 were approved by the Trustees, and authorised for issue, on 9 December 2019 and are signed on their behalf, by:



**J Price**  
Chair of Trustees

# STRATFORD UPON AVON SCHOOL

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

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	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	298	(222)
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		4	3
Purchase of tangible and intangible fixed assets		(201)	(67)
Capital grants from DfE Group		132	29
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(65)	(35)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		233	(257)
Cash and cash equivalents brought forward		1,058	1,315
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>	20	1,291	1,058
		<hr/>	<hr/>

# **STRATFORD UPON AVON SCHOOL**

## **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.

#### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company 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.

# STRATFORD UPON AVON SCHOOL

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

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### 1. ACCOUNTING POLICIES (continued)

#### 1.3 Income

All income is recognised once the academy 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 incorporating income and expenditure account 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 incorporating income and expenditure account 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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, 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.

Certain types of income are shown in the Statement of Financial Activities incorporating income and expenditure account net of expenditure as follows:



# STRATFORD UPON AVON SCHOOL

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

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### 1. ACCOUNTING POLICIES (continued)

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

When 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.

The assets and liabilities transferred on conversion from Stratford upon Avon High School to an academy trust are valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay on the open market for an equivalent item at the date of conversion. Their fair value is in accordance with the accounting policies set out for Stratford upon Avon School. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in donations and capital grants income as a gift / net expenditure in other expenditure in the Statement of Financial Activities in a prior period and analysed under unrestricted, restricted general and restricted fixed assets funds.

#### **1.4 Expenditure**

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

#### Expenditure on raising funds

#### Charitable activities

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 academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

# STRATFORD UPON AVON SCHOOL

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

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### 1. ACCOUNTING POLICIES (continued)

#### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £2,500 or more 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.

Intangible assets will be amortised over their useful economic life.

#### 1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 and portable electronics over £500 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land and buildings -	2% straight line
Fixtures, fittings and equipment -	10% straight line
Computer equipment -	25% 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 incorporating income and expenditure account.

#### 1.7 Stocks

Catering stocks are valued at the lower of cost or net realisable value.

#### 1.8 Debtors

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

#### 1.9 Cash at Bank and in hand

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

# STRATFORD UPON AVON SCHOOL

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

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### 1. ACCOUNTING POLICIES (continued)

#### 1.10 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.

#### 1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

#### 1.12 Taxation

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

# STRATFORD UPON AVON SCHOOL

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

---

### 1. ACCOUNTING POLICIES (continued)

#### 1.13 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 academy 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 21, 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.

#### 1.14 Fund accounting

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

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.

# STRATFORD UPON AVON SCHOOL

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

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### 1. ACCOUNTING POLICIES (continued)

#### 1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Critical areas of judgment:

Pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

Leasing

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Academy Trust as lessee.

# STRATFORD UPON AVON SCHOOL

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

### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	4	37	-	41	186
Capital grants	-	-	132	132	29
	<u>4</u>	<u>37</u>	<u>132</u>	<u>173</u>	<u>215</u>
<b>Total 2018</b>	<u>2</u>	<u>184</u>	<u>29</u>	<u>215</u>	

### 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational Operations	465	6,862	7,327	7,239
Hire of facilities	180	-	180	150
	<u>645</u>	<u>6,862</u>	<u>7,507</u>	<u>7,389</u>
<b>Total 2018</b>	<u>565</u>	<u>6,824</u>	<u>7,389</u>	

### FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant	-	6,493	6,493	6,479
Other DfE/ESFA grants	-	290	290	269
Local authority grants	-	79	79	75
Other income from the academy trust	465	-	465	416
	<u>465</u>	<u>6,862</u>	<u>7,327</u>	<u>7,239</u>
<b>Total 2018</b>	<u>414</u>	<u>6,824</u>	<u>7,238</u>	

# STRATFORD UPON AVON SCHOOL

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

### 4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
External catering	6	-	6	7
School trips	-	164	164	214
Sundry income	48	27	75	76
	<u>54</u>	<u>191</u>	<u>245</u>	<u>297</u>
<b>Total 2018</b>	<u>54</u>	<u>243</u>	<u>297</u>	

School trip income has been recognised as trading activity income during the current period as per ESFA guidance.

