
STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

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STRATFORD UPON AVON SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Price S Drummond (appointed 6 December 2021) T Handcock B Barton (appointed 6 December 2021) W Mills (resigned 17 October 2021) P Wright (resigned 6 December 2021)
Trustees	S Drummond (resigned 6 December 2021) P Heath E Heathcote-James J Price, Chair of Trustees S Nicholson T Irish J Baker N Wallace, Head Teacher & Accounting Officer M Richardson (appointed 24 January 2022) W Mills (resigned 24 January 2022) G Inglis (resigned 17 October 2021)
Company registered number	07690776
Company name	Stratford upon Avon School
Principal and registered office	Alcester Road Stratford-upon-Avon Warwickshire CV 37 9DH
Company secretary	S Jones
Senior management 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 (until 31 August 2022) 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 V Lerner, Assistant Head Teacher (from 1 September 2022) L Bolton, Assistant Head Teacher (from 1 September 2022)
Independent auditors	Mazars LLP Chartered Accountants Park View House 58 The Ropewalk Nottingham NG1 5DW

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 1,653 in the school census Autumn 2021.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021-22 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

f. Organisational structure

The board of trustees met 6 times during 2021-22

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 2021-22, 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.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

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.

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 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	168

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £000

Total cost of facility time	-
Total pay bill	8,204
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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Objectives, Strategies and Activities

The focus of the School Development Plan for 2021-22 was as follows:

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 attitude**

- 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 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) Reduce the digital divide, including devices for students.

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 and internal CPD for ECF and disseminating pedagogical content knowledge.
- d) Actively promote staff wellbeing.

5. **Sixth Form provision**

- a) Meet student progress targets for Y12 & 13.
- b) Raise academic rigour through A Level preparation and effective marking and feedback.
- c) Develop the profile of the Student Presidential team.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

7. Provide an agile response to managing coronavirus

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

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

1. Develop an outstanding quality of education

Curriculum areas created bespoke 3 year plans to continuously improve the curriculum and schemes of work. Middle Leader healthchecks documented what these look like. The result has been greater consistency within department areas and a more consistent experience for students. The school successfully ran a twin options model for the first time with students selecting 6 subjects for study in Year 9 before refining their choice to 4 subjects which they continue with from Year 10. This twin options model enables students to retain a broad and balanced curriculum whilst exploring the full range of optional subjects we are able to offer as a large school. Revision and preparation for examinations was a key area with departments making effective use of Microsoft Teams to set homework, work when absent and a detailed revision programme for KS4 students. The GCSE results show remarkable consistency across different curriculum areas. Every single GCSE subject achieved a grade 9. Overall, students entered 24 different GCSE subjects achieving an average grade of 4.84. Year 11 students were also entered for 8 different vocational qualifications achieving an average grade of 4.66. Attainment 8, Progress 8 and value added scores were in line with national figures in all areas, apart from Humanities which achieved 'significantly above' national expectations. To minimise gaps resulting from coronavirus, a range of initiatives were introduced requiring students to show discretionary effort. These included targeted students attending National Tutoring Programme support, Grade Booster and Aim for Nine sessions in core subjects. Several students unable to attend school were supported by the creation of our own online FLEX provision. As a result, only four students flatlined, including three school refusers. This marked reduction in students scoring zero was an achievement as other potential flatliners were supported to achieve some qualifications as a result of either our LEAP or FLEX programmes.

2. Behaviour and attitude

2021-22 saw the successful implementation of our new split vertical tutoring system in order to build greater capacity and create a more targeted, family feel within tutor groups. Students in Years 7-9 are part of Lower School whilst Years 10-13 comprise Upper School, each with their own College Leader. The introduction of a wider range of lesson grades (1-5) helped differentiate between performance during lessons and unleash the power of positivity. Good or excellent performance during a lesson was reported daily to parents via email with students receiving an average of 250+ positives and 20 negatives during the academic year. The Hub and The Bridge were created to provide supportive, flexible provision for some of our most vulnerable learners, using a Protect, Regulate, Reflect, Relate model.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

3. Personal development

2021-22 saw the resumption of the full range of extracurricular provision, including clubs, activities and trips. These included Japanese Film Club, LGBT+, Minecraft, Acoustic Voice, ECO Club and numerous other activities which were also supported by Sixth Form volunteers. Approximately 1100 students attended lunchtime activities. These opportunities were embraced by students with the school running a wide range of trips, including an additional Bushcraft residential to cater for students who had missed out the previous year because of the pandemic. Stratford Scholars was successfully launched with 40 Year 7 students benefitting from this extracurricular course. Digital devices were provided for students who did not have their own so they could continue to access online learning out of hours.

4. Leadership and management

The regular interrogation of academic data proved successful in providing accurate predictions of student performance in external examinations. As a whole school GCSEs were predicted within 0.14 of a grade (predictions slightly lower than the actual). The analysis of data across different areas improved as a result of PowerBi providing real-time student data. A new appraisal framework was introduced with simplified documentation to enhance the focus on professional development rather than creating a list of jobs to be done.

This was part of a greater focus on professional development of staff. 9 staff enrolled on NPQs, whilst the first run of the internal leadership programme for existing leaders was completed. Feedback received was very positive with staff appreciating the opportunity to helicopter and see the bigger picture, helping to develop a wider language of leadership. A new programme was also introduced for c.20 aspirant leaders to contribute to their development. Staff wellbeing was routinely promoted through a range of ways, with regular training, improved line management, a staff generated survey and a variety of social activities. Particularly positive feedback was received, including during exit interviews, complimenting the school on being such a good place to work.

