

Company Registration No. 09174628 (England and Wales)

THE STOUR FEDERATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE STOUR FEDERATION

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the financial statements	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements including accounting policies	28 - 48

THE STOUR FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs J Barker
The Diocesan Director of Education
Rev.d S Edmonds (Rural Dean)
Mrs E Hobday
Mrs J Rice

Trustees

Mr C Hilton (Executive Headteacher)
Mrs J Barker (Chair of Trustees)
Mr M J Dumelow (Finance / Estates)
Mr N Jennings (Vice Chair / Chair of Resources)
Mrs R Sellars (Education)
Mrs H Young (Acorns Associate Head) (Resigned and remained as Local Governor on 1 August 2021)
Mrs A Holland (Resigned and remained as Local Governor on 1 August 2021)
Mr G Roberts (Shipston Associate Head) (Resigned and remained as Local Governor on 1 August 2021)
Miss A Rose (Resigned and remained as Local Governor on 1 August 2021)
Miss A Bayliss (Resigned and remained as Local Governor on 1 August 2021)
Mrs A Pearson (Resigned 1 August 2021)
Mrs L Kirkman (Resigned and remained as Local Governor on 1 August 2021)
Mrs V Faulkner (Resigned and remained as Local Governor on 1 August 2021)
Mrs S Calcott (Legal) (Resigned 13 October 2021)
Mr B Richter (Resigned and remained as Local Governor on 1 August 2021)
Rev. S Edmonds (Pastoral)
Mrs N Britt (Resigned and remained as Local Governor on 1 August 2021)
Mr G Stokes (Resigned and remained as Local Governor on 1 August 2021)
Mrs Lois Self (Education) (Appointed 1 August 2021)
Mr Sam Gibson (Appointed 29 March 2021 and resigned and remained as Local Governor on 1 August 2021)

Trust Leadership Team

- Executive Headteacher	Mr C Hilton
- Associate Head (Acorns)	Mrs H Young
- Associate Head (Shipston)	Mr G Roberts

Company secretary

Ms L Mansell

Company registration number

09174628 (England and Wales)

THE STOUR FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Station Road
Shipston-On-Stour
Warwickshire
CV36 4BT
United Kingdom

Academies operated

Acorns Primary
Shipston-On-Stour Primary School
Brailes C of E Primary School

Location

Long Compton
Shipston-On-Stour
Lower Brailes

Executive Headteacher

Mr Christian Hilton
Mr Christian Hilton
Mr Christian Hilton

Independent auditor

Ellacotts Audit Services Limited
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

Bankers

Lloyds TSB Bank plc
1 City Road East
Manchester
M15 4PU

Solicitors

Harrison Clark Rickerbys
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

THE STOUR FEDERATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report including strategic report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 28-31 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Academies Accounts Direction 2020 to 2021.

The Stour Federation operates as a multi academy trust of three primary schools located 8 miles apart. Acorns Primary School in Long Compton has a capacity of 91 plus a 13 place Nursery. Brailes Church of England Primary School in Lower Brailes has a capacity of 105 plus a 15 place Nursery. Shipston-on-Stour Primary School has a capacity of 420.

The Trust has a combined pupil capacity of 644 pupils with 577 pupils currently enrolled across the Academies.

Structure, governance and management

Constitution

The Stour Federation MAT 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 Charitable Company was incorporated on 1st September 2014.

The Trustees and Governors are responsible for the charitable activities of the Charitable Company for the purposes of Company Law. The charitable company is also known as the Stour Federation.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the Academies have purchased insurance via the DfE Risk Protection Arrangement (RPA) scheme to protect the Governors, Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst undertaking Academy business. The insurance provider provides cover up to £10,000,000 in any one claim.

Method of recruitment and appointment or election of trustees

The number of Trustees shall not be less than 5 (unless otherwise determined by ordinary resolution) but shall not be subject to any maximum. The Trust members may appoint up to 5 Trustees. The total number of Trustees including the Chief Executive Officer (ex officio) who are employees of the Company shall not exceed one third of the total number of Directors. There are at least 2 Parent Local Governors on each established Local Academy Council.

