
STRATFORD UPON AVON SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

STRATFORD UPON AVON SCHOOL

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STRATFORD UPON AVON SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

W Mills
J Price
V Hopkins (resigned 30 September 2021)
P Wright
T Hancock (appointed 7 December 2020)

Trustees

S Drummond
G Inglis (resigned 17 October 2021)
P Heath
E Heathcote-James
J Price
S Nicholson
T Irish
K Scott (resigned 16 September 2020)
J Baker
N Wallace, Head Teacher & Accounting Officer
W Mills (appointed 26 April 2021)

Company registered number

7690776

Company name

Stratford upon Avon School

Principal and registered office

Alcester Road, Stratford-upon Avon, Warwickshire, CV37 9DH

Company secretary

S Jones

Senior leadership team

N Wallace, Head Teacher
K Berwick, 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, Director of Finance and Operations
J McCormick, Director of Human Resources and Administrative Services

STRATFORD UPON AVON SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2021*

Independent auditors

Mazars LLP, First Floor, Two Chamberlain Square, Birmingham, B3 3AX

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 2021*

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. 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.

It has a pupil roll of 1,602 in the school census on Autumn 2020 .

Structure, governance and management

a. 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.

The governance structure has been amended, in line with NGA recommendations to include members, trustees and committee members.

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

b. Members' liability

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

c. Trustees' indemnities

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 12 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.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Following a review of skills available on the board, appropriately qualified and experience trustees are sought through advertisement or word of mouth, and, if elected, commence their term as a non-voting member, serving on a committee, before being appointed as a trustee, following an Induction and further review period. Parent trustees may also be sought through notices on the school website, and are subject to election if the level of interest exceeds the number of positions available.

During 2020-21 movements of trustees and members are as noted in the Reference and Administrative Details, on page 1.

The current composition of trustees is in line with our articles of association, and includes:

- A minimum of 2 and up to 7 parent trustees.
- 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.

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.

e. Policies 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 and committee members were offered all necessary training, through a range of options. They included a training day one Saturday, attendance on courses, and reading material. Trustees and committee members have access to a purchased advice website, and receive the local authority governor newsletter and NGA newsletters. Trustees and committee members 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.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

The board of trustees met 7 times during 2020-21.

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 two main, plus two subsidiary, committees during 2020-21, as follows;

- Resources 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 approving the annual budget including staffing levels to be presented to the board. It has incorporated the responsibilities of an Audit Committee. A Health and Safety specialist Governor, who is a member of the Resources Committee attends meetings of the Staff Health and Safety Committee.
- Quality of Education 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. Plus matters relating to student welfare, safeguarding, special education needs, inclusion, attendance and vulnerable student groups.
- Human Resources Committee, being a subsection of the Resources 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.

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 or Vice Chairman, to appoint the Head Teacher and Clerk to the Board and Company Secretary, 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, Director of Finance and Operations and the Resources 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.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

The Director of Finance and Operations is the Chief Financial Officer.

g. Arrangements for setting pay and remuneration of key management personnel

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

In relation to key management personnel, the Head Teacher's salary is set within the range for the appropriate sized School Group, and salary levels for Deputy Heads and the Assistant Heads are scaled appropriately with each having a 5 point range on the Leadership scale, according to job weight. The Director of Finance and Operations and the Director of Human Resources and Administrative Services are scaled appropriately on the Leadership scale under NJC terms and conditions.

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

None of the trustees are paid for their role as trustees.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	152

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£000	
Total cost of facility time	2	
Total pay bill	7,271	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Core purpose

To enable young people to play a positive role in society by providing them with the knowledge, skills, attributes and qualifications to become educated citizens and flourish in the future.

b. Values

We hold these truths to be self-evident; that everyone is entitled to feel safe, happy and successful. We believe in, value and care for young people and want to help them to become resilient, responsible, respectful citizens. We aim to engage, enthuse and inspire. We work better and are more productive when we feel good about ourselves and trust each other.

c. 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

- Introduce students to the best that has been thought and said and help to develop an appreciation of human creativity and achievement.
- Provide meaningful, manageable and motivational experiences, enabling our students to acquire the knowledge and skills to Learn, Contribute and Lead.
- Improve achievement and raise standards by adding value to students based on their prior knowledge and attainment.
- Provide rich and deep educational opportunities to help understand and appreciate the wide range of social and cultural influences that have shaped our own heritage and that of others.
- Continue to review and revise our approaches to make them fit for purpose in an ever-changing world, including the development of blended learning.
- Set a balanced budget which supports investment in teaching and learning, development of facilities and provision of a diverse range of cultural experiences.

Impact

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

- Equip pupils with the knowledge, skills and cultural capital they need to succeed in life.
- Develop students who are proud of their achievements, their school and their community.
- Add value to the lives our students lead and the results they achieve.
- Have a positive, respectful, school culture so that all pupils can thrive together with the ability to understand and appreciate the viewpoints of others.
- Be an influential regional voice and determined to keep improving.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Objectives, Strategies and Activities

The focus of the School Development Plan for 2020-21 was as follows:

- 1. Provide an agile response to managing coronavirus**
 - a) Ongoing adaptation of risk assessment & fluid planning for likely scenarios
 - b) Efficient means of communication with staff, parents and students, including new website
 - c) Effective use of coronavirus Catch up funding/ National Tutoring Programme

- 2. Develop an outstanding quality of education**
 - a) Agile response to curriculum planning & effective use of AfL - QA identifies any gaps in provision
 - b) Development of ongoing blended learning by use of Microsoft Teams
 - c) Teach explicit strategies for the retention of knowledge
 - d) Make reading explicit within the curriculum, including reciprocal reading
 - e) Ensure cultural capital is mapped, taught & visible throughout the school
 - f) Introduction of Stratford Scholars programme
 - g) Departmental action plans to be in place supported by SLT links, leading to improved provision and students achieving exceptionally well
 - h) Investigate options re. laptops for students

- 3. Meet the needs of an inclusive school**
 - a) Develop our capacity to meet a range of needs by creating the right environment in KS3 supportive provision, KS4 alternative provision & flexible learning
 - b) Focused, more bespoke professional development utilising online opportunities

- 4. Expansion of the school and site development**
 - a) Continue progress with 2 part building expansion; dining hall by Sept 2021, followed by acquisition of College car park & further expansion of building
 - b) Use of reserve to ensure site meets needs beyond LA commissioned work
 - c) Retention and recruitment of staff

d. 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

a. Achievements and performance

2020-21 was a uniquely challenging year set against the backdrop of the ongoing coronavirus pandemic. Despite considerable challenges, the academic year was very successful in terms of providing a safe working environment and clear, consistent communications with stakeholders. Students responded in a mature, cooperative manner throughout leading to effective learning being maintained and smooth operations on a daily basis. As a consequence, the school performed well in difficult circumstances and enhanced its reputation. Unfortunately, for the second year in a row, the school suffered bereavement with the tragic loss of Callum who

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

was in Year 11.