5. Sixth Form provision

Sixth Form examination results were in line with targets. 42% of grades were A*-B and 71% A*-C. There were no value added measures as the cohort were awarded Teacher Assessed Grades at GCSE. As with GCSE, the accuracy of predictions was better this year, with the overall average error only 0.13 grades (slightly overestimated). This was underpinned by an effective mentoring programme. A working group piloted banded marking following a recommendation from PiXL6. The profile of the Student President team increased, with students leading on the Period Poverty Campaign and Cultural Festival, as well as maintaining a very active presence at whole school events and governors' meetings.

Strategic report (continued)

Achievements and performance (continued)

6. 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 was completed in 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 and is due February 2023.
3. Plans are underway for further development of the site, including the construction of new buildings by September 2024 to facilitate a 12 form entry into Year 7. 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 reserve can help support targeted development of the facilities, planned maintenance priorities and leverage additional funding through a strategy of a contribution of reserves to specific projects.

The school had a successful CIF bid to replace the boilers and continues to maintain balanced financial management. The school had the largest number of Year 6 applications on record with 330 students being offered places for September 2022. The increase in student numbers is putting some pressure on elements of day-to-day management, especially during examination periods, until the new build plans are fully realised. As of September 2021, the school had 1,653 students on roll, as of September 2022 the number on roll has increased to 1746 students, the highest number in the school's history;

7. Provide an agile response to managing coronavirus

2021-22 continued to be another challenging year set against the backdrop of the ongoing coronavirus pandemic. The full reopening in September 2021 was staggered as the school rose to the logistical challenge of processing further LFD tests in the days preceding the wider reopening. Covid may be a mild illness for many, but remained a concern and we returned after the summer knowing that as a society we must continue find a way to balance the risk proportionately whilst reducing restrictions to ensure students and staff could safely return to school full time and back to a normal education, whilst acknowledging that Covid can have devastating consequences on the lives of those affected.

Student attendance for the 2021-22 academic year was 90.83% 3.45% of student absence was directly attributable to Covid. In addition, 4.17% reported as ill health (high levels of covid precautionary absence and reduction in testing for confirmation of Covid).889 students tested positive for Covid during the academic year. 605 students took an isolation period due to close contact. 91 staff had the flu vaccination administered in school. However, the January term saw particularly high levels of staff absence linked to Covid, resulting in record levels of cover. This contributed to 767 days of staff absence linked to Covid and the highest annual staff absence rate on record. Nevertheless, enhanced Covid safety measures, including wearing face coverings in communal areas, remained in place until Easter 2022, and the school continued to function smoothly throughout the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

a. 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
- Higher than anticipated operating costs due to high inflationary pressures.

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. The school continues to attract increasing numbers of applications for all year groups and this increase in students is creating additional income at the enhanced AWPU rate per student which incorporates the teachers pay and pension grants and supplementary grant element as these are withdrawn.

The board of trustees has passed and reviewed a 5 year budget plan which shows use of reserves to support the operating revenue position of an £80,000 deficit in 22-23 including investing in 6 additional teachers to support catch up and intervention activities using the recovery premium grant. Subsequent years are all in operational surplus 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 a significant rise in wage costs of between 10.5% and 4.04% for support staff from April 2022 and 8.35 to 5% for teaching staff and between 2 to 3 % rise annually thereafter. The school benefits from a long term fixed tariff contract on energy costs but has budgeted for a significant increase in October 2025 onwards.

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 and invested appropriately to maximise investment income to maintain a positive cashflow and contingency for emergency funding. The budget shows a significant reduction in the reserve through additional capital expenditure and investment in services in 22-23 and 23-24 alongside the expansion plan before stabilising at near break even.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

a. Going concern (continued)

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, unfunded pay rises and the current economic conditions and inflationary pressures. There are likely to be considerable pressures on future government spending to mitigate these and use of reserves will help to soften the impact and maintain the school as a going concern.

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 monitor financial risk through a regular review of the risk register and monthly management accounts.

Post covid lockdown and relaxation of restrictions to control the spread of COVID-19 is having a residual impact upon trading income from lettings and catering in addition to rising costs but has been mitigated by recovery premium and mass testing funding. Catering activity is starting to recover to pre pandemic levels but at lower margins due to rapidly rising costs not fully passed on within prices. Lettings income is recovering more slowly which the trust continues to monitor and will amend spending decisions to mitigate reduced income from trading activity throughout 2022-2023.

The school is in a very healthy position financially despite inflationary pressures and above budgeted pay rise for support staffing April 2022. Reserves increased significantly overall, despite the lost income associated with trading income, due to delay in some capital commitments and several one off grants of additional income from the ESFA. These reserves include restricted funds for replacement boilers awarded from the condition improvement fund but delayed to Easter 22-23 due to availability of parts.

The academy generated an overall surplus of £816k after capital spending of £1,685k and capital receipts of £1,597k. The difference in capital is covered by the transfer of reserves of £183k as a result of capital additions being funded by £124k of allocated CIF funding brought forward to 2021-2022, £32k DFC funds, £1,346k donated asset, less unallocated CIF funding of £218k carried forward to 2022-2023.

Cash balances at year end are £2,775k and the net current assets are £2,638k.

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 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.