The term of office for any Trustees/Governor is 4 years, however, this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. Any member of the Trust may resign provided that after such resignation, the number of members is not less than three.

For our Local Academy Councils, parent governors and staff governors are elected, along with co-opted (and foundation governors at Brailes) from the local community.

THE STOUR FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

Trustees and local governors are trained through in-house briefings and sessions/webinars. In addition, The Stour Federation is part of a consortium of 15 local schools who purchase six bespoke governor training sessions every year.

The Executive Headteacher and/or Head of School meet with new governors to discuss roles and responsibilities. New governors are able to attend governor induction courses provided by Warwickshire Governor Services.

Organisational structure

The structure of The Stour Federation MAT consists of five senior levels:

1. Members
2. Trust Board of Directors
3. Local Academy Councils
4. Leadership Team (Executive Headteacher and Heads of School)
5. School Improvement Team

The aim of this leadership structure is to distribute responsibility and accountability and encourage involvement in decision making at all levels to enable the MAT to nurture the talents of its entire staff to support continual improvement and excellence.

The Trust Board of Directors is responsible for setting the MAT's policies, adopting the Sustained Improvement Plan (SIP) and approving the annual budgets, monitoring performance against these plans and making strategic decisions about the direction of the MAT, including its curriculum, the achievement and welfare of the pupils and personnel. The Trust Board hold a Resources and Audit committee in addition to the Full Board. The Local Academy Councils provide oversight, challenge and support at school level.

The Trust Leadership Team control the MAT at a strategic level, implementing trust-wide and school policies. They are supported by the School Improvement Team who drive curriculum and pedagogical alignment and standards across the curriculum.

Arrangements for setting pay and remuneration of key management personnel

The Stour Federation MAT has adopted the Warwickshire Local Authority Pay Policy. All staff undergo annual appraisal. Teacher pay is awarded accordingly. Trustees attend the Executive Headteacher's appraisal and Local Academy Council governors attend with the Executive Headteacher for Heads of School performance management. An external adviser provides support for these meetings.

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of the MAT.

Each school has a parent teacher association. There are no staff members of governors/trustees of the MAT named as trustees of the PTA. All donations from the PTA are declared through statutory accounts.

Shipston-on-Stour Primary School is affiliated to the Gateway Alliance, a non-for-profit schools company, providing continuous professional development for schools in Warwickshire and the West Midlands. The Executive Headteacher is a director (without pay).

Pupils across The Stour Federation MAT have raised funds for local and national charities through events organised by School Councils. They also donate to the Shipston Foodbank at Harvest Festival. Fundraising events were restricted in 2020-21 due to COVID-19 and class bubble restrictions.

THE STOUR FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are:

Personal Attributes of Pupils/Staff

To foster and develop confident, open and receptive learners who are able to communicate, think creatively and critically and embrace challenge through:

- our Trust values
- high expectations.
- modelling and explanations.
- the Multi Academy Trust's curriculum and enrichment opportunities.
- pedagogical and evidence-informed approach to teaching and learning.
- working in genuine partnership to strengthen schools and their communities.
- leveraging digital technologies to enhance and extend teaching and learning.

Potential

To encourage each individual to maximise their potential as highly motivated life-long learners through:

- recognition of achievement.
- building self-confidence.
- promoting character and self-discipline.
- expectations
- embracing change.
- commitment.

Learning Environment

To provide a welcoming, well-maintained and aesthetically pleasing learning environment, with high expectations of behaviour, effort and achievement through:

- the RESPECT code.
- provision for health and safety.
- the highest expectations of pupils' behaviour.
- effective and responsive systems of monitoring individual pupils and staff performance.
- stimulating displays.
- environmental responsibility.

Sense of Place

To enable children to value and develop a sense of community through:

- celebrating our local area.
- participating in and leading local events.
- opportunities to experience life and cultures both in within the UK and the wider world.

Relationships

To develop and promote positive relationships within the academy community, with parents and the wider world through:

- an active involvement and partnership in the learning process.
- developing a shared set of values.
- modelling.
- expectations.
- opportunities to collaborate.
- high quality leadership.
- effective communication systems.