1. Provide an agile response to managing coronavirus

The full reopening in September 2020 was like no other, following on from the school closure that had been in place since March 2020. In line with government guidance the school adhered to the following principles

- Grouping children together (Year Group bubbles): avoidance of large gatherings; minimal movement around the school
- Avoiding contact between groups: staggered start and finish times; staggered breaks and lunchtimes
- Adaptations to the classroom: arranging classrooms with forward facing desks; limiting use of shared equipment; regular hand washing and/or use of hand sanitiser throughout the day
- Staff maintaining distance from students; students should maintain a social distance from each other wherever possible; the wearing of face coverings in communal areas and on school transport
- Minimise the number of visitors to school where possible

An agile response, fluid planning and the adaptation of risk assessments was a key feature throughout the year. The timings of the school day were adjusted after October half term to increase the time spent in lessons. The need for fluid planning was highlighted over the Christmas period. Just before Christmas, the Department for Education announced that secondary schools should reduce the number of students attending for the first full week of January. Over the holidays, this evolved into an announcement that all secondary schools would return to online educational provision with effect from the start of 2021, with schools being required to introduce 'rapid mass testing' of students and staff using lateral flow tests before students returned. Then, at the start of term the government announced another change delaying the return to school and associated LFD testing until after February half term. So, from January – March, students followed a daily timetable with lots of live lessons and interactions with staff online, thereby maintaining a regular routine, clear expectations and high quality educational provision.

The school ultimately rose to the logistical challenge of processing 2700 LFD tests in the days preceding the wider reopening on 10th March. From 10th March until 17th May, students were required to wear face coverings in lessons as well as in communal areas. Twice weekly LFD testing at home was introduced, with a high uptake recorded.

From May half term the school 'unbubbled' with students following a new daily timetable with lessons in departmental areas, as would usually be the case, in order to enhance the quality of the learning and teaching experience and benefit fully from our specialist teaching facilities.

Given the increasing number of Covid cases towards the end of the summer half term, the school was advised by Public Health England to expect all students to wear face coverings in lessons from Monday 4th July.

It was a difficult balancing act knowing that as a society we must find a way to balance the risk proportionately without excessive restrictions, whilst acknowledging that Covid can have devastating consequences on the lives of those affected. Nobody wants to have to self-isolate or for children to miss out on coming to school, and for most people, Covid may well be a mild illness, but schools were asked to take matters very seriously throughout 2020-21 with the goalposts constantly moving.

Attendance for the 2021-21 academic year was 89.58% (though this figure was impacted by the requirement for vulnerable students to still attend school during the second lockdown). 3.76% of student absence was directly attributable to Covid. 112 students tested positive for Covid during the academic year. School advised 1,221 students to self-isolate as a result of being identified as a close contact within school. Another 937 students self-isolated as a result of being identified as a close contact of somebody external to school. The entire Year 9 bubble was sent home for 2 separate periods of self-isolation; the Year 7, 12 and 13 bubbles were sent home to self-isolate once. 10 members of staff tested positive for Covid during the academic year and a total of 505 staff

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

working days were lost due to self-isolation.

A virtual school tour and new school website were introduced to aid communication and recruitment given that the number of visitors to the school was minimised throughout the year. As of September 2021, the school has 1,653 students on roll, the highest number in the school's history.

2. Develop an outstanding quality of education

Curriculum planning was fluent in response to the evolving pandemic. The initial focus in September 2020 was on starting a fresh topic so that all students could access the learning regardless of their experience during the initial lockdown. Many practical subjects had to make significant adjustments to their schemes of work because bubbled teaching arrangements meant that students had reduced exposure to specialist teaching rooms. So, most year groups were unable to complete Science practical experiments for 5 half terms, whilst KS3 students were unable to access Design Technology rooms so lessons were adapted to focus more on theory. 2020-21 saw far greater consistency of curriculum content and knowledge delivery. The retention of knowledge was a key area of focus with increasing streamlining of lesson delivery in different areas throughout the school. However, curriculum development remains a priority work in progress and there is a need for ongoing adjustments to be made in light of the impact of the educational disruption over the last 18 months.

The development of blended learning proved very successful throughout the year with staff and students able to confidently use Microsoft Teams and switch between regular teaching, a blended approach or working from home/school closure overnight. In the autumn term, work was set on Microsoft Teams for students who were self-isolating. During the second lockdown, students followed a daily timetable with lots of live lessons and interactions with staff and their peers in classes and tutor groups, thereby maintaining the key fundamentals of a regular routine, clear expectations and high quality, varied educational provision. Whilst it was not possible to replicate the diet we could offer in school several innovative approaches were introduced, including the using breakout rooms in Teams and innovative ways of assessing progress. Those vulnerable and key worker students who remained in school followed the same diet and it was heartening seeing some people thriving in adversity. Staff checked in regularly with those who were finding it most challenging, and issued laptops, dongles and free school meals vouchers to many families.

Following the government's decision in February 2021 to cancel public examinations, the school developed a strong process for implementing Teacher Assessed Grades. The result was a robust, fair and transparent system which saw 2,447 grades collated, reviewed and submitted on time. Special consideration was factored in where appropriate and clear communications maintained with staff, students and parents managed throughout. A fair and robust internal process was implemented to ensure effective moderation of grades internally before submission. The government suspended performance tables for the second year running because of the absence of terminal examinations so there are no Value-added measures or Progress 8 scores to report. However, 68.1% of GCSE students achieved grade 4+ in English and Maths, with 44.4% achieving grade 5+. At A Level, 74.3% of students achieved A*-C and 96.8% A*-E.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

3. Provision of additional teaching spaces for the proposed increased student numbers whilst rationalising the existing accommodation to group specialist teaching spaces together

Ongoing work with the Local Authority and the architects continues in order to progress detailed design of the teaching accommodation. Use of the school reserve has been earmarked to ensure that the site meets needs beyond the Local Authority commissioned work. The school is in a very healthy position financially and has allocated reserves to support targeted development of the facilities, planned maintenance priorities and leverage additional funding through a strategy of a contribution of reserves to specific projects. Maintaining a surplus carry forward in the medium term will act as a contingency which allows time to take appropriate decisions and adapt to any risks associated with any possible changes in national funding following the pandemic. There are likely to be considerable pressures on future government spending.