STRATFORD UPON AVON SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Financial review (continued)

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 £19,010 and the teacher pension grant £53,718. 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 2022 was recently agreed and resulted in a £1,925 per scale point representing a 4.04% to 10.5% pay rise, well above the 4% budgeted for. The recent revaluation of the LGPS pension indicates employee and employer contribution rates will remain the same in 2023 for the following 3 years.

Additional grants and claims received and not subject to recovery were:

A supplementary grant of £102,872 for additional costs

£ 20.7k Supplementary grant for pupil premium.

£ 23.3k Covid testing grant phase 5 to 9.

£ 2.0k Future careers grant

£ 14.7k Covid summer school provision 20-21

£ 130.2k SEN Higher needs and EHCP top up funding.

£ 27.1k Town Trust.

£ 10k Clifford Chambers Parish Council

£ 64.0k Growth funding for the additional places offered in year 7 for entry September 2021.

A Condition Improvement Grant allocation of £124k brought forward has been allocated and a further Condition Improvement Grant allocation of £218k has been accounted for in 2021-22 with the expenditure to be allocated in 22-23 and this is reserved in the restricted capital carry forward at 31 August 2022.

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 lettings have started to recover, this amounted to £111k significantly higher than the £49k (20/21) and the £85k (19/20) affected in the previous years due to the pandemic restrictions but still much below historic levels of £179k (18/19). After allowing for all direct staffing costs, unreclaimable VAT and overhead allocation this resulted in a much increased direct contribution of £50.5k, 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 income was again disrupted by periods of covid illness early in the new academic year but has improved by 44% on the previous year and sales have been performing above expectation per day when open following a further higher intake of pupils into year 7.

STRATFORD UPON AVON SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Financial review (continued)

Sales have recovered well to £486k compared to £336k (20/21) £306k (19/20) and £471k (18/19). Gross margin were reduced towards the second half of the year by almost 5% due to stock loss in the new freezer and rapid inflationary increases in food costs. Net profitability has also a 7.5% loss due to the additional staff costs associated with a previous above inflationary pay rise in 2021 and a 10.5% pay increase in April 2022 following the rise in the minimum living wage. After direct staffing, supplies, stock losses and overhead allocation costs this resulted in an £96k (21/22) loss, £87k (20/21), supported by reserves, a reduction of £98k compared to (18/19).

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

The School continues to attract external support and wishes to acknowledge and thank the Clifford Chambers Charities for their donation towards library and literacy initiatives which have successfully encouraged a significant increase in reading books.

£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 outstanding but which are expected to become payable in subsequent years as receipts are received by Warwickshire County Council.

Comparison with previous years is still affected by 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 a secondary leasing period. Energy costs remain well controlled due a long term energy deal which is helping to mitigate the severe increase in energy costs. A strategic aim of the School is to invest in solar renewable electric generation to offset the rise in energy costs associated with the end of that long term agreement in 2025.

Staff costs represent the most significant cost to the School and as the school pupil numbers and intake increase the staffing levels are increased in line with curriculum demand. Staff costs totalled £8,204k (21/22) compared to £5,930k (18/19) a 28% increase in the 3 year period.

Staff costs were well controlled during the year with the delay to some new appointments but recruitment, absence and agency cover costs were significantly higher as absence rates increased due to covid isolation and some longer term sickness cover and lower retention of support staff.

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 £13k (21/22) and is rising as staff costs rise and the levy earnings limit remains the same compared with £11k (20/21) and £10k p.a (19/20). The school is currently offering apprenticeship training to draw down on this funding.

STRATFORD UPON AVON SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Financial review (continued)

For the year ended 31 August 2022, total income of £11,766k, total expenditure of £10,950k (including Depreciation of £785k and FRS102 Pensions costs of £692k) 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 (£816k) inclusive of £218k restricted capital reserve carried forward to the CIF boiler project and a deficit of (£39k) has been generated from unrestricted activities due to the reduction in income associated with lettings and rising costs in catering. Catch up grant income of £84k was brought forward and was 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 throughout the period from the financial year 2020/21 to help maintained schools and academies meet the additional costs resulting from the scheme valuation but this has been gradually incorporated into the pupil AWPU rate. Should the AWPU rate not keep pace with inflation there will be additional cost pressure maintaining the circa £300k per annum additional liability.

We are awaiting any announcement regarding the next quadrennial valuation and whether this will further increase contribution rates. If any increase is 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 improvement with the pension fund deficit reducing to £848k at the end of August 2022 but a significant improvement in the liability with an actuarial gain of £5,111k for the year (£5,267k deficit and £775k actuarial loss 2020-21 respectively). This does not mean this is an immediate liability but requires funding over the long term via contributions. Following the triennial review undertaken in 2022 the Warwickshire Pension Fund is 104% fully funded. From April 2023 the employer contribution rates are expected to remain the same 23.2% for the following 3 years. As the school expands our pension liability is likely to increase and provision 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 2022 the net book value of intangible and tangible fixed assets were £25,538k which significantly increased with the additional donated diner asset £1,346k. 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.

In addition to the diner project a programme of refurbishment and environmental improvements was continued in 21/22 adding 10 laptops, 200 screens and 8 large display screens. The site was improved with the completion of the CIF funded technology boiler replacement and the refresh of the sixth form common room and GO5 for performing arts activities. Further additions in security and additional CCTV for the diner and continuing investing in LED lighting replacement were undertaken.