THE STOUR FEDERATION

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

Well-Being

To provide high quality social, moral and personal education, appropriate to the needs of the child, allowing each individual to lead a rewarding and happy life through:

- our curriculum.
- pastoral support.

Curriculum

To provide a rich curriculum that creates meaningful opportunities for the development of skills and knowledge through:

- a high quality knowledge rich thematic curriculum based on the four cornerstones: engage, develop, innovate and express.
- a wide variety of approaches to effective teaching and learning and a rich, dynamic and purposeful range of learning opportunities.

Inclusion

To allow pupils to access the school's curriculum and participate in all areas of Academy life through:

- an effective equal opportunities policy: there are no outsiders in our schools.
- highly inclusive and supporting learning environment.
- Staff expertise in SEND and mental health.

Objectives, strategies and activities

The main Academy Trust areas for sustained improvement in 2020-21 were as follows:

Quality of Education

Curriculum Connectedness:

- Further develop a multi-dimensional curriculum to ensure pupils are exceptionally well prepared for the next stages of their education, using knowledge-rich projects, focused companion projects for Art and D&T and additional Love To Investigate science lessons.
- Ensure there is a progressive, coherent and deliberate learning journey for every child in every subject from Reception to Year 6 (Big Ideas) so that the curriculum is the progression model.
- Invest in children's cultural capital, core values, essential knowledge and skills and 6Cs that our children need to be educated worldly citizens.

Improving teaching considering cognitive domain, affective domain and evidence-informed practice:

- Build on CPD on Rosenshine's Principles of Instruction for consistent high quality first teaching in all subjects through a programme of Teacher WalkThrus instructional coaching.
- Focus on affective domain so that learners form a longer lasting bond with the learning content.
- Adapt and improve the Writing Process to ensure there are more opportunities for demonstration writing using high quality texts as models, linked to the progression documents to inform teaching.

Behaviour and Attitudes

Building character, resilience and positive behaviours:

- Introduce and use the 6Cs global competencies progression grids, especially in Innovate tasks to build clarity and a shared understanding.
- Help children develop an understanding of character vocabulary in their learning and in their relationships with others.
- Accelerate the progress of vulnerable children by focusing on relationships, self-confidence, behaviour for learning (metacognition and self-regulation) and engagement.

THE STOUR FEDERATION

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

Personal Development

Improving the PSHE curriculum offer:

- Work as a PSHE Curriculum Team to further enhance this area of curriculum so that it promotes the extensive personal development of pupils (alongside No Outsiders, Protective Behaviours, Values Education and Online Safety) alongside the new statutory requirements for Relationships and Health Education.
- Develop the RULER approach in classrooms as part of the PSHE curriculum.

Developing children's positive mental health:

- Engage and participate in the LA Mental Health Trailblazer project.
- Explicitly teach social and emotional learning in dedicated PSHE time, integrating and modelling skills through everyday teaching

Leadership and Management

Develop impact of middle leaders within curriculum teams:

- Build on and improve staff subject knowledge in order to influence the quality of teaching throughout the school through best practice.
- Have an incisive view of the quality of education and outcomes within their subject and a clear vision for improvement.
- Ensure lessons and concepts are sequenced and mapped coherently and deliberately to enhance connectedness (horizontally and vertically).

Improve workload for staff:

- Improve the effectiveness and efficiency of formative assessment.
- Ensure teachers are live marking and providing whole class feedback rather than detailed marking.
- Continue to promote smart planning and promote sharing between schools.

Prepare for MAT/ partnership growth and build local/ national networks:

- Research changes to Articles of Association and update schemes of delegation in preparation for Brailes (and other church schools) to join the Stour Federation MAT.
- Work with leaders in the Stour Federation Partnership on refining alignment, collaboration and harmony of curriculum, assessment and staff development.
- Investigate national partnerships that will provide further networking, insight and challenge.

Remote Learning

Remote teaching and learning plan:

- Review the research on remote learning alongside Parent/School handover surveys and teacher feedback as to what aspects of our Covid-19 response needs to stay and what needs to be improved.
- Give bespoke training to staff who found certain aspects of lockdown technology difficult and update all staff on new features, e.g. Google Meet, Jamboard.
- Consider further online safety lessons children would benefit from in school and information sent home to parents.

