



Stratford upon Avon School

Registered number: 7690776

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2018

STRATFORD UPON AVON SCHOOL

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STRATFORD UPON AVON SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members	C Barton (resigned 11 December 2018) S Drummond C Faulkner T Handcock P Heath N Whan M Huggins (resigned 31 December 2017) T Irish W Mills J Price C Rivett A Scott-Lee D Udall (resigned 20 July 2018) D Waddell (resigned 18 December 2017) N Wallace
Trustees	C Barton (resigned 11 December 2018) S Drummond C Faulkner, staff trustee T Handcock P Heath M Huggins (resigned 31 December 2017) T Irish W Mills J Price C Rivett A Scott-Lee, staff trustee D Udall (resigned 20 July 2018) D Waddell (resigned 18 December 2017) N Wallace, Head Teacher & Accounting Officer N Whan S Mitchell T Paxton L Wretham K Griffin (appointed 29 September 2017, resigned 28 November 2017)
Company registered number	7690776
Company name	Stratford upon Avon School
Principal and registered office	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 2018

Advisers (continued)

Company secretary V Hopkins (resigned 15 March 2018)
R Barton (appointed 16 March 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
V Hopkins, Strategic Business Director

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 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2017 to 31 August 2018. 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 sought through notices on the school website, and are subject to election if the level of interest exceeds the number of positions available.

No new members have been appointed during 2017-18.

During 2017-18 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 2018

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 2017-18.

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 2017-18, 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.
- A working group met to discuss policy connected with formation of a Multi Academy Trust; as this developed a number of trustees sat on the MAT Steering Group, a group made up of governors and staff from four schools.

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

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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, Strategic Business Director 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 Strategic Business Director 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, Assistant Heads and the Strategic Business Director 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 2018

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 1st April 2017 – 31st March 2018.

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
4	146.2

Percentage of Time spent on Facility Time

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

Percentage of Paybill spent on Facility Time

Total cost of facility time	£506.67
Total Pay bill	£6,039,014.60
Percentage of total paybill spent on facility time	0.0084%

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.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Whilst discussions are ongoing about forming a locally based MAT, there are no related parties which either control or significantly influence the decisions and operations of Stratford upon Avon School. There are no sponsors or formal Parent Teacher Associations associated with the academy.

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

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

- 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

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

Leadership and Management

Leadership and management are strong at all levels. All Senior and Middle Leaders completed leadership 360s and Middle Leaders are currently completing the PiXL Engagement Leadership Programme. Healthcheck documents have been established in all subject, college and support areas with a common evidential framework to ensure that all subject leaders are rigorous in quality assuring the highest expectations of their colleagues. Senior and Middle Leader meetings contain a mixture of developmental & operational foci to develop leadership and management at all levels.

The school is proud to be a giver and receiver of support. The academy has continued to work with a wide range of partner schools to improve the educational opportunities for students in the wider community. Staff worked with two local secondary schools to support Geography and Performing Arts whilst we received support regarding the delivery of two A Level subjects. We also provided INSET for numerous primary colleagues and had a joint INSET day with staff from Studley High School. We are part of the Warwickshire SSIF project to improve the performance of disadvantaged students. The academy has continued to play an active role as part of The Shires Teaching School Alliance with 2 Senior Staff part-delivering the 'Leading from the Middle' course and 3 staff completing the course successfully. Another 2 staff completed their NPQSL qualification. Our Specialist Leaders in Education were either deployed internally or externally depending on demand.

Considerable time was spent in discussions with Headteachers and Governors from some local primary schools regarding the formation of a prospective multi academy trust in order to ensure more effective all-through educational provision. Whilst plans are currently on the back burner, the process built trust between prospective partners and brought the schools closer together.

Teaching, Learning and Assessment

The quality of learning and teaching is good. Quality of work in books improved substantially during 2017-18 with greater consistency evident throughout the school. Customised exercise books contributed to a significant

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

improvement in the quality of feedback and assessment and the written work produced by students, as evidenced by regular work samples/drop ins calendared by Progress Leaders, Curriculum Areas & SLT. A few staff successfully completed programmes of support, but no staff were subject to capability procedures.