STRATFORD UPON AVON SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Financial review (continued)

Many of these will remain a recurring priority in future years, along with the second phase of improvement to ICT switches and the main server replacement deferred to 22/23. 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 received a successful applications to the capital condition improvement fund for replacement of our main and art boilers totaling £218k supplemented by £73k of our reserve which are being installed in the summer 23 term. The grant has been recognised as income on entitlement in 2021-22

In addition to the diner capital funded by Warwickshire County Council for £1,346k, capital expenditure of £339k was funded using £32k DFC funding, £124k of CIF funding brought forward and £183k transferred from reserves. There is £218k designated as unspent CIF capital carried forward to 2022-23.

There is no capital surplus relating to unspent devolved formula capital allocation 21/22 to be carried forward into the 22/23 budget forecast. The CIF allocation of £218k 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 were fully depreciated after 10 years in 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 £400,000, 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 for the following 3 years:

Capital infrastructure	Building maintenance reserve	£805k (<i>£291k already committed 22/23</i>)
Capital infrastructure	Building expansion	£500k (<i>2022-2024</i>)
CIF Contribution	Boiler Replacement Sports Hall	£100k (<i>2024-2025</i>)
Strategic Opportunities	Staffing	£500k (<i>reduced teacher contact time 22-24 phased ongoing annual cost in addition usual staffing demand requirements</i>)
<i>to</i>	MAT expansion	£100k
Risk mitigation	unfunded pay & pension rises	£200k
	Liquidity reserve	£400k (<i>net pay, gross pay £510k</i>)
	Total	£2.605million

The academy's current level of free reserves (total funds less fixed assets and restricted funds) is £671k (21/22) compared to £710k (20/21). The value of restricted reserves has increased to £26,657k (21/22) increasing from £20,691k (20/21) mainly due to the actuarial gain in year on the pension reserve.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 to take advantage of rising interest rates on deposit accounts.

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 and other banking groups to spread the risk.

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.

STRATFORD UPON AVON SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

Streamlined energy and carbon reporting

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

	2022	2021
Energy consumption breakdown (kWh):		
Gas	1,311,362	1,320,118
Electricity	805,536	695,182
Transport fuel	6226	580
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	239.37	241.79
Owned transport	1.55	0.22
Total scope 1	240.92	242.01
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	155.77	147.60
Total gross emissions (in tonnes of CO2 equivalent):	396.69	389.61

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 2022 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 2022

Plans for future periods

SCHOOL DEVELOPMENT PLAN SUMMARY OF PRIORITIES 2022-23

1. Develop an outstanding quality of education

- Develop bespoke curriculum area development plans to maximise the impact of BOSS time in order to continuously improve curriculum and ensure it is delivered successfully and consistently.
- Fully utilise School Led Tutoring Grant (SLTG) to ensure that gaps in student progress resulting from coronavirus are minimised.
- Meet student progress data targets for Y10-11.

2. Behaviour and attitude

- Make homework doable, (specific and precise tasks, with teacher monitoring & involvement key)
- Develop a differentiated curriculum offer supported by/within Inclusion with scaffolding for learners with SEND.
- Assessment of likely additional needs for In-Year admissions.
- Develop common expectations re. the role of Tutor that are monitored by CoLs.

3. Personal development

- Develop the culture where students increasingly show discretionary effort (SLTG, Grade Booster, Aim Higher).
- Introduction of Stratford Scholars programme in Year 8.
- Effective development of students experiences, cultural capital & extra-curricular opportunities across each year group and key stage.
- Ensure reasonable adjustments are made for wider experiences (risk assessments/staffing ratios).

4. Leadership and management

- Further develop internal leadership CPD provision.
- Actively promote staff wellbeing.

5. Sixth Form provision

- Meet student progress targets for Y12 & 13.
- Review the Enrichment offer.

6. Expansion of the school and site development

- Deliver the expansion of the school in partnership with the LA.
- Launch a fundraising campaign to enable us to 'go beyond' the brief of LA site development plans.
- Work towards the creation of a local MAT.
- Review staff structures so they are fit for the expanding school and its' changing needs, including administrative support structures.

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.

STRATFORD UPON AVON SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods (continued)

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 regarding development of the site 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

In line with the requirements of the Academy Trust Handbook, the Trust will retendering for the provision of audit services in 2023.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 11, 2022 and signed on its behalf by:



.....
J Price
Chair of Trustees

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
S Drummond	4	4
G Inglis	1	1
P Heath	5	6
E Heathcote-James	6	6
J Price, Chair of Trustees	6	6
S Nicholson	6	6
T Irish	5	6
W Mills	2	3
J Baker	6	6
N Wallace, Head Teacher & Accounting Officer	6	6

Note: For those appointed as Trustees during the course of 2021-22, 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

Conflicts of interest

The Trust requires all staff, Trustees, and Governors who are committee members to complete a declaration of interest form annually before the first Board meeting in September. Declarations of interest regarding the agenda and any updates to the register of interests are standard agenda items on any Board, Trustees, or Committee meeting to ensure these remain current throughout the year. The Clerk to the Governors updates any statutory declarations at Companies House or on the GIS. Where an interest is declared which could have a significant and direct influence on an agenda item that person is required to withdraw from the discussion and any subsequent vote.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance Review

During the year 2021-22 the Board retained a core of Trustees who met regularly to focus on strategic development and to provide overall oversight of the school. The Board continued to delegate detailed oversight to two committees - the Resources Committee (focused on finances, staffing and infrastructure) and Quality of Education Committee (focused on the experience of pupils and parents, through pastoral care and teaching). The committees provide diversity of perspective by including wider representation from parents, staff and the community to work alongside the Trustees. The committee members are known as the school governors. Three trustees resigned, two because of work commitments - one of these was appointed as a Member.