### 5. INVESTMENT INCOME

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Short term deposits	4	-	4	3
	<u>3</u>	<u>-</u>	<u>3</u>	
<b>Total 2018</b>	<u>3</u>	<u>-</u>	<u>3</u>	

### 6. EXPENDITURE

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Educational Operations:					
Direct costs	4,735	717	491	5,943	6,154
Support costs (note 7)	1,297	397	627	2,321	2,480
Hire of facilities :					
Support costs (note 7)	37	44	5	86	174
Expenditure on Raising Funds:					
Direct costs	-	-	160	160	222
Support costs	3	-	2	5	5
	<u>6,072</u>	<u>1,158</u>	<u>1,285</u>	<u>8,515</u>	<u>9,035</u>
<b>Total 2018</b>	<u>6,227</u>	<u>1,446</u>	<u>1,362</u>	<u>9,035</u>	

School trips have been recognised as a trading activity during the current period and so expenditure is now recognised in expenditure on raising funds.

# STRATFORD UPON AVON SCHOOL

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

### 7. ANALYSIS OF SUPPORT COSTS

	Educational Operations £000	Hire of Facilities £000	Total 2019 £000	Total 2018 £000
Technology costs	16	-	16	18
Premises costs	397	44	441	754
Other support costs	591	5	596	563
Governance costs	25	-	25	23
Support staff costs	1,292	37	1,329	1,296
	<u>2,321</u>	<u>86</u>	<u>2,407</u>	<u>2,654</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs include staff costs, auditors remuneration, HR and legal professional services, health and safety advice, support and training of Trustees.

### 8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets:		
- owned by the charity	715	691
Amortisation of intangible fixed assets	2	1
Auditor's remuneration - audit	10	10
Auditor's- other services	3	2
Operating lease rentals	<u>27</u>	<u>29</u>



# STRATFORD UPON AVON SCHOOL

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

### 9. STAFF

#### a. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	4,571	4,602
Social security costs	437	446
Operating costs of defined benefit pension schemes	1,027	1,062
	<u>6,035</u>	<u>6,110</u>
Supply teacher and other agency costs	37	81
Staff restructuring costs	-	36
	<u>6,072</u>	<u>6,227</u>

Staff restructuring costs comprise:

Severance payments	-	36
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#### b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments to 0 (2018: 3) individuals totalling £Nil (2018: £27,207). Pension strain costs of £Nil (2018: £8,399) have been accrued into the period and settled.

#### c. Staff numbers

	2019 No.	2018 No.
Teachers	72	78
Administration and support	138	130
Management	10	12
	<u>220</u>	<u>220</u>

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Teachers	64	65
Administration and support	71	68
Management	10	10
	<u>145</u>	<u>143</u>

#### d. Higher paid staff

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

# STRATFORD UPON AVON SCHOOL

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

### 9. STAFF COSTS (continued)

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

#### e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £707,717 (2018: £726,333).

### 10. 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 £000	2018 £000
N Wallace (Head teacher & Accounting officer)	Remuneration	100-105	95-100
	Pension contributions paid	15-20	15-20
C Faulkner (Staff trustee)	Remuneration	5-10	15-20
	Pension contributions paid	0-5	0-5
A Scott-Lee (Staff trustee)	Remuneration	15-20	15-20
	Pension contributions paid	0-5	0-5

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

### 11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2018: £5,000,000) on any one claim and the cost for the year ended 31 August 2019 was £330 (2018 - £308).

# STRATFORD UPON AVON SCHOOL

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

### 12. INTANGIBLE FIXED ASSETS

	Software Licences £000
<b>Cost</b>	
At 1 September 2018	4
Additions	4
At 31 August 2019	8
<b>Amortisation</b>	
At 1 September 2018	2
Charge for the year	2
At 31 August 2019	4
<b>Carrying amount</b>	
At 31 August 2019	4
At 31 August 2018	2

### 13. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Buildings £000	Fixtures, Fittings and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>				
At 1 September 2018	30,197	650	271	31,118
Additions	-	38	159	197
Disposals	-	-	(151)	(151)
At 31 August 2019	30,197	688	279	31,164
<b>Depreciation</b>				
At 1 September 2018	4,196	359	187	4,742
Charge for the year	604	65	46	715
On disposals	-	-	(152)	(152)
At 31 August 2019	4,800	424	81	5,305
<b>Net book value</b>				
At 31 August 2019	25,397	264	198	25,859
At 31 August 2018	26,001	291	84	26,376

All assets are recognised at cost with the exception of Long Leasehold Land and Buildings donated to the Academy Trust upon conversion in 2012. These assets are recognised based on a valuation on 22 June 2012 less accumulated depreciation.