4. Expansion of the school and site development

In December 2020, Warwickshire County Council approved £12.8million funding for the proposed expansion of the school. This was in response to the growing reputation and popularity of the school and anticipated future pressure on student places resulting from additional housing gains within the surrounding area. Over the next few years, this would increase capacity to approximately 2,050 students. There are 3 elements to the expansion plans:

1. The extension of the school Hall, kitchen and dining facilities. This had been intended to be completed by September 2021 but has been delayed until November 2021.
2. The acquisition of the College car park to provide additional space to help facilitate the expansion of the school. This has been purchased by the Local Authority and transferred to the school. Development of the space may be linked to Phase 3.
3. Provision of additional teaching spaces for the proposed increased student numbers whilst rationalising the existing accommodation to group specialist teaching spaces together. Ongoing work with the Local Authority and the architects continues in order to progress detailed design of the teaching accommodation. Use of the school reserve has been earmarked to ensure that the site meets needs beyond the Local Authority commissioned work. The school is in a very healthy position financially and has allocated reserves to support targeted development of the facilities, planned maintenance priorities and leverage additional funding through a strategy of a contribution of reserves to specific projects. Maintaining a surplus carry forward in the medium term will act as a contingency which allows time to take appropriate decisions and adapt to any risks associated with any possible changes in national funding following the pandemic. There are likely to be considerable pressures on future government spending.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

Numbers on roll are rising year on year supported by basic needs funding from the Local Authority to provide for an additional form entry. The academy is currently in surplus and has a rising reserve with a reserves policy that identifies funding for:

- Contingency for payroll and outstanding creditors
- Provision for future capital repairs and maintenance
- Risk mitigation associated with falling role, future funding formulae proposals, any reduced income in real terms and significant increases in salary, tax and other expenditure
- Capital development of facilities and provision for strategic opportunities and school expansion
- Revenue expenditure and staffing cost increases associated with long term developments and investment in curriculum development and pastoral support

The trustees also have a reasonable expectation that the academy will not be significantly adversely impacted by COVID-19.

Financial Report

a. Financial review

The academy continues to review the use of its finances and provisions for financial risks associated with funding levels and renewal of capital assets. The resources committee manager financial risk through a regular review of the risk register and monthly management accounts.

The lockdown and subsequent Government restrictions to control the spread of COVID-19 has had a significant impact upon trading income from lettings and catering but has been mitigated by some reduction in costs, covid catch up funding and use of the Covid Job Retention and exceptional covid costs reclaim schemes. It is unlikely the Trust will be able to access these funds in 2021-2022.

The school is in a very healthy position financially despite the impact of the COVID-19 pandemic. Reserves increased significantly overall, despite the lost income associated with trading income, due to delay in some capital commitments, several one off grants of additional income from the ESFA and much reduced other building related revenue expenditure whilst the site was closed. Trading activity is starting to recover to pre pandemic levels which the trust continues to monitor and will amend spending decisions to mitigate reduced income from trading activity throughout 2021-2022.

The academy generated an overall surplus of £781k after capital spending of £54k and capital receipts of £155k. The difference in capital is covered by the transfer of reserves of £23k and £124k unrealised allocated CIF funding carried forward to 2021-2022

Cash balances at year end are £2,230k and the net current assets are £2,030k.

Maintaining a surplus carry forward in the medium term will act as a contingency which allows time to take appropriate decisions and adapt to any risks associated with any possible reductions in income associated with

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

the national funding rates, especially any change due to pandemic economic recovery plans which are likely to place considerable pressure on future government spending decisions. Also any further rise in costs, particularly employment costs associated with employer pension contributions and pay awards. These intangibles can rapidly have a drastic impact on the balance sheet.

Cost pressures associated with the teacher pay award in September 2018 and 2019 (3.1% average) and a higher contribution rate to the teacher pension fund remain challenging but the extra cost associated with these was supported through the additional teacher pay grant receipts totaling £106k and the teacher pension grant £300k. We continue to monitor the long term structural impact upon the Trust reserves as these grants are withdrawn and the costs get subsumed into the general AWPU rate within the GAG funding in future years.

Above inflationary pay rises for support staff on the lower pay scales in 2018-2020, a 2.75% rise in April 2020 and a higher LGPS primary pension contribution rate following the triennial review of the Warwickshire pension scheme introduced April 2020 continue to increase unfunded staffing costs. The Trust continue to monitor all support staff positions to ensure the level of administrative and operational staff provide an effective support to the teaching functions of the School and the education of our students. Long term support for these costs is factored into the Trustees use of reserves. The pay increase for April 2021 has not yet been agreed and we have included a 2% provision for increased wage costs totaling £19,858.

Additional grants received were:

A supplementary grant of £18.0k for free school meals provision.

A supplementary grant of £31.5k for pupil premium.

A grant of £35.5k for covid testing costs.

A grant of £106.5k for covid catch up activities.

A grant of £2.3k for sixth form catch up tutoring.

A digital platform grant of £2k and a future careers grant of £2k.

A grant of £14.7k for covid summer school provision.

A grant of £97.0k for SEN Higher needs top up funding.

A grant of £44.4k from the Town Trust inclusive of £23.9k from the previous year allocation.

A grant of £6k from Clifford Chambers Parish Council.

An allocation of laptops valued at £57.6k.

Growth funding of £64,047 was received for the additional places offered in year 7 for entry September 2020.

A Condition Improvement Grant allocation of £124,233 has been accounted for in 20-21 with the income and expenditure to be allocated in 21-22 and this is reserved in the restricted capital carry forward at 31st August 2021.

In addition, £84k of catch up funding has been carried forward to 21-22.

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 £49k (20/21) significantly lower than the £85k (19/20) and £179k (18/19) in the previous years due to the pandemic restrictions. After allowing for all direct staffing costs, unreclaimable VAT and overhead allocation this resulted in a much lower direct contribution of £0.2k, compared to £98k (18/19) towards the unrestricted reserves to support the upkeep of facilities and contribute towards the educational provision of the academy in this financial year.

Catering has again been disrupted by periods of closure and student isolation during the year but sales have been performing above expectation per day when open following a further higher intake of pupils into year 7. Due to the pandemic sales were still significantly reduced to £336k (20/21) compared to £306k (19/20) and £471k (18/19) a slight increase on last year but still 28% below 18/19 levels. After direct staffing, supplies and overhead allocation costs this resulted in an £87k loss supported by reserves, a reduction of £89k compared to (18/19). This was mitigated by a £23.9k receipt from the CJRS for staff furloughed during this period.