The current Trustees have a range of relevant skills and experience for strategic leadership of the Academy, including corporate organisational leadership and management, law, marketing and PR, public sector management, education and school leadership and project management. One of the departing trustees is an accountant and we continue to seek a suitable replacement. The make-up of the Board also meets the requirement of our Article of Association for 'parent' representation. Three of the Trustees were carers of pupils at the school during the year.

Recruitment of committee members (a larger group of parent and community governors) remained a priority this year, building resilience in professional skills and governance experience to ensure effective succession planning for the Board. This year we were able to recruit committee members with a professional background in HR and IT.

Two new Members were appointed. To ensure Members are connected to the activities of the school and able to provide informed oversight of the Board, they were recruited from committee members and former Trustees. They were invited to the end-of-year review with the Board, and two Members attended.

The Board and the committees used a hybrid approach to their meetings this year, continuing online and meeting in person where possible. Flexibility was retained with school visits and meetings as the COVID-19 pandemic continued to affect operations.

The Quality of Education committee met 6 times during the year. They received regular reports from the Pastoral Team regarding attendance, behaviour and exclusions and from the Teaching and Learning Team regarding progress and attainment; and from Curriculum Leaders about their subject Development Plan. The Quality of Education working group continued to make effective classroom visits to triangulate data and reports provided in meetings. An experienced School Improvement Partner was commissioned to visit the school on 4 occasions, providing advice and support to the Senior Leadership Team and staff, and a report to the Trustees

The Resources Committee also met 6 times during the year to ensure a secure financial position, and compliance and propriety in the planned and actual use of funds. They also took over responsibility of the Site Development Working Group to monitor progress of the proposed building expansion. Audit matters are covered by the Resources Committee.

The Governors held an Action Plan to track their intentions and actions, and this was reviewed at the end of the year. The review particularly recognized the progress in strategic thinking by the Board.

STRATFORD UPON AVON SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K Scott	0	1
P Heath	4	6
J Price	6	6
N Wallace	5	6
G Inglis	2	2
E Heathcote-James	3	6
M Richardson	6	6

Committee Member	Meetings attended	Out of a possible
C Faulkner	6	6
W Mills	2	2
N Williams	5	6
E Rowlands	5	6
C Parrott	3	3
L Staniland	3	3
B Gribben	5	6
A Cotterill	3	6

Note: For those appointed as Trustees during the course of 2021-22, but having previously attended the meeting as an observer, their attendance at meetings as an observer is included in the totals shown.

Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

1. Making use of an interactive deployment planning tool, 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.

GOVERNANCE STATEMENT (CONTINUED)

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 2021 to 31 August 2022 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 2021 to 31 August 2022 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 Trustees will commission external consultants to undertake review of key financial and non financial operational risk areas and will identify areas of focus for each academic year.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the 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
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks
- evaluation of other non financial risk areas such as ICT security, health and safety and catering operations.

Our external financial consultant is retained for future internal scrutiny of governance and academies trust handbook compliance but was not specifically used in 2021-2022 as the trust focused on other areas of non financial compliance and we are seeking to appoint a qualified internal auditor for 23-24 to undertake the financial testing elements of the internal financial controls.

The internal audit 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
- compliance with the Academies Trust Handbook

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of trustees opted to undertake non financial areas of audit work during 2021-2022 in accordance with the Academies Trust Handbook.

Areas of focus were a comprehensive Health and Safety audit which was commissioned from Worknest in May 2022 over 2 days with a report to the resources committee identifying any non compliance, advisory comments and recommended actions. 3 high priority actions were resolved immediately or within 1 month.

Some random internal checks on payroll, contracts of employment details and journals were undertaken by staff and details verified. There were no control, misstatement or processing concerns with accurate records maintained and staff accurately paid.

Areas of focus for 2022-2023 include a review and testing of ICT systems, threat protection measures, backup integrity, data protection and compliance plus a review of catering practices, procedures and financial performance.

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.

Previous internal and external audits over the past few years have demonstrated strong, consistent and robust financial and governance procedures and compliance. No instances of material irregularity, impropriety or funding non-compliance have been discovered.

On a periodic basis, the internal auditor or external consultant 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.

Overall the Board of Trustees were satisfied that the level of scrutiny was satisfactory in 2021-2022 considering the disruption associated with the pandemic and that internal controls of the academy have been adhered to.

STRATFORD UPON AVON SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of external consultants in identified risk areas;
- 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.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



.....
J Price
Chair of Trustees

Date: Dec 11, 2022



[N Wallace \(Dec 11, 2022 10:07 GMT\)](#)

.....
N Wallace
Accounting Officer

Date: Dec 11, 2022

STRATFORD UPON AVON SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stratford upon Avon School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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

N Wallace
N Wallace (Dec 11, 2022 10:07 GMT)

.....
N Wallace
Accounting Officer

Date: Dec 11, 2022

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- 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; and
- 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 and signed on its behalf by:



.....
J Price
Chair of Trustees

Date: Dec 11, 2022

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Stratford upon Avon School (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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 Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

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 Trust'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
(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 29, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 activities, 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 2021 to 2022.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

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

Auditor's responsibilities for the audit of the financial statements (continued)

In addition, 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 income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

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.