Behaviour, personal development and welfare

The appointment of 4 new College Leaders who took up post with effect from September 2017 had a positive impact on the smooth running of the academy. Having support staff in key pastoral roles meant increased availability throughout the day to deal with pastoral and behavioural concerns and a reduction in response times. Departmental duty zones were introduced during unstructured times and these also contributed to more effective supervision.

The introduction of Attitude to Learning register grades every lesson in January led to a sharper targeting of support. Attendance at parents evenings (especially disadvantaged parents) set new records during 2017-18 due to the considerable efforts made by Form Tutors, College and Progress Leaders to engage with parents, particularly those who had not attended previously. Evidence of increased parental satisfaction with the school is published on the website following surveys at every parents evening.

Our outstanding CEIAG programme was acknowledged by receiving the Quality in Careers Gold Standard Award.

Outcomes

Examination results were consistently good across the board. Our Year 11 cohort were national average in terms of prior attainment, but results consistently exceeded national averages. 43% achieved grade 5+ in English and Maths (39.9% national); Attainment 8 score of 47.2 (44.3 national); EBacc average points score 3.99 (3.83 national). The academy was disproportionately impacted by the results of a handful of outliers; whilst 55% of students achieved a positive Progress 8 score, this resulted in a headline P8 score of -0.07 which falls within the 'average' category.

The performance of disadvantaged students was a significant area of focus and the school achieved our best ever results in this area. 53% of disadvantaged students achieved 5 standard passes including English and Maths contributing to a Progress 8 figure of -0.45. Disadvantaged students in Year 7-10 present an improving picture. The appointment of 5 new Progress Leaders who took up post with effect from September 2017 had a positive impact on the monitoring of student progress across year groups. Individuals were targeted for mentoring and other interventions in every year group.

Our Year 13 cohort were below national average in terms of prior attainment. Level 3 Value Added scores were -0.02 for A Level; +1.17 for EPQ; -0.05 for Academic (including previous AS results); +0.62 for Applied General. A more rigorous approach to sixth form supervised private study was introduced with additional periods in the Learning Resource Centre.

Resources and Environment

The environment for learning continues to be one that is attractive, motivating and fit for purpose. The all-weather pitch surface was replaced, funded by a grant from Sport England along with academy funds from a sports surface fund, which has operated for several years. The all-weather athletics track was also resurfaced, supported by grant funding awarded from the Stratford Town Trust, the academy's own funds, and fundraising activity by Stratford Athletics Club, who have their juniors' home at the track.

Internally, G64 was refurnished as an IT room to support Architecture and other lessons. 2 sets of open plan toilets were installed on the ground floor from September 2017 to improve behaviour and control access outside of class times. The Learning Resource Centre and Sixth Form Common Room were refurnished to provide more conducive environments for private study.

The academy manages finance/resources in a measured, planned way that promotes sustainability.

Curriculum planning accommodated tightened budgets and was based on viable group sizes. The deployment allocation for teaching staff was been increased slightly. The post 16 curriculum changed to an offer based on 3 A Levels with effect from September 2017. This incorporated additional teaching time compared to other local schools and additional supervised private study in order to maintain high levels of student achievement.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators

Examination results were consistently good across the board

Against a backdrop of changes nationally with numbered qualifications in many subjects for the first time, 2018 GCSE results were a solid performance in uncertain times. Our Year 11 cohort were national average in terms of prior attainment, but results consistently exceeded national averages. 43% achieved grade 5+ in English and Maths (39.9% national); Attainment 8 score of 47.2 (44.3 national); EBacc average points score 3.99 (3.83 national). The academy was disproportionately impacted by the results of a handful of outliers; whilst 55% of students achieved a positive Progress 8 score this resulted in a headline P8 score of -0.07 which falls within the 'average' category. 53% of disadvantaged students achieved 5 standard passes including English and Maths contributing to a Progress 8 figure of -0.45. Again, this figure is detrimentally affected by a few outliers.