# STRATFORD UPON AVON SCHOOL

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

### 14. STOCK

	2019 £000	2018 £000
Catering	7	6

### 15. DEBTORS

	2019 £000	2018 £000
Trade debtors	44	43
VAT recoverable	74	55
Other debtors	8	20
Prepayments and accrued income	126	101
	252	219

### 16. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	140	72
Taxation and social security	108	110
Other creditors	1	1
Accruals and deferred income	138	166
	387	349

	2019 £000	2018 £000
<b>Deferred income</b>		
Deferred income at 1 September 2018	100	45
Resources deferred during the year	100	100
Amounts released from previous years	(100)	(45)
Deferred income at 31 August 2019	100	100

As at 31 August 2019, the academy trust was holding funds received in advance for music tuition booked for the Autumn term 2019. These funds amounted to £6,785 (2018: £7,920). ESFA funding relating to the reimbursement of rates has also been deferred as at 31 August 2019. This income totalled £32,107 (2018: £33,323). Income of £50,145 (2018: £48,012) relates to educational trips, £6,289 (2018: £8,954) relates to Biometric deposits, and £5,147 (2018: £2,252) relates to ICT service support invoiced in advance to a neighbouring school.

# STRATFORD UPON AVON SCHOOL

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

### 17. STATEMENT OF FUNDS

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
Unrestricted funds	659	707	(583)	-	-	783
<b>Restricted general funds</b>						
General Annual Grant (GAG)	267	6,430	(6,283)	(70)	-	344
Other ESFA and DfE grants	(8)	353	(364)	-	-	(19)
Other government grants	-	79	(76)	-	-	3
Donations	14	201	(167)	-	-	48
Other	2	27	(25)	-	-	4
Pension reserve	(2,284)	-	(300)	-	(1,066)	(3,650)
	(2,009)	7,090	(7,215)	(70)	(1,066)	(3,270)
<b>Restricted fixed asset funds</b>						
Capital expenditure from GAG	493	-	(42)	70	-	521
Private sector capital grants	198	132	(42)	-	-	288
Transfer on conversion to academy	25,687	-	(633)	-	-	25,054
	26,378	132	(717)	70	-	25,863
Total restricted funds	24,369	7,222	(7,932)	-	(1,066)	22,593
Total funds	25,028	7,929	(8,515)	-	(1,066)	23,376

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

(i) General Annual Grant is used for the educational operations of the academy. Transfers to the restricted fixed asset funds represents the shortfall in capital grant funding.

(ii) Other DfE and local authority grants are used for the specific purpose provided.

(iii) Other restricted general funds include Town Trust grant, payments towards trips / activities and examinations.

(iv) The pension reserve is the surplus / deficit in the Local Government Pension Scheme.

(v) Fixed assets funds include fixed assets transferred on conversion, capital grants, additions and depreciation. Transfers from the General Annual Grant are used to subsidise the shortfall in capital grant funding.

# STRATFORD UPON AVON SCHOOL

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

### 17. STATEMENT OF FUNDS (continued)

(vi) Unrestricted funds includes surpluses from activities for generating funds (catering and hire of facilities), surpluses transferred on conversion (cash), donations, investment income and miscellaneous income to be spent at the discretion of the trustees.

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

### STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>General funds</b>						
Unrestricted funds	662	625	(628)	-	-	659
<b>Restricted general funds</b>						
General Annual Grant (GAG)	404	6,479	(6,578)	(38)	-	267
Other ESFA and DfE grants	2	269	(279)	-	-	(8)
Other government grants	-	75	(75)	-	-	-
Donations	27	398	(411)	-	-	14
Other	2	29	(29)	-	-	2
Pension reserve	(2,609)	-	(343)	-	668	(2,284)
	<u>(2,174)</u>	<u>7,250</u>	<u>(7,715)</u>	<u>(38)</u>	<u>668</u>	<u>(2,009)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	9	29	(38)	-	-	-
Capital expenditure from GAG	472	-	(17)	38	-	493
Private sector capital grants	201	-	(3)	-	-	198
Transfer on conversion to academy	26,321	-	(634)	-	-	25,687
	<u>27,003</u>	<u>29</u>	<u>(692)</u>	<u>38</u>	<u>-</u>	<u>26,378</u>
Total restricted funds	<u>24,829</u>	<u>7,279</u>	<u>(8,407)</u>	<u>-</u>	<u>668</u>	<u>24,369</u>
Total of funds	<u>25,491</u>	<u>7,904</u>	<u>(9,035)</u>	<u>-</u>	<u>668</u>	<u>25,028</u>

# STRATFORD UPON AVON SCHOOL

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

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31st August 2019 are represented by:

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Intangible fixed assets	-	-	4	4
Tangible fixed assets	-	-	25,859	25,859
Current assets	783	767	-	1,550
Current liabilities	-	(387)	-	(387)
Pension scheme liabilities	-	(3,650)	-	(3,650)
	<u>783</u>	<u>(3,270)</u>	<u>25,863</u>	<u>23,376</u>