The academy is also pleased to acknowledge the generous and welcome ongoing financial support provided by

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

the Stratford Town Trust, which provides funds for qualifying activity, including hardship support, to be used at the Academy's discretion. This has helped us to support many students access music lessons, the young apprentice award and support other opportunities when required.

£146k of Section 106 funding was allocated in 2015 from new housing developments in the area relating to other allocated funds. To date £60k has been received with £86k deferred, and are expected to become payable in subsequent years as receipts are received by Warwickshire County Council.

Comparison with previous years is difficult due to the extraordinary impact upon the school due to the pandemic restrictions but where possible costs were reduced to offset the impact of losses of income associated with our trading activities. Generally overhead costs were well controlled within budget with lower repair and maintenance, utility and photocopier lease costs associated with reduced activity during the lockdown period.

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

The removal of the contracted out pension rate with effect from April 2016 increased the Employers NI rate (from 10.4% to 13.8%) and continues to represent an extra cost of approximately £100,000 per annum.

The introduction of the Apprenticeship levy in April 2017 @ 0.5% of salary bill (excludes on-costs) over £3M, which cost £11,065 (20/21) compared with £9,513 p.a (19/20). The school is currently offering apprenticeship training to draw down on this funding.

During the year ended 31 August 2021, total income of £9,186k, total expenditure of £8,250k (excluding Depreciation of £787k and FRS102 Pensions of £1,194k) was covered by recurrent grant funding from the ESFA together with other incoming resources and reserves. This resulted in a surplus of income over expenditure for the year (excluding Depreciation and FRS102 Pensions) of £781k, of which a deficit of (£80k) has been generated from unrestricted activities due to the reduction in income associated with the pandemic restrictions. Catch up grant income of £84k is carried forward and will be expended in 2021/22.

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 contribution rate of 16.4% rose significantly to 23.6% for the period 1 September 2019 to 31 March 2023. We received funding from the DfE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Recent announcements indicate the teachers pension grant will be paid until 2021/2022.

It is forecast that the increase in contributions for the school would be £260,000 per annum which will be fully funded in 2019/2020 and 2020/2021. If not fully funded by additional resources from Government in future years this would have a significant impact upon the level of school reserves and future cashflow plus implication for maintaining an adequate level of funding as prescribed in the reserves policy.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the academy is recognising a significant pension fund deficit of £5,267,000 at the end of August 2021 and an actuarial loss of £775,000 for the year (£4,073,000 and £50,000 loss 2019-20 respectively) and a projected loss of £991,000 next year 21-22. This does not mean this is an immediate liability but requires funding over the long term via

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

increased employers contributions following the triennial review. From April 2020 the secondary lump sum of £55k to meet future pension costs was removed and an increased primary rate introduced from 19.8% to 23.2%. The estimated employers LGPS cost for 20/21 is £400k which is £58k more than at the previous primary rate which represents little increase in the overall pension cost overall. As the school expands our pension liability is likely to increase and additional provision is likely through a primary rate increase to address this and will need to be included within future medium term budget plans.

The recognition of this deficit has no direct impact on the free reserves of the academy.

At 31 August 2021 the net book value of intangible and tangible fixed assets were £24,639k. Movements in intangible and tangible fixed assets are shown in note 13 and 14 of the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

A programme of refurbishment and environmental improvements was continued but were scaled back in 20/21 replacing a few computers and providing laptops supplemented by 288 laptops received from the Government catch up initiative supporting student access to our remote learning resources which we continue to develop. The site was improved with the addition of gates between the buildings for security and safeguarding and we invested in cleaners and continuing investing in LED lighting replacement. Many of these will remain a recurring priority in future years, along with improvement to ICT switches and the main server replacement deferred to 21/22. We continue to upgrade and invest into new security measures including a fully monitored external CCTV system to the perimeter of our buildings and sports facilities. We were successful in our applications to the capital condition improvement fund for replacement boilers totaling £124,233 supplemented by £23,000 of our reserve which are being installed in the Autumn 21 term. We will be committing resources of £80,000 towards a bid in 21/22 funding round to replace 2 further boiler rooms.

Capital expenditure of £54.3k was funded using £30.8k DFC funding, and £23.5k transferred from reserves.

There is no capital surplus relating to unspent devolved formula capital allocation 20/21 to be carried forward into the 21/22 budget forecast. The CIF allocation of £124,233 has been realised in accordance with Charities SORP and carried forward in the capital reserve at the year end.

During the year no historic assets received on transfer to a trust have been written off but the historic donated fixtures and fittings have been fully depreciated after 10 years.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

b. 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 £320,000, and the academy does hold a free reserve at this level. The rationale for this value is to provide for unforeseen events and to ensure commitments can be made in the event of a late income payment from the ESFA.

Indicative use of Reserve is as follows:

Capital infrastructure	Building maintenance reserve	£500k	
	Existing capital commitments	£240k	
Strategic Opportunities	Building expansion	£400k	(£200k already committed)
	Creative staffing	£300k	
	Unspent 'Catch up'	£100k	
	MAT expansion	£100k	
Risk mitigation	Unfunded pay rises	£100k	
	Liquidity reserve	£320k	
	Total	£2.06million	

The academy's current level of free reserves (total funds less fixed assets and restricted funds) is £710k (20/21) compared to £790k (19/20). The value of restricted reserves is £20,691k (20/21) reducing from £21,656k (19/20) mainly due to the increase in actuarial loss on the pension reserve.

c. Investments 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.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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 school places.

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

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

The following general controls are in place.

- Terms of reference for all board of trustees and delegated committees under the direction of the board of trustees;
- Business and Pecuniary interests of trustees reviewed at each meeting.
- Comprehensive budgeting and management reporting.
- Established organisational structure and clear lines of reporting.
- Formal written policies.
- Clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.

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

Fundraising

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

Grants have been applied for and received, as described in the Financial Review. The Trust continues to explore funding opportunities and generate outside relationships and partnerships to enhance the provision of the school and the opportunities for students. Where possible the Trust looks to leverage additional funding from Government agencies or private donations to support the cost of new initiative and facilities. No professional fundraiser is contracted and fundraising conforms to the required standards with no persistent fundraising requests undertaken to avoid any pressure on any individual to donate.