Our Year 13 cohort were below national average in terms of prior attainment. Level 3 Value Added scores were -0.02 for A Level; +1.17 for EPQ; -0.05 for Academic (including previous AS results); +0.62 for Applied General.

Recruitment and retention remain steady. 2017-18 saw a net in-year gain in student numbers for years 7-11. September 2018 saw 1413 students on roll compared to 1370 in September 2017.

Pupil attendance dropped slightly to 94.21% in 2018, compared to 94.64% the year before. Persistent Absence figures were slightly better than national average and improved slightly to 12.24% compared with 12.28% the year before.

Academy finances remain in a healthy position. The operating costs for 2017-18 came within budget. This was particularly anchored in improved income and staffing figures.

Ongoing costs have been managed proactively to ensure that the school finances remain healthy. There has been; a controlled increase in contact time for teachers at different levels; an efficient timetable which has less bonus time (but less contingency if needed); a pastoral restructure which introduces support staff as college leaders, putting more teachers into the classroom; a consistent focus on ensuring that we have an affordable curriculum model. It is pleasing that recruitment into Year 7 in September 2018 is significantly increased with 259 students, enabling an increase to 9 teaching groups.

These measures have enabled us to manage additional unfunded cost pressures, including;

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 September 2017 an annual cost of living pay increase for main scale teachers at +1% above budget of 1% representing an extra cost of approximately £10,000 in 17/18;

With effect from 1st April 2018 a 2 year pay agreement budgeted to be 1% per annum. This includes an annual cost of living pay increase for NJC support staff at between 3.0% - 7.3% (scp4-19 year 1 and scp4 - 28 year 2) and 2% for all staff representing an extra cost of approximately £13,000 in 17/18 and £40,000 in 18/19;

LGPS Employers triennial valuation which resulted in an increased contribution of 19.8%, up from 15.5% plus lump sum for September 2016 to August 2019 an increase of £30,000 and £50,000 per annum 17/18 and 18/19 respectively;

The introduction of the Apprenticeship levy in April 2017 @ 0.5% of salary bill (excludes on-costs) over £3M, which costs £8,555 p.a (2017-2018).

Key financial performance indicators include:

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

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 (£267k and 4.12% respectively).
Staff costs as a percentage of both total income and expenditure (76% and 75% respectively).
Student to teacher and student to total staff ratios, based on average FTE (18:1 and 9:1 respectively).
Staff absence through sickness (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 2018 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 has undertaken a review of its structure, following the pastoral structure review in 2016-17, to ensure focus on effective pastoral support for behaviour and attendance, and as a result is introducing a new post, along with a change to 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. There were some one off costs of circa. £22k associated with restructuring and the introduction of attendance support. The cost of the change relating to the school day is approximately £5k per annum primarily associated with some reorganisation of the catering staff hours to accommodate the later lunchtime finish.

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 £150,291. After allowing for all direct staffing costs, unreclaimable VAT and overhead allocation this resulted in a slight loss, due to the reduced income generation compared to 2016-2017, and provided no contribution to the educational provision of the academy in this financial year.

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. The Town Trust has also provided a most welcome grant of £40,000 towards the cost of refurbishment of the all weather athletics track, the "Jubilee Track".

The academy is also pleased to acknowledge the generous donation of £22,668 from Stratford Athletics Club towards the cost of refurbishment of the all weather athletics track, the "Jubilee Track".

Equally, the academy gratefully acknowledges the support of Sport England, through their award of a grant of £50,000 towards renewal of the all weather grass pitch. The anticipated Section 106 funding from new housing developments in the area has now been deferred, and is expected to become payable in 2018-19.