Use of the audit report

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



[David Hoose \(Dec 12, 2022 07:39 GMT\)](#)

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 12, 2022

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

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 1 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 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 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. 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 2021 to 31 August 2022 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 Academies issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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
(A Company Limited by Guarantee)

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP (Dec 12, 2022 07:40 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 12, 2022

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants	3	2	-	1,597	1,599	264
Other trading activities	5	152	21	-	173	90
Investments	6	1	-	-	1	1
Charitable activities		481	9,512	-	9,993	8,831
Total income		636	9,533	1,597	11,766	9,186
Expenditure on:						
Raising funds	7	-	-	-	-	28
Charitable activities	8	675	9,490	785	10,950	9,428
Total expenditure		675	9,490	785	10,950	9,456
Net income/ (expenditure)		(39)	43	812	816	(270)

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Note					
Net (expenditure) /income brought forward	(39)	43	812	816	(270)
Transfers between funds	-	(183)	183	-	-
Net movement in funds before other recognised gains/(losses)	(39)	(140)	995	816	(270)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	-	5,111	-	5,111	(775)
Net movement in funds	(39)	4,971	995	5,927	(1,045)
Reconciliation of funds:					
Total funds brought forward	710	(4,071)	24,762	21,401	22,446
Net movement in funds	(39)	4,971	995	5,927	(1,045)
Total funds carried forward	671	900	25,757	27,328	21,401

The notes on pages 41 to 67 form part of these financial statements.

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07690776

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	13	-	1
Tangible assets	14	25,538	24,637
		<u>25,538</u>	<u>24,638</u>
Current assets			
Stocks	15	13	4
Debtors	16	552	343
Cash at bank and in hand	22	2,775	2,230
		<u>3,340</u>	<u>2,577</u>
Creditors: Amounts falling due within one year	17	(702)	(547)
		<u>2,638</u>	<u>2,030</u>
Net current assets		<u>2,638</u>	<u>2,030</u>
Total assets less current liabilities		<u>28,176</u>	<u>26,668</u>
Net assets excluding pension liability		<u>28,176</u>	<u>26,668</u>
Defined benefit pension scheme liability	25	(848)	(5,267)
Total net assets		<u><u>27,328</u></u>	<u><u>21,401</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	25,757	24,762
Restricted income funds	18	1,748	1,196
		<u>27,505</u>	<u>25,958</u>
Restricted funds excluding pension liability	18	27,505	25,958
Pension reserve	18	(848)	(5,267)
		<u>26,657</u>	<u>20,691</u>
Total restricted funds	18	<u>26,657</u>	<u>20,691</u>
Unrestricted income funds	18	671	710
		<u>27,328</u>	<u>21,401</u>
Total funds		<u><u>27,328</u></u>	<u><u>21,401</u></u>

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07690776

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 36 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
J Price
Chair of Trustees

Date: Dec 11, 2022

The notes on pages 41 to 67 form part of these financial statements.

STRATFORD UPON AVON SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	632	834
Cash flows used in investing activities	21	(87)	(23)
Change in cash and cash equivalents in the year		545	811
Cash and cash equivalents at the beginning of the year		2,230	1,419
Cash and cash equivalents at the end of the year	22, 23	<u>2,775</u>	<u>2,230</u>

The notes on pages 41 to 67 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	- 3 years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 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 basis:

Long-term leasehold property	-	2% straight line
Furniture 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.

1.7 Stocks

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.8 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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.

1.10 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

1.13 Fund accounting

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

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

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

1.14 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 29.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Donated fixed assets

When assets are donated by the local authority the Academy Trust makes an initial estimate in respect of the valuation of the land and buildings being recognised. These estimates are calculated using available information provided by the local authority. Subsequent treatment would be that upon receipt of a formal valuation, the asset valuation is updated accordingly. Please refer to Note 4 for further details.

The car park was purchased by Warwickshire County Council to facilitate the expansion of the Trust. The leasehold title passed to Stratford Upon Avon School within the financial year. The land has not been recognised in the financial statements due to the land being redeveloped as part of a larger project, therefore the Trust does not have the ability to use the asset and its valuation is difficult to estimate in the current state. The Trust will recognise the asset upon the completion of the project, when the valuation can be reliably estimated.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Capital Grants	-	-	251	251	155
Donated fixed assets	-	-	1,346	1,346	-
Other donations	2	-	-	2	109
Total 2022	<u>2</u>	<u>-</u>	<u>1,597</u>	<u>1,599</u>	<u>264</u>
Total 2021	<u>7</u>	<u>102</u>	<u>155</u>	<u>264</u>	

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4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,389	8,389	7,364
Other DfE/ESFA grants				
Pupil Premium	-	267	267	253
Teachers' Pay Grant	-	73	73	406
Rates Relief	-	47	47	55
Other	-	122	122	22
	-	8,898	8,898	8,100
Other Government grants				
Local authority grants	-	215	215	196
Other income from the Academy Trust's educational operations	481	346	827	336
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	107
Other DfE/ESFA COVID-19 Funding	-	53	53	44
	-	53	53	151
COVID-19 additional funding (non- DfE/ESFA)				
Coronavirus Job Retention Scheme Grant	-	-	-	24
Other Coronavirus Funding	-	-	-	24
	-	-	-	48
Total 2022	481	9,512	9,993	8,831
Total 2021	336	8,495	8,831	

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5. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	111	-	111	50
Income from ancillary trading activities	41	21	62	40
Total 2022	152	21	173	90
Total 2021	57	33	90	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Short term deposits	1	1	1
Total 2021	1	1	