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

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

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

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

	2021	2020
Energy consumption breakdown (kWh):		
Gas	1,320,118	1,023,763
Electricity	695,182	622,300
Transport fuel	580	4,016
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	241.79	188.24
Owned transport	0.22	0.75
Total scope 1	<u>242.01</u>	<u>188.99</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>147.60</u>	<u>145.00</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>389.61</u>	<u>333.99</u>

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

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

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

Measures taken to improve energy efficiency and our carbon footprint

1. Continue to replace lighting with low energy LED lighting throughout the school.
2. Apply for CIF funding to replace aging boilers with more efficient ones.
3. Ensure timers and thermostats on energy systems are reviewed and adjusted regularly throughout the year to minimise wasted energy.
4. Encourage lights to be switched off and install more movement sensors
5. Reviewing how the facilities as a whole are used across the school and during lettings periods to consolidate use to minimise energy usage

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

SCHOOL DEVELOPMENT PLAN SUMMARY OF PRIORITIES 2021-22

1. Develop an outstanding quality of education

- a) Develop bespoke curriculum area 3 year plans to continuously improve curriculum and schemes of work to ensure they are of the highest quality.
- b) Develop subject-specific pedagogy to ensure planned curriculum intent is delivered successfully and consistently.
- c) Meet student progress data targets for Y10-11.
- d) Ensure gaps in student progress resulting from coronavirus are minimised.
- e) Development of ongoing blended learning by use of Microsoft Teams to support in-class and home learning.

2. Behaviour and attribute

- a) Develop positive identities within new tutor groups & Colleges.
- b) Develop a systematically sustainable rewards system based on regular data to unleash the power of positivity.
- c) Develop a clear disciplinary tariff to reinforce consistent behavioural expectations throughout the school.
- d) Develop the role of Tutor within the new split Vertical Tutoring model.
- e) Develop the right environment in KS3 supportive provision & flexible learning.

3. Personal development

- a) Effective development of students experiences, cultural capital & extra-curricular opportunities across each year group and key stage.
- b) Introduction of Stratford Scholars programme in year 7.
- c) Develop a half termly programme of Inter-College
- d) Ensure SRE requirements are met.

4 Leadership and management

- a) Reintroduce culture of regularly interrogating data at all levels. .
- b) Continue to improve appraisal process to adapt to developing needs and provide more bespoke development.
- c) Develop internal leadership CPD provision. .
- d) Develop internal L&T CPD for ECF and disseminating pedagogical content knowledge.
- e) Actively promote staff wellbeing.

5 Sixth Form provision

- a) Meet student progress targets for Y12 & 13.
- b) Develop the profile of the Student Presidential team.
- c) Develop system for UCAS Personal Statement and references to support increasing numbers of students.

6 Expansion of the school and site development

- a) Develop a site master plan and make strategic use of our reserve to ensure site meets needs beyond LA commissioned work.

7 Provide an agile response to managing coronavirus

- a) Ongoing adaptation of risk assessment & fluid planning for likely scenarios.

The immediate priority is to continue to provide a safe learning/working environment and agile response to managing coronavirus.

STRATFORD UPON AVON SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods (continued)

The educational focus remains continuing to develop the quality of education by focusing on curriculum planning and building and retaining student knowledge. In doing so, the academy will continue to improve still further the levels of performance of its students at all levels, particularly disadvantaged students.

The academy will continue to aim to attract high quality teachers and support staff in order to meet the needs of an inclusive school and ensure that staffing structures are fit for purpose as the school grows.

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

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

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Mazars LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 9, 2021 and signed on its 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 7 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
S Drummond	7	7
G Inglis	5	7
P Heath	4	7
E Heathcote-James	6	7
J Price	7	7
S Nicholson	6	7
T Irish	5	7
K Scott	0	1
J Baker	6	7
N Wallace, Head Teacher & Accounting Officer	6	7
W Mills	1	1

Note: For those appointed as Trustees during the course of 2020-21, but having previously attended the meeting as an observer, their attendance at meetings as an observer is included in the totals shown.

Note: Members are only required to attend the AGM

Governance Review

During the year 2020-21 the composition of the Board remained stable, and the governance structure introduced in 2019-20 was embedded. The Board continues to delegate to two committees - the Resources Committee and Quality of Education Committee. The current Trustees have a range of relevant skills and experience for strategic leadership of the Academy, including corporate organisational leadership and management, accounting, law, marketing and PR, public sector management, education and school leadership. The make-up of the Board also meets the requirement of our Article of Association for 'parent' representation. Four of the Trustees were carers of pupils at the school during the year. The Board met remotely during the COVID-19 pandemic and met more often than in previous years to support school leadership with decision-making during uncertain times, especially responding to the late decisions from government regarding pandemic management including school closures, and end-of-year assessment. Despite these challenges the Board was also able to scrutinise and approve the positive developments at the school. The Board established a Quality of Education working group to connect with the school's Teaching and Learning team, and to co-

STRATFORD UPON AVON SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

ordinate effective classroom visits.

The Board introduced a Governor's Action Plan to track intentions and actions, and this was reviewed at the end of the year. The review identified that continued improvement to governance required an ongoing focus on communication between the Board and Committees and senior leadership, increased emphasis on trustee accountability for action, and rigorous conversation between Trustees. Coming out of the pandemic Trustees committed to a greater focus on strategic development and to undertake an annual review in partnership with the senior leadership team. A working group was launched to oversee the site expansion.

The COVID-19 pandemic has delayed some of the developments in Governance that were underway, including the review of the new terms of reference and scheme of delegation. However, it also provided opportunities to build the relationships and resilience of the Board.

Succession to the Board is seen as an ever-present risk. This has been mitigated by recruitment of Committee members with relevant skills to provide a pipeline of people with experience of governance at the school who could become Trustees. This year recruitment of new committee members was successful adding 6 new committee members.

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K Scott	4	6
P Heath	6	6
J Price	6	6
N Wallace	6	6
G Inglis	6	6
E Heathcote-James	6	6
Committee Member	Meetings attended	Out of a possible
C Faulkner	6	6
W Mills	2	6
M Richardson	5	6

Note: For those appointed as Trustees during the course of 2020-21, but having previously attended the meeting as an observer, their attendance at meetings as an observer is included in the totals shown.

STRATFORD UPON AVON SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

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, curriculum planning and development plans , 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 external services to other schools where we have skills and capacity to help their development, providing value for money to those schools, and a valuable income stream to the academy.
3. Making maximum use of external grants and funding streams to expand and enhance our provision of facilities, environmental improvements and services to support student learning, careers and progression.
4. Continuing work with other local academies into shared procurement and using joint benchmarking to drive costs down.
5. Making use of the published DfE spending breakdowns to benchmark the academy spend.
6. Making use of brokerage and crown commercial services frameworks to reduce operational costs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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 Resources 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

STRATFORD UPON AVON SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of trustees suspended the internal audit function in 20-21 due to the relocation of the internal auditor and covid restrictions. They are seeking to reappoint an internal auditor for 21-22 and/or commission a review of internal controls for health and safety and ICT functions.