During the year ended 31 August 2018, total expenditure of £7,999,892 (excluding Depreciation of £691,489 and FRS17 Pensions of £343,000) was covered by recurrent grant funding from the ESFA together with other incoming resources. This resulted in a deficit of income over expenditure for the year (excluding Depreciation and FRS17 Pensions) of £95,771, of which a deficit of £2,739 has been generated from unrestricted activities.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 in draft directions from the Government. The current employer contribution rate of 16.4% is indicated to 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, a consultation process will take place to determine final funding arrangements. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

It is forecast that the increase in contributions for the school would be £220,000 per annum which, if not fully funded by additional resources from Government, 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 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 £2,284,000. 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 September 2019. 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 2018 the net book value of intangible and tangible fixed assets were £26,378,028. 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 to student toilets was continued in 2017-18, and will remain a recurring priority in future years, along with improvement to theatre and performance seating and projection, replacement of student chairs, and ICT switch replacements.

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, is disappointed to see little certainty into the longer term future, and in particular to see the standstill nature of post-16 funding.

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

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 £658,869. The value of restricted reserves is £24,369,241.

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.

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 academy has an effective system of internal financial controls, and this is explained in more detail in the Statement of Internal Control.

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

The Academy trust has undertaken initial research and scoping during 2017-18 into the prospect of employing a professional fundraiser, but has not at this time progressed plans.

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.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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.

Plans for Future Periods

The priority for the academy is to further improve levels of academic performance, including addressing the specific needs of vulnerable and disadvantaged students so that their attainment is at a similar level to those from more advantaged backgrounds.

The school will prioritise spending on appropriate staffing, on any necessary capital investment in order to extend provision, and on development of the curriculum.

In order to maximise the level of resource available, a focus on income generation and efficient planning, systems, and operation including value for money financial decision-making remain at the forefront.

During the coming year it is the intention to further improve learning and recreation space, as detailed in the capital plan, and to continue the refurbishment programme of student toilets. Creation of sixth form study space has already taken place by introducing a new layout within the Learning Resource Centre, and a feasibility study into enhancements of performance space will follow.

Our financial planning allows for the utilisation of the Reserves, built up over a period of time, as capital developments prioritised for 2018-19 are realised.

The academy will continue to strive to provide outstanding education and improve still further the levels of performance of its students at all levels. The academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The academy has implemented the General Data Protection Regulations, and has a timetable in place to deliver an ongoing programme of staff and governor awareness raising. The academy purchases an external, independent DPO service.

Plans for a prospective multi academy trust are currently suspended but we continue to offer support and work with our local primary schools to achieve a more common approach to a more effective all through educational provision and hope to progress some collaborative version of a multi academy trust in the future.

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.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 11th December 2018, and signed on the board's behalf by:



**Jane Price
Chair of Trustees**

STRATFORD UPON AVON SCHOOL

GOVERNANCE STATEMENT

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	3	4
S Drummond	4	4
C Faulkner, staff trustee	4	4
T Hancock	1	4
P Heath	4	4
M Huggins	1	2
T Irish	3	4
W Mills	0	4
J Price	3	4
C Rivett	4	4
A Scott-Lee, staff trustee	0	4
D Udall	1	4
D Waddell	0	2
N Wallace, Head Teacher & Accounting Officer	4	4
N Whan	1	4
S Mitchell	3	4
T Paxton	3	4
L Wretham	2	4
K Griffin	0	0

Note: For those appointed as Trustees during the course of 2017-18, but having previously joined the board as a governor / observer, their attendance at meetings as an observer / governor is included in the totals shown.

Governance Review

During 2017-2018 a review of the governance structure was undertaken in response to plans for a prospective multi academy trust which are currently suspended.

Whilst there was no change to the governance of the Stratford upon Avon School Trust we continue to discuss a multi academy trust with our local primary schools to achieve a more common approach to a more effective all through educational provision and hope to progress some collaborative version of a multi academy trust in the future.

The review led to the establishment of a smaller sub group of the board of trustees to focus upon the more strategic developments of the Trust and continue to prepare for governance within a multi academy trust, which will further be developed in 2018-2019.