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FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on raising funds:					
Direct costs	-	-	-	-	28
Academy's educational operations:					
Direct costs	6,308	785	796	7,889	6,878
Allocated support costs	1,896	398	767	3,061	2,550
Total 2022	<u>8,204</u>	<u>1,183</u>	<u>1,563</u>	<u>10,950</u>	<u>9,456</u>
Total 2021	<u>7,271</u>	<u>1,163</u>	<u>1,022</u>	<u>9,456</u>	

8. Charitable activities

	2022 £000	2021 £000
Direct costs - educational operations	7,889	6,878
Support costs - educational operations	3,061	2,550
	<u>10,950</u>	<u>9,428</u>

	2022 £000	2021 £000
Analysis of support costs		
Support staff costs	1,896	1,569
Technology costs	22	101
Premise costs	398	376
Legal costs - other	16	8
Other support costs	707	483
Governance costs	22	13
	<u>3,061</u>	<u>2,550</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£000	£000
Operating lease rentals	23	46
Depreciation of tangible fixed assets	784	785
Amortisation of intangible assets	1	2
Fees paid to auditors for:		
- audit	15	10
- other services	6	4
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£000	£000
Wages and salaries	5,694	5,201
Social security costs	568	515
Pension costs	1,856	1,496
	<u> </u>	<u> </u>
	8,118	7,212
Agency staff costs	68	59
Staff restructuring costs	18	-
	<u> </u>	<u> </u>
	8,204	7,271
	<u> </u>	<u> </u>
Staff restructuring costs comprise:		
Severance payments	18	-
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Severance payments

The Academy Trust paid 1 severance payments in the year, disclosed in the following bands:

	2022
	No.
£0 - £25,000	1

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12k (2021 - £Nil). Individually, the payment was £12k.

d. Staff numbers

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

	2022	2021
	No.	No.
Teachers	89	83
Administration and support	110	106
Management	10	10
	<u>209</u>	<u>199</u>

e. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £846k (2021 - £834k).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses

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

		2022	2021
		£000	£000
N Wallace	Remuneration	110 - 115	105 - 110
	Pension contributions paid	25 - 30	20 - 25

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £Nil).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 £5m on any one claim. The cost of this insurance is included in the total insurance cost.

13. Intangible assets

	Computer software
	£000
Cost	
At 1 September 2021	8
At 31 August 2022	8
Amortisation	
At 1 September 2021	7
Charge for the year	1
At 31 August 2022	8
Net book value	
At 31 August 2022	-
At 31 August 2021	1

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2021	30,197	837	457	31,491
Additions	32	176	131	339
Donated fixed assets	1,346	-	-	1,346
At 31 August 2022	<u>31,575</u>	<u>1,013</u>	<u>588</u>	<u>33,176</u>
Depreciation				
At 1 September 2021	6,008	584	262	6,854
Charge for the year	627	55	102	784
At 31 August 2022	<u>6,635</u>	<u>639</u>	<u>364</u>	<u>7,638</u>
Net book value				
At 31 August 2022	<u><u>24,940</u></u>	<u><u>374</u></u>	<u><u>224</u></u>	<u><u>25,538</u></u>
At 31 August 2021	<u><u>24,189</u></u>	<u><u>253</u></u>	<u><u>195</u></u>	<u><u>24,637</u></u>

15. Stocks

	2022 £000	2021 £000
Finished goods and goods for resale	<u><u>13</u></u>	<u><u>4</u></u>

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16. Debtors

	2022	2021
	£000	£000
Due within one year		
Trade debtors	17	6
VAT recoverable	100	45
Other debtors	2	-
Prepayments and accrued income	433	292
	<u>552</u>	<u>343</u>

17. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	277	120
Other taxation and social security	145	259
Other creditors	25	11
Accruals and deferred income	255	157
	<u>702</u>	<u>547</u>
	2022	2021
	£000	£000
Deferred income at 1 September	101	51
Resources deferred during the year	102	101
Amounts released from previous periods	(101)	(51)
	<u>102</u>	<u>101</u>

As at 31 August 2022, the Academy Trust was holding funds in respect of educational trips totalling £94k (2021 - £77k), £8k (2021 - £15k) in respect of music lessons, £Nil (2021 - £7k) in respect of bursary funds and £Nil (2021 - £2k) in respect of the Skills for Employment Grant.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	710	636	(675)	-	-	671
Restricted general funds						
General Annual Grant (GAG)	354	8,389	(7,571)	(183)	-	989
Other DfE/EFA grants	563	139	(139)	-	-	563
Pupil Premium	23	267	(267)	-	-	23
Schools supplementary grant	-	103	(103)	-	-	-
Other government grants	132	214	(214)	-	-	132
Catch up premium	84	-	(84)	-	-	-
Other DfE/ESFA COVID-19 funding	-	53	(53)	-	-	-
Donations	28	-	-	-	-	28
Other	12	368	(367)	-	-	13
Pension reserve	(5,267)	-	(692)	-	5,111	(848)
	<u>(4,071)</u>	<u>9,533</u>	<u>(9,490)</u>	<u>(183)</u>	<u>5,111</u>	<u>900</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
DfE/ESFA Capital Grants	124	251	(32)	-	-	343
Capital expenditure from GAG and grants	602	-	(83)	183	-	702
Private sector capital grants	249	-	(35)	-	-	214
Transfer on conversion to Academy Trust	23,787	1,346	(635)	-	-	24,498
	<u>24,762</u>	<u>1,597</u>	<u>(785)</u>	<u>183</u>	<u>-</u>	<u>25,757</u>
Total Restricted funds	<u>20,691</u>	<u>11,130</u>	<u>(10,275)</u>	<u>-</u>	<u>5,111</u>	<u>26,657</u>
Total funds	<u><u>21,401</u></u>	<u><u>11,766</u></u>	<u><u>(10,950)</u></u>	<u><u>-</u></u>	<u><u>5,111</u></u>	<u><u>27,328</u></u>