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Intangible fixed assets	-	-	2	2
Tangible fixed assets	-	-	26,376	26,376
Current assets	659	623	-	1,282
Current liabilities	-	(348)	-	(348)
Provisions for liabilities and charges	-	(2,284)	-	(2,284)
	<u>659</u>	<u>(2,009)</u>	<u>26,378</u>	<u>25,028</u>

### 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	(586)	(1,131)
<b>Adjustment for:</b>		
Depreciation and amortisation charges	717	692
Dividends, interest and rents from investments	(4)	(3)
Increase in stocks	(1)	(3)
Increase in debtors	(34)	(42)
Increase/(decrease) in creditors	38	(49)
Capital grants from DfE and other capital income	(132)	(29)
Defined benefit pension scheme cost less contributions payable	233	274
Defined benefit pension scheme finance cost	67	69
<b>Net cash provided by/(used in) operating activities</b>	<u>298</u>	<u>(222)</u>

# STRATFORD UPON AVON SCHOOL

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

### 20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash in hand	1,291	1,058
Total	1,291	1,058

### 21. 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 Warwickshire Pension Fund. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.



# STRATFORD UPON AVON SCHOOL

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

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### 21. PENSION COMMITMENTS (continued)

#### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £478,911 (2018 - £483,516).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx))

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

#### 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 £390,000 (2018 - £388,000), of which employer's contributions totalled £310,000 (2018 - £303,000) and employees' contributions totalled £80,000 (2018 - £85,000). The agreed contribution rates for future years are 19.8% for employers and between 5.5% and 6.25% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.90 %	2.80 %
Rate of increase in salaries	2.90 %	2.90 %
Rate of increase for pensions in payment / inflation	2.30 %	2.30 %

# STRATFORD UPON AVON SCHOOL

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

### 21. PENSION COMMITMENTS (continued)

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

	2019	2018
Retiring today		
Males	21.4	22.5
Females	23.6	24.7
Retiring in 20 years		
Males	22.4	24.3
Females	25.0	26.7

	At 31 August 2019 £000	At 31 August 2018 £000
<b>Sensitivity analysis</b>		
Discount rate -0.5%	1,030	760
Salary increase rate +0.5%	131	111
Pension increase rate + 0.5%	880	641

The academy's share of the assets in the scheme and the expected rates of return were:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	2,453	2,170
Bonds	1,045	758
Property	482	413
Cash and other liquid assets	41	103
<b>Total market value of assets</b>	<b>4,021</b>	<b>3,444</b>

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

	2019 £000	2018 £000
Current service cost	(543)	(577)
Interest on obligations	(168)	(147)
Interest on assets	101	78
<b>Total</b>	<b>(610)</b>	<b>(646)</b>

# STRATFORD UPON AVON SCHOOL

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

### 21. PENSION COMMITMENTS (continued)

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

	2019 £000	2018 £000
Opening defined benefit obligation	5,728	5,557
Current service cost	543	577
Interest cost	168	147
Employee contributions	80	85
Actuarial losses/(gains)	1,189	(604)
Benefits paid	(37)	(34)
Closing defined benefit obligation	7,671	5,728

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

	2019 £000	2018 £000
Opening fair value of scheme assets	3,444	2,948
Interest income	101	78
Actuarial (losses)/gains	123	64
Employer contributions	310	303
Employee contributions	80	85
Benefits paid	(37)	(34)
Closing fair value of scheme assets	4,021	3,444

#### Actuarial gains/(losses) on defined benefit pension schemes

	2019 £000	2018 £000
Actuarial (gains)/losses on defined benefit obligations	1,189	(604)
Actuarial (gains)/losses on scheme assets	(123)	(64)
Actuarial (gains)/losses	1,066	(668)

#### Pension reserve

	2019 £000	2018 £000
Closing defined benefit obligation	(7,671)	(5,728)
Closing fair value of scheme assets	4,021	3,444
Pension reserve	(3,650)	(2,284)

# STRATFORD UPON AVON SCHOOL

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

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### 21. PENSION COMMITMENTS (continued)

On 26 October, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

### 22. 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 £000	2018 £000
<b>Amounts payable:</b>		
Within 1 year	28	28
Between 1 and 5 years	33	61
Total	<u>61</u>	<u>89</u>

### 23. MEMBERS' LIABILITY

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

### 24. 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 trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

R Barton the wife of trustee C Barton, was employed by the trust as a clerk in the period and received remuneration in the band 0-5k and pension in the band 0-5k.

During the year the school received an annual grant, given to all Stratford Schools based upon pupil numbers within the Trust's defined postcode areas, of £37,231 from Stratford Town Trust, for who S Mitchell is the CEO. At the year end the full balance of the grant had been received from Stratford Town Trust.

During the year the school made purchases of £2,138 from Lifespace Trust for who P Wright is a director. At the year end £682 was owed to Lifespace Trust.