The Finance Committee is a sub-committee of the main board of 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. A particular issue dealt with during the year 2017-18 was the

STRATFORD UPON AVON SCHOOL

GOVERNANCE STATEMENT (continued)

National Funding Formula and the associated challenges, MAT planning, management of hardship funds and how funds are allocated, along with the setting of a budget that acknowledges the prevailing national picture of reduced income with the focus on delivering improvement through the Development Plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Barton	6	6
P Heath	4	6
M Huggins	2	2
W Mills	1	6
J Price	4	6
N Wallace	6	6
S Mitchell	4	6
K Griffin	1	1

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.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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)

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 and general purposes 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 2017-18 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 2018-19.

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 quarterly 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.

STRATFORD UPON AVON SCHOOL

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of trustees on 11 December 2018 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

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 2017.

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 2017.

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

STRATFORD UPON AVON SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018;
- 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 11 December 2018 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

OPINION

We have audited the financial statements of Stratford upon Avon School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

STRATFORD UPON AVON SCHOOL

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

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

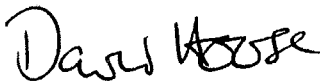
STRATFORD UPON AVON SCHOOL

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



David Hoose (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
B3 2RT

18 DECEMBER 2018

STRATFORD UPON AVON SCHOOL

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

In accordance with the terms of our engagement letter dated 08 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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)

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 2017 to 31 August 2018 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

18 DECEMBER 2018

STRATFORD UPON AVON SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	2	184	29	215	142
Charitable activities	3	566	6,823	-	7,389	7,603
Other trading activities	4	54	243	-	297	265
Investments	5	3	-	-	3	3
TOTAL INCOME		625	7,250	29	7,904	8,013
EXPENDITURE ON:						
Raising funds		5	222	-	227	198
Charitable activities		623	7,493	692	8,808	8,623
TOTAL EXPENDITURE	6	628	7,715	692	9,035	8,821
NET BEFORE TRANSFERS		(3)	(465)	(663)	(1,131)	(808)
Transfers between Funds	17	-	(38)	38	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(3)	(503)	(625)	(1,131)	(808)
Actuarial gains on defined benefit pension schemes	21	-	668	-	668	1,550
NET MOVEMENT IN FUNDS		(3)	165	(625)	(463)	742
RECONCILIATION OF FUNDS:						
Total funds brought forward		662	(2,174)	27,003	25,491	24,749
TOTAL FUNDS CARRIED FORWARD		659	(2,009)	26,378	25,028	25,491


STRATFORD UPON AVON SCHOOL

Registered number: 7690776

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Intangible assets	12		2		3
Tangible assets	13		26,376		27,000
			26,378		27,003
CURRENT ASSETS					
Stock	14	6		3	
Debtors	15	219		177	
Cash at bank and in hand		1,058		1,315	
		1,283		1,495	
CREDITORS: amounts falling due within one year	16	(349)		(398)	
NET CURRENT ASSETS			934		1,097
TOTAL ASSETS LESS CURRENT LIABILITIES			27,312		28,100
Defined benefit pension scheme liability	21		(2,284)		(2,609)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			25,028		25,491
FUNDS OF THE ACADEMY					
Restricted Income funds:					
Restricted income funds	17	275		435	
Restricted fixed asset funds	17	26,378		27,003	
Restricted income funds excluding pension liability		26,653		27,438	
Pension reserve		(2,284)		(2,609)	
Total restricted income funds			24,369		24,829
Unrestricted income funds	17		659		662
TOTAL FUNDS			25,028		25,491

The financial statements on pages 27 to 52 were approved by the Trustees, and authorised for issue, on 11 December 2018 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 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(222)	89
Cash flows from investing activities:			
Dividends, interest and rents from investments		3	3
Purchase of tangible and intangible fixed assets		(67)	(134)
Capital grants from DfE Group		29	58
Net cash used in investing activities		(35)	(73)
Change in cash and cash equivalents in the year		(257)	16
Cash and cash equivalents brought forward		1,315	1,299
Cash and cash equivalents carried forward	20	1,058	1,315

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stratford upon Avon School constitutes a public benefit entity as defined by FRS 102.