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

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

On a periodic basis, the internal auditor reports to the Board of Trustees through the resources committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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 school resource management self-assessment tool;
- 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 resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on

and signed on their behalf by:



Jane Price
Chair of Trustees
Dec 9, 2021


Neil Wallace (Dec 8, 2021 16:22 GMT)

Neil Wallace
Accounting Officer
Dec 8, 2021

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 Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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 the ESFA.



Neil Wallace (Dec 8, 2021 16:22 GMT)

Neil Wallace
Accounting Officer

Date: Dec 8, 2021

STRATFORD UPON AVON SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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

and signed on its behalf by:



Jane Price
Chair of Trustees

Dec 9, 2021

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 statement of Stratford upon Avon School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statement:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 statement 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 statement in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

STRATFORD UPON AVON SCHOOL

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the incorporated 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 incorporated 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 statement are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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 statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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 (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

STRATFORD UPON AVON SCHOOL

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

Use of our report

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



[David Hoose \(Dec 9, 2021 13:09 GMT\)](#)

David Hoose (senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants

Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date: Dec 9, 2021

STRATFORD UPON AVON SCHOOL

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

In accordance with the terms of our engagement letter dated 6th October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, 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 2020 to 31 August 2021 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 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 2020, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

STRATFORD UPON AVON SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STRATFORD UPON AVON SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars (Dec 9, 2021 13:10 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: Dec 9, 2021

STRATFORD UPON AVON SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	7	102	155	264	100
Other trading activities	5	57	33	-	90	248
Investments	6	1	-	-	1	6
Charitable activities - funding for the academy trust's educational operations	4	336	8,495	-	8,831	7,956
		<u>401</u>	<u>8,630</u>	<u>155</u>	<u>9,186</u>	<u>8,310</u>
Total income						
Expenditure on:						
Raising funds		-	28	-	28	186
Charitable activities - academy trusts' educational operations	8	481	8,160	787	9,428	9,004
		<u>481</u>	<u>8,188</u>	<u>787</u>	<u>9,456</u>	<u>9,190</u>
Total expenditure						
Net (expenditure)/income		(80)	442	(632)	(270)	(880)
Transfers between funds	18	-	(23)	23	-	-
Net movement in funds before other recognised gains/(losses)		<u>(80)</u>	<u>419</u>	<u>(609)</u>	<u>(270)</u>	<u>(880)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(775)	-	(775)	(50)
		<u>(80)</u>	<u>(356)</u>	<u>(609)</u>	<u>(1,045)</u>	<u>(930)</u>
Net movement in funds						
Reconciliation of funds:						
Total funds brought forward		790	(3,715)	25,371	22,446	23,376
Net movement in funds		(80)	(356)	(609)	(1,045)	(930)
		<u>710</u>	<u>(4,071)</u>	<u>24,762</u>	<u>21,401</u>	<u>22,446</u>
Total funds carried forward						

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

The notes on pages 37 to 63 form part of these financial statements.

STRATFORD UPON AVON SCHOOL
REGISTERED NUMBER: 7690776

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	1	3
Tangible assets	14	24,637	25,368
		24,638	25,371
Current assets			
Stocks	15	4	11
Debtors	16	343	223
Cash at bank and in hand		2,230	1,419
		2,577	1,653
Creditors: amounts falling due within one year	17	(547)	(505)
		2,030	1,148
Net current assets		2,030	1,148
Total assets less current liabilities		26,668	26,519
Net assets excluding pension liability		26,668	26,519
Defined benefit pension scheme liability	24	(5,267)	(4,073)
Total net assets		21,401	22,446

STRATFORD UPON AVON SCHOOL
REGISTERED NUMBER: 7690776

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	24,762	25,371
Restricted income funds	18	1,196	358
Restricted funds excluding pension asset	18	25,958	25,729
Pension reserve	18	(5,267)	(4,073)
Total restricted funds	18	20,691	21,656
Unrestricted income funds	18	710	790
Total funds		21,401	22,446

The financial statements on pages 33 to 63 were approved by the Trustees, and authorised for issue on Dec 9, 2021 and are signed on their behalf, by:



J Price
 Chair of Trustees

The notes on pages 37 to 63 form part of these financial statements.

STRATFORD UPON AVON SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	834	364
Cash flows from investing activities	21	(23)	(236)
Change in cash and cash equivalents in the year		811	128
Cash and cash equivalents at the beginning of the year		1,419	1,291
Cash and cash equivalents at the end of the year	22, 23	<u>2,230</u>	<u>1,419</u>

The notes on pages 37 to 63 form part of these financial statements

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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.

Numbers on roll are rising year on year supported by basic needs funding from the Local Authority to provide for an additional form entry. The academy is currently in surplus and has a rising reserve with a reserves policy that identifies funding for:

- Contingency for payroll and outstanding creditors
- Provision for future capital repairs and maintenance
- Risk mitigation associated with falling role, future funding formulae proposals, any reduced income in real terms and significant increases in salary, tax and other expenditure
- Capital development of facilities and provision for strategic opportunities and school expansion
- Revenue expenditure and staffing cost increases associated with long term developments and investment in curriculum development and pastoral support

The School is currently expanding its intake to an 11 form entry with additional growth funding from the Local Authority to meet basic need in the area and is currently planning an expansion to a 12 form entry within the next 2 years linked to a several million pound extension to the school to increase capacity. This increase in students is creating additional income at the enhanced AWPU rate per student which incorporates the teachers pay and pension grants element as these are withdrawn.

The board of trustees has passed and reviewed a 5 year budget plan which shows a positive operational surplus throughout the period year on year as there is projected to be a net increase in students and GAG income.

Expenditure is well controlled and increases in staffing based upon the curricular demand associated with rising student numbers is projected within the 5 year budget plan along with a provision of between 2 to 3 % rise annually in wage costs and provision for increased employers national insurance contributions.

The reserves will be reduced in a planned commitment during the 5 year period as the School undertakes future capital projects and facilitates activities to extend the activities available outside of the times of the school day.

Throughout the period the reserve will be maintained at an appropriate level to maintain a positive

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.2 Going concern (continued)

cashflow and contingency for emergency funding.

The trustees also have a reasonable expectation that the academy will not be significantly adversely impacted by COVID-19.

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **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 'Stocks' 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'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Intangible assets

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 of 3 years on a straight line basis.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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.

1.8 Stocks

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

1.9 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

1.13 Operating leases

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

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.14 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 28.