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.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	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						
General Funds	790	401	(481)	-	-	710
Restricted general funds						
General Annual Grant (GAG)	233	7,364	(6,659)	(23)	-	915
Other DfE/EFA 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)

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NOTES TO THE FINANCIAL STATEMENTS
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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
Restricted fixed asset funds						
DfE/ESFA Capital Grants	-	155	(31)	-	-	124
Capital expenditure from GAG and grants	664	-	(85)	23	-	602
Private sector capital grants	286	-	(37)	-	-	249
Transfer on conversion to Academy Trust	24,421	-	(634)	-	-	23,787
	<u>25,371</u>	<u>155</u>	<u>(787)</u>	<u>23</u>	<u>-</u>	<u>24,762</u>
Total Restricted funds	<u>21,656</u>	<u>8,785</u>	<u>(8,975)</u>	<u>-</u>	<u>(775)</u>	<u>20,691</u>
Total funds	<u><u>22,446</u></u>	<u><u>9,186</u></u>	<u><u>(9,456)</u></u>	<u><u>-</u></u>	<u><u>(775)</u></u>	<u><u>21,401</u></u>

19. Analysis of net assets between funds

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	25,538	25,538
Current assets	671	2,450	219	3,340
Creditors due within one year	-	(702)	-	(702)
Pension scheme liabilities	-	(848)	-	(848)
Total	<u><u>671</u></u>	<u><u>900</u></u>	<u><u>25,757</u></u>	<u><u>27,328</u></u>

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19. Analysis of net assets between funds (continued)

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

	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

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £000	2021 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	816	(270)
Adjustments for:		
Amortisation	1	2
Depreciation	784	785
Capital grants from DfE and other capital income	(251)	(31)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	600	347
Defined benefit pension scheme finance cost	92	72
(Increase)/decrease in stocks	(9)	7
Increase in debtors	(209)	(120)
Increase in creditors	155	43
Donated fixed assets	(1,346)	-
Net cash provided by operating activities	632	834

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21. Cash flows from investing activities

	2022	2021
	£000	£000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(339)	(55)
Capital grants from DfE Group	251	31
Net cash used in investing activities	(87)	(23)

22. Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	2,775	2,230

23. Analysis of changes in net debt

	At 1		At 31
	September	Cash flows	August 2022
	2021	£000	£000
	£000		
Cash at bank and in hand	2,230	545	2,775

24. Capital commitments

	2022	2021
	£000	£000
Contracted for but not provided in these financial statements	264	-

25. Pension commitments

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

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25. Pension commitments (continued)

Contributions amounting to £Nil were payable to the schemes at 31 August 2022 (2021 - £133k) 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.

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 2024.

The employer's pension costs paid to TPS in the year amounted to £861k (2021 - £806k).

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

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

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25. Pension commitments (continued)

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 2022 was £500k (2021 - £451k), of which employer's contributions totalled £393k (2021 - £356k) and employees' contributions totalled £107k (2021 - £95k). The agreed contribution rates for future years are 5.5 per cent for employers and 23.2 per cent for employees.

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

CPI assumption

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 August 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 August. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.85	3.70
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
Males	21.6	21.8
Females	24.1	24.2
Retiring in 20 years		
Males	22.7	23.0
Females	25.9	26.1

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25. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate -0.1%	160	264
Mortality assumption - 1 year increase	266	436
CPI rate +0.1%	148	238
Salary rate +0.1%	13	22
	<u> </u>	<u> </u>

Share of scheme assets

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

	2022	2021
	£000	£000
Equities	3,480	3,492
Corporate bonds	1,566	1,351
Property	638	619
Cash and other liquid assets	116	169
	<u> </u>	<u> </u>
Total market value of assets	5,800	5,631
	<u> </u>	<u> </u>

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

	2022	2021
	£000	£000
Current service cost	(993)	(703)
Interest income	96	74
Interest cost	(188)	(146)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	(1,085)	(775)
	<u> </u>	<u> </u>

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25. Pension commitments (continued)

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

	2022	2021
	£000	£000
At 1 September	10,898	8,235
Current service cost	993	703
Interest cost	188	146
Employee contributions	107	95
Actuarial (gains)/losses	(5,452)	1,782
Benefits paid	(86)	(63)
	<u>6,648</u>	<u>10,898</u>
At 31 August	<u><u>6,648</u></u>	<u><u>10,898</u></u>

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

	2022	2021
	£000	£000
At 1 September	5,631	4,162
Interest income	96	74
Actuarial (losses)/gains	(341)	1,007
Employer contributions	393	356
Employee contributions	107	95
Benefits paid	(86)	(63)
	<u>5,800</u>	<u>5,631</u>
At 31 August	<u><u>5,800</u></u>	<u><u>5,631</u></u>

26. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Not later than 1 year	-	17
	<u>-</u>	<u>17</u>

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Academy Trust 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.

NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions

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

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 Trusts as a 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.

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £12k (2021 - £12k) and disbursed £7k (2021 - £5k) from the fund. An amount of £12k (2021 - £7k) is included in other creditors relating to undistributed funds that is repayable to ESFA.