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 2018

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

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 2018

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 2018

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 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 2018

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 2018

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 2018

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 2018

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	2	184	-	186	84
Capital grants	-	-	29	29	58
	<u>2</u>	<u>184</u>	<u>29</u>	<u>215</u>	<u>142</u>
Total 2017	<u>2</u>	<u>82</u>	<u>58</u>	<u>142</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Educational Operations	416	6,823	7,239	7,446
Hire of facilities	150	-	150	157
	<u>566</u>	<u>6,823</u>	<u>7,389</u>	<u>7,603</u>
Total 2017	<u>556</u>	<u>7,047</u>	<u>7,603</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant	-	6,479	6,479	6,658
Other DfE/ESFA grants	-	269	269	272
Local authority grants	-	75	75	116
Other income from the academy trust	416	-	416	400
	<u>416</u>	<u>6,823</u>	<u>7,239</u>	<u>7,446</u>
Total 2017	<u>399</u>	<u>7,047</u>	<u>7,446</u>	

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
External catering	7	-	7	7
School trips	-	214	214	190
Sundry income	47	29	76	68
	<u>54</u>	<u>243</u>	<u>297</u>	<u>265</u>
Total 2017	<u>46</u>	<u>219</u>	<u>265</u>	

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

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Short term deposits	3	-	3	3
	<u>3</u>	<u>-</u>	<u>3</u>	
Total 2017	<u>3</u>	<u>-</u>	<u>3</u>	

6. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational Operations:					
Direct costs	4,928	692	534	6,154	6,375
Support costs (note 7)	1,258	645	577	2,480	2,160
Hire of facilities :					
Support costs (note 7)	38	109	27	174	88
Expenditure on Raising Funds:					
Direct costs	-	-	222	222	192
Support costs	3	-	2	5	6
	<u>6,227</u>	<u>1,446</u>	<u>1,362</u>	<u>9,035</u>	<u>8,821</u>
Total 2017	<u>6,328</u>	<u>1,128</u>	<u>1,365</u>	<u>8,821</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 2018

7. ANALYSIS OF SUPPORT COSTS

	Educational Operations £000	Hire of Facilities £000	Total 2018 £000	Total 2017 £000
Technology costs	18	-	14	26
Premises costs	645	109	429	452
Other support costs	536	27	538	579
Governance costs	23	-	31	32
Support staff costs	1,258	38	1,236	1,154
	<u>2,480</u>	<u>174</u>	<u>2,248</u>	<u>2,243</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, guidance, support and training of Trustees.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	691	693
Amortisation of intangible fixed assets	1	1
Auditor's remuneration - audit	10	10
Auditor's- other services	2	1
Operating lease rentals	29	33
Loss on disposal of tangible assets	-	4
	<u></u>	<u></u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	4,602	4,747
Social security costs	446	458
Operating costs of defined benefit pension schemes	1,062	999
	<u>6,110</u>	<u>6,204</u>
Supply teacher and other agency costs	81	124
Staff restructuring costs	36	-
	<u>6,227</u>	<u>6,328</u>
Staff restructuring costs comprise:		
Severance payments	<u>36</u>	<u>-</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments to 3 individuals totalling £27,207 (2017: £nil). Pension strain costs of £8,399 have been accrued into the period and settled in November 2018.

c. Staff numbers

	2018 No.	2017 No.
Teachers	78	83
Administration and support	130	144
Management	12	7
	<u>220</u>	<u>234</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	65	73
Administration and support	68	71
Management	10	7
	<u>143</u>	<u>151</u>

d. Higher paid staff

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

a. 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 £726,333 (2017: £512,174).

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

		2018 £000	2017 £000
N Wallace (Head teacher & Accounting officer)	Remuneration	95-100	95-100
	Pension contributions paid	15-20	15-20
C Faulkner (Staff trustee)	Remuneration	15-20	10-15
	Pension contributions paid	0-5	0-5
A Scott-Lee (Staff trustee)	Remuneration	15-20	25-30
	Pension contributions paid	0-5	0-5

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £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 (2016: £5,000,000) on any one claim and the cost for the year ended 31 August 2018 was £308 (2017 - £345).