1.16 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	7	102	-	109	71
Capital Grants	-	-	155	155	29
	<u>7</u>	<u>102</u>	<u>155</u>	<u>264</u>	<u>100</u>
Total 2020	<u>59</u>	<u>12</u>	<u>29</u>	<u>100</u>	

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant	-	7,364	7,364	6,699
Other DfE/ESFA grants				
Pupil premium	-	253	253	237
Teachers' pay grant	-	106	106	100
Teachers' pension grant	-	300	300	282
Rates reclaim	-	55	55	55
Other grants	-	22	22	27
	-	8,100	8,100	7,400
Other Government grants				
Local authority grant	-	196	196	168
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	107	107	-
Other DfE/ESFA COVID-19 Funding	-	44	44	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme Grant	-	24	24	-
Other Coronavirus Funding	-	24	24	-
	-	395	395	168
Other income from the Academy's educational operations	336	-	336	304
	336	8,495	8,831	7,872
Total 2020	304	7,568	7,872	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Pupil Premium, Teachers' Pay Grant, Teachers' Pension Grant, Rates Reclaim and other is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations (continued)

The academy received £107k of funding for catch up premium and costs incurred in respect of this funding totalled £23k, with the remaining £84k to be spent in 2021/2022.

The academy furloughed some of its catering staff under the government's CJRS. The funding received of £24k relates to staff costs in respect of staff which are included within note 10 below as appropriate.

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	50	-	50	-
Income from ancillary trading activities	7	33	40	248
	<u>57</u>	<u>33</u>	<u>90</u>	<u>248</u>
Total 2020	<u>38</u>	<u>210</u>	<u>248</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Short term deposits	1	1	6
	<u>1</u>	<u>1</u>	<u>6</u>
Total 2020	<u>6</u>	<u>6</u>	

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on raising funds:					
Direct costs	-	-	28	28	186
Academy's educational operations:					
Direct costs	5,702	787	389	6,878	6,600
Allocated support costs	1,569	376	605	2,550	2,404
	<u>7,271</u>	<u>1,163</u>	<u>1,022</u>	<u>9,456</u>	<u>9,190</u>
Total 2020	<u>6,828</u>	<u>1,222</u>	<u>1,140</u>	<u>9,190</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational Operations	<u>6,878</u>	<u>2,550</u>	<u>9,428</u>	<u>9,004</u>
Total 2020	<u>6,599</u>	<u>2,405</u>	<u>9,004</u>	

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	1,569	1,569	1,466
Technology costs	101	101	15
Premise costs	376	376	461
Other support costs	483	483	441
Governance costs	13	13	21
Legal fees	8	8	1
	<hr/>	<hr/>	<hr/>
	2,550	2,550	2,405
	<hr/>	<hr/>	<hr/>
Total 2020	<hr/>	<hr/>	<hr/>
	2,331	2,405	
	<hr/>	<hr/>	<hr/>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £000	2020 £000
Operating lease rentals	46	24
Depreciation of tangible fixed assets	785	762
Amortisation of intangible assets	2	1
Fees paid to auditors for:		
- audit	10	10
- other services	4	4
	<hr/>	<hr/>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	5,201	4,916
Social security costs	515	475
Pension costs	1,496	1,405
	<hr/>	<hr/>
	7,212	6,796
Agency staff costs	59	32
	<hr/>	<hr/>
	<u>7,271</u>	<u>6,828</u>

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	83	65
Administration and support	106	116
Management	10	9
	<hr/>	<hr/>
	199	190
	<hr/>	<hr/>

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teachers	74	69
Administration and support	68	69
Management	10	10
	<hr/>	<hr/>
	152	148
	<hr/>	<hr/>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £834,284 (2020 - £891,436).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £000	2020 £000
N Wallace, Head Teacher & Accounting Officer	Remuneration	105 - 110	105 - 110
	Pension contributions paid	25 - 30	20 - 25

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. 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 on any one claim and the cost for the year ended 31 August 2021 was £246 (2020 - £332). The cost of this insurance is included in the total insurance cost.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

13. Intangible assets

	Software licenses £000
Cost	
At 1 September 2020	8
At 31 August 2021	<u>8</u>
Amortisation	
At 1 September 2020	5
Charge for the year	2
At 31 August 2021	<u>7</u>
Net book value	
At 31 August 2021	<u><u>1</u></u>
At 31 August 2020	<u><u>3</u></u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2020	30,197	814	425	31,436
Additions	-	23	32	55
At 31 August 2021	<u>30,197</u>	<u>837</u>	<u>457</u>	<u>31,491</u>
Depreciation				
At 1 September 2020	5,403	501	163	6,067
Charge for the year	604	83	99	786
At 31 August 2021	<u>6,007</u>	<u>584</u>	<u>262</u>	<u>6,853</u>
Net book value				
At 31 August 2021	<u>24,190</u>	<u>253</u>	<u>195</u>	<u>24,638</u>
At 31 August 2020	<u>24,794</u>	<u>312</u>	<u>262</u>	<u>25,368</u>

15. Stocks

	2021 £000	2020 £000
Finished goods and goods for resale	<u>4</u>	<u>11</u>

16. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	6	-
Other debtors	45	77
Prepayments and accrued income	292	146
	<u>343</u>	<u>223</u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

17. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	120	272
Other taxation and social security	259	113
Other creditors	11	51
Accruals and deferred income	157	69
	<hr/>	<hr/>
	547	505
	<hr/> <hr/>	<hr/> <hr/>
	2021	2020
	£000	£000
Deferred income at 1 September 2020	51	100
Resources deferred during the year	101	51
Amounts released from previous periods	(51)	(100)
	<hr/>	<hr/>
Deferred income at 31 August 2021	101	51
	<hr/> <hr/>	<hr/> <hr/>

As at 31 August 2021, the academy trust was holding funds in respect of educational trips totalling £77k (2020: £38k), £15k in respect of music lessons, £7k (2020: £Nil) in respect of bursary funds, £2k in respect of the Skills for Employment Grant and £Nil (2020: £13k) in respect of Biometric deposits.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted funds	790	401	(481)	-	-	710
Restricted general funds						
General Annual Grant (GAG)	233	7,364	(6,659)	(23)	-	915
Other ESFA and DfE grants	-	77	(77)	-	-	-
Pupil Premium	-	253	(230)	-	-	23
Teachers' Pay Grant	-	106	(106)	-	-	-
Teachers' Pension Grant	-	300	(300)	-	-	-
Other government grants	68	196	(132)	-	-	132
Catch up premium	-	107	(23)	-	-	84
Other DfE/ESFA COVID-19 funding	-	44	(44)	-	-	-
Coronavirus Job Retention Scheme Grant	-	24	(24)	-	-	-
Other Coronavirus Funding	-	24	(24)	-	-	-
Donations	54	102	(128)	-	-	28
Other	3	33	(22)	-	-	14
Pension reserve	(4,073)	-	(419)	-	(775)	(5,267)
	(3,715)	8,630	(8,188)	(23)	(775)	(4,071)
Restricted fixed asset funds						
DfE/ESFA capital grants	-	155	(31)	-	-	124
Capital expenditure from GAG	664	-	(85)	23	-	602
Private sector capital grants	286	-	(37)	-	-	249
Transfer on conversion to academy	24,421	-	(634)	-	-	23,787
	25,371	155	(787)	23	-	24,762
Total Restricted funds	21,656	8,785	(8,975)	-	(775)	20,691