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

12. INTANGIBLE FIXED ASSETS

	Software Licences £000
Cost	
At 1 September 2017 and 31 August 2018	4
Amortisation	
At 1 September 2017	1
Charge for the year	1
At 31 August 2018	2
Carrying amount	
At 31 August 2018	2
At 31 August 2017	3

13. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Buildings £000	Fixtures, Fittings and Equipment £000	Computer Equipment £000	Total £000
Cost				
At 1 September 2017	30,197	641	272	31,110
Additions	-	9	58	67
Disposals	-	-	(59)	(59)
At 31 August 2018	30,197	650	271	31,118
Depreciation				
At 1 September 2017	3,592	295	223	4,110
Charge for the year	604	64	23	691
On disposals	-	-	(59)	(59)
At 31 August 2018	4,196	359	187	4,742
Net book value				
At 31 August 2018	26,001	291	84	26,376
At 31 August 2017	26,605	346	49	27,000

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 2018

14. STOCK

	2018 £000	2017 £000
Catering	6	3

15. DEBTORS

	2018 £000	2017 £000
Trade debtors	43	46
VAT recoverable	55	32
Other debtors	20	19
Prepayments and accrued income	101	80
	219	177

16. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	72	119
Taxation and social security	110	119
Other creditors	58	47
Accruals and deferred income	109	113
	349	398

	2018 £000	2017 £000
Deferred income		
Deferred income at 1 September 2017	3	6
Resources deferred during the year	43	3
Amounts released from previous years	(3)	(6)
Deferred income at 31 August 2018	43	3

As at 31 August 2018, the academy trust was holding funds received in advance for music tuition booked for the Autumn term 2018. These funds amounted to £7,920 (2017: £3,400). ESFA funding relating to the reimbursement of rates has also been deferred as at 31 August 2018. This income totaled £33,323. The remaining income of £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 2018

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers In/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	662	625	(628)	-	-	659
Restricted general funds						
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)
	(2,174)	7,250	(7,715)	(38)	668	(2,009)
Restricted fixed asset funds						
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
	27,003	29	(692)	38	-	26,378
Total restricted funds	24,829	7,279	(8,407)	-	668	24,369
Total funds	25,491	7,904	(9,035)	-	668	25,028

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

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

funding.

(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 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
Unrestricted funds	583	608	(529)	-	-	662
Restricted general funds						
General Annual Grant (GAG)	412	6,658	(6,591)	(75)	-	404
Other ESFA and DfE grants	11	272	(281)	-	-	2
Other government grants	-	116	(116)	-	-	-
Donations	27	272	(272)	-	-	27
Other	-	29	(27)	-	-	2
Pension reserve	(3,851)	-	(308)	-	1,550	(2,609)
	<u>(3,401)</u>	<u>7,347</u>	<u>(7,595)</u>	<u>(75)</u>	<u>1,550</u>	<u>(2,174)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	11	58	(60)	-	-	9
Capital expenditure from GAG	397	-	-	75	-	472
Private sector capital grants	204	-	(3)	-	-	201
Transfer on conversion to academy	26,955	-	(634)	-	-	26,321
	<u>27,567</u>	<u>58</u>	<u>(697)</u>	<u>75</u>	<u>-</u>	<u>27,003</u>
Total restricted funds	<u>24,166</u>	<u>7,405</u>	<u>(8,292)</u>	<u>-</u>	<u>1,550</u>	<u>24,829</u>
Total of funds	<u>24,749</u>	<u>8,013</u>	<u>(8,821)</u>	<u>-</u>	<u>1,550</u>	<u>25,491</u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers In/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	583	1,233	(1,157)	-	-	659
Restricted general funds						
General Annual Grant (GAG)	412	13,137	(13,169)	(113)	-	267
Other ESFA and DfE grants	11	541	(560)	-	-	(8)
Other government grants	-	191	(191)	-	-	-
Donations	27	670	(683)	-	-	14
Other	-	58	(56)	-	-	2
Pension reserve	(3,851)	-	(651)	-	2,218	(2,284)
	<u>(3,401)</u>	<u>14,597</u>	<u>(15,310)</u>	<u>(113)</u>	<u>2,218</u>	<u>(2,009)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	11	87	(98)	-	-	-
Capital expenditure from GAG	397	-	(17)	113	-	493
Private sector capital grants	204	-	(6)	-	-	198
Transfer on conversion to academy	26,955	-	(1,268)	-	-	25,687
	<u>27,567</u>	<u>87</u>	<u>(1,389)</u>	<u>113</u>	<u>-</u>	<u>26,378</u>
	<u>24,166</u>	<u>14,684</u>	<u>(16,699)</u>	<u>-</u>	<u>2,218</u>	<u>24,369</u>
Total of funds	<u>24,749</u>	<u>15,917</u>	<u>(17,856)</u>	<u>-</u>	<u>2,218</u>	<u>25,028</u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31st August 2016 are represented by:

	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)
Pension scheme liabilities	-	(2,284)	-	(2,284)
	<u>659</u>	<u>(2,009)</u>	<u>26,378</u>	<u>25,028</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	27,000	27,000
Current assets	662	833	-	1,495
Current liabilities	-	(398)	-	(398)
Provisions for liabilities and charges	-	(2,609)	-	(2,609)
	<u>662</u>	<u>(2,174)</u>	<u>27,003</u>	<u>25,491</u>

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

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,131)	(808)
Adjustment for:		
Depreciation and amortisation charges	692	694
Dividends, interest and rents from investments	(3)	(3)
Loss on the sale of fixed assets	-	4
(Increase)/decrease in stocks	(3)	6
Increase in debtors	(42)	(20)
Decrease in creditors	(49)	(34)
Capital grants from DfE and other capital income	(29)	(58)
Defined benefit pension scheme cost less contributions payable	274	225
Defined benefit pension scheme finance cost	69	83
Net cash (used in)/provided by operating activities	<u>(222)</u>	<u>89</u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand	1,058	1,315
Total	1,058	1,315

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) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £483,516 (2017 - £519,138).

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).

Under the definitions set out in FRS 102, the TPS is a 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 2018 was £388,000 (2017 - £293,252), of which employer's contributions totalled £303,000 (2017 - £217,574) and employees' contributions totalled £85,000 (2017 - £75,678). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.90 %	3.00 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.7	24.7
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate -0.5%	760	731
Salary increase rate +0.5%	111	119
Pension increase rate + 0.5%	641	600

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	2,170	1,916
Bonds	758	649
Property	413	324
Cash and other liquid assets	103	59
	-	-
Total market value of assets	3,444	2,948

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

	2018 £000	2017 £000
Current service cost	(577)	(484)
Interest on obligations	(147)	(143)
Interest on assets	78	60
Total	(646)	(567)

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

	2018 £000	2017 £000
Opening defined benefit obligation	5,557	6,562
Current service cost	577	484
Interest cost	147	143
Employee contributions	85	74
Actuarial gains	(604)	(1,668)
Benefits paid	(34)	(38)
Closing defined benefit obligation	5,728	5,557

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	2,948	2,711
Interest income	78	60
Actuarial (losses)/gains	64	(118)
Employer contributions	303	259
Employee contributions	85	74
Benefits paid	(34)	(38)
Closing fair value of scheme assets	3,444	2,948

Actuarial gains/(losses) on defined benefit pension schemes

	2018 £000	2017 £000
Actuarial (gains)/losses on defined benefit obligations	(604)	(1,668)
Actuarial (gains)/losses on scheme assets	(64)	118
Actuarial (gains)/losses	(668)	(1,550)

Pension reserve

	2018 £000	2017 £000
Closing defined benefit obligation	(5,728)	(5,557)
Closing fair value of scheme assets	3,444	2,948
Pension reserve	(2,284)	(2,609)

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.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	28	22
Between 1 and 5 years	61	35
Total	<u>89</u>	<u>57</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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10 and the transaction listed below.

R Barton the wife of trustee Chris 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.