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Total funds	22,446	9,186	(9,456)	-	(775)	21,401

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

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

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

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

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

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

(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.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	783	492	(485)	-	-	790
Restricted general funds						
General Annual Grant (GAG)	344	6,699	(6,569)	(241)	-	233
Other ESFA and DfE grants	(19)	82	(63)	-	-	-
Pupil Premium	-	237	(237)	-	-	-
Teachers' Pay Grant	-	100	(100)	-	-	-
Teachers' Pension Grant	-	282	(282)	-	-	-
Other government grants	3	168	(103)	-	-	68
Donations	48	197	(191)	-	-	54
Other	4	24	(25)	-	-	3
Pension reserve	(3,650)	-	(373)	-	(50)	(4,073)
	(3,270)	7,789	(7,943)	(241)	(50)	(3,715)
Restricted fixed asset funds						
DfE/ESFA capital grants	-	29	(29)	-	-	-
Capital expenditure from GAG	521	-	(98)	241	-	664
Private sector capital grants	288	-	(2)	-	-	286
Transfer on conversion to academy	25,054	-	(633)	-	-	24,421
	25,863	29	(762)	241	-	25,371
Total Restricted funds	22,593	7,818	(8,705)	-	(50)	21,656
Total funds	23,376	8,310	(9,190)	-	(50)	22,446

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	24,637	24,637
Intangible fixed assets	-	-	1	1
Current assets	710	1,743	124	2,577
Creditors due within one year	-	(547)	-	(547)
Pension scheme liabilities	-	(5,267)	-	(5,267)
Total	710	(4,071)	24,762	21,401

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	25,368	25,368
Intangible fixed assets	-	-	3	3
Current assets	790	863	-	1,653
Creditors due within one year	-	(505)	-	(505)
Pension scheme liabilities	-	(4,073)	-	(4,073)
Total	790	(3,715)	25,371	22,446

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

20. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per statement of financial activities)	(270)	(880)
Adjustments for:		
Amortisation	2	1
Depreciation	785	763
Capital grants from DfE and other capital income	(31)	(29)
Interest receivable	(1)	(6)
Defined benefit pension scheme cost less contributions payable	347	301
Defined benefit pension scheme finance cost	72	72
Decrease/(increase) in stocks	7	(4)
(Increase)/decrease in debtors	(120)	26
Increase in creditors	43	120
Net cash provided by operating activities	834	364

21. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	1	6
Purchase of tangible fixed assets	(55)	(271)
Capital grants from DfE Group	31	29
Net cash used in investing activities	(23)	(236)

22. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	2,230	1,419
Total cash and cash equivalents	2,230	1,419

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

23. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	1,419	811	2,230
	<hr/>	<hr/>	<hr/>
	1,419	811	2,230
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £133k were payable to the schemes at 31 August 2021 (2020 - £0k) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £805,867 (2020 - £751,186).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £451,000 (2020 - £405,000), of which employer's contributions totalled £356,000 (2020 - £310,000) and employees' contributions totalled £ 95,000 (2020 - £86,000). The agreed contribution rates for future years are 23.2% for employers and between 5.5% and 8.3% for employees.

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

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

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.70	3.00
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021 Years	2020 Years
Retiring today		
Males	21.8	21.6
Females	24.2	23.8
Retiring in 20 years		
Males	23	22.5
Females	26.1	25.4

Sensitivity analysis on defined benefit obligation

	2021 £000	2020 £000
Discount rate -0.1%	264	207
Salary increase rate + 0.1%	22	19
Pension increase rate + 0.1%	238	190

Share of scheme assets

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

	2021 £000	2020 £000
Equities	3,492	2,497
Corporate bonds	1,351	1,041
Property	619	541
Cash and other liquid assets	169	83
Total market value of assets	5,631	4,162

The actual return on scheme assets was £1,081k (2020: (£207k)).

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

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

	2021 £000	2020 £000
Current service cost	703	620
Interest on obligations	146	152
Interest on assets	(74)	(80)
Total amount recognised in the Statement of financial activities	<u>775</u>	<u>692</u>

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

	2021 £000	2020 £000
At 1 September	8,235	7,671
Current service cost	703	620
Interest cost	146	152
Employee contributions	95	86
Actuarial losses/(gains)	1,782	(237)
Benefits paid	(63)	(57)
At 31 August	<u>10,898</u>	<u>8,235</u>

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

	2021 £000	2020 £000
At 1 September	4,162	4,021
Interest income	74	80
Actuarial gains/(losses)	1,007	(287)
Employer contributions	356	319
Employee contributions	95	86
Benefits paid	(63)	(57)
At 31 August	<u>5,631</u>	<u>4,162</u>

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

25. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Amounts payable		
Within 1 year	17	26
Between 1 and 5 years	-	5
	<u>17</u>	<u>31</u>

26. 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.

27. Related party transactions

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

C Brayshaw, spouse of A Mason, the Director of Finance and Operations, is employed by the academy trust. C Brayshaw's appointment was made in open competition and A Mason was not involved in the decision-making process regarding appointment. C Brayshaw is paid within the normal pay scale for the role and receives no special treatment as a result of the relationship held.

C Stacey, spouse of P Stacey, a member of the senior leadership team, is employed by the academy trust as an Geography Curriculum Leader. C Stacey's appointment was made in open competition and P Stacey was not involved in the decision-making process regarding appointment. C Stacey is paid within the normal pay scale for the role and receives no special treatment as a result of the relationship held.

S Hill, spouse of J Hill, a member of the senior leadership team, is employed by the academy trust as an English Curriculum Leader. S Hill's appointment was made in open competition and J Hill was not involved in the decision-making process regarding appointment. S Hill is paid within the normal pay scale for the role and receives no special treatment as a result of the relationship held.

STRATFORD UPON AVON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *FOR THE YEAR ENDED 31 AUGUST 2021*

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £12k (2020: £16k) and disbursed £5k (2020: £16k) from the fund. An amount of £7k (2020: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.