THE STOUR FEDERATION

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

Public benefit

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The key aim of the Trust Board is the provision of excellent non-selective primary education through building relationships, a broad curriculum, pastoral care and enrichment for all pupils in The Stour Federation. The public benefit of this provision is identifiable in the educational attainment and experiences as published on our websites and in our newsletters.

As Brailes C of E Primary School is recognised as a Church Academy, in relation to the ethos and religious education provided at the academy, the Trust Board have regard to any advice and follow any directives issued by the Coventry Diocesan Board of Education.

The Trust encourages the use of our facilities for the benefit of our local communities.

Strategic report

Achievements and performance

It was wonderful to welcome a full complement of children and staff back to school in September. Children and parents were feeling a wide range of emotions and some staff and families were nervous about returning to school. Our Trust did our utmost to help the children returning to learning on the school site and enjoy being with their friends again.

The 2020-21 academic year was sadly disrupted due to COVID-19. The full return to school in September 2020 was with a rigorous risk assessment of class bubbles, virtual assemblies and Christmas performances. Our schools were fortunate with only a small number of whole class remote learning isolations. The return to school was in line with class bubbles, including staggered playtimes and lunchtime, eating in classrooms and plenty of ventilation throughout the school day. Parents and carers communicated with the school via Seesaw, email and video meetings.

The 2020 lockdown drew attention to the importance of community in our lives. With half the world's students out of school or university, community was one of the most important features of education learners have missed. Schools and universities are intellectual and social communities, so whilst we continued our focus on high quality teaching through a strong focus on the cognitive learning domain (knowledge and the development of intellectual skills), we are also paying huge attention to the affective learning domain - feelings, attitudes, and emotions.

In a rapidly-changing world, the schools in The Stour Federation agilely adapted, evolved and innovated in order to best serve the needs of our children and inspire them to engage in an exciting future: The key core skills related to English and Maths; global competencies of character, citizenship, collaboration, communication, creativity and critical thinking; and big ideas of our Cornerstones curriculum with some brand new knowledge-rich topics and science investigations - formed a dynamic interplay that inspired and empower our children and staff towards the achievement of success.

Monday 4th January 2021 was a scheduled staff training day, where all teachers and teaching assistants were in school for virtual professional learning webinars and to prepare to welcome all children back to school amidst the rapidly rising numbers of cases across the country, intense pressure on the NHS and trade unions opposed to schools re-opening with full classes. When the Prime Minister addressed the nation later that evening, he gave teachers twelve hours notice to re-plan for face-to-face teaching in school, plan remote learning for children at home, make arrangements for their own families and get some sleep! We flexed with no notice to welcome back vulnerable children and those of critical workers, whilst simultaneously providing remote learning for children at home, along with food parcels and vouchers.

The national school closures lasted until 8th March, where we welcomed back all children to school with class bubbles and other restrictions once again the order of the day. Learning was uninterrupted in the summer term, except for the final month of the academic year when the relaxation of restrictions brought another peak of positive cases and a few classes reverting to remote learning once more.

THE STOUR FEDERATION

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

2020-21 was probably the hardest yet most rewarding of many teachers' careers. Despite the COVID-19 restrictions it was a remarkable year - children and staff showed their resilience and a love of learning to achieve great things. Our outgoing Year 6 children missed out on so much due to coronavirus, e.g. being proper house captains, having prefect job responsibilities and performing in a production, in addition to being unable to attend the annual Manor Adventure residential. All year groups held their own sports days this year, with classes competing separately to maintain the integrity of bubbles.

Attendance across the Trust was high: Acorns = 96.7% and Shipston = 97.2%, which is good considering the events of the year. The national average was 92.6%.

Our strategy moving forward is not just about 'catching up' but is about building back better with a wholesale commitment to and focus on excellence at all levels for all in our Trust family but, primarily ensuring our children have opportunities to achieve their best. 2021-22 is about reinvigoration.

Key performance indicators

Governance

- All Members and Trustees (and Local Governors) fully understand their duties and responsibilities as company directors and charity trustees as laid out in the Companies Act 2006.
- The MAT has a full complement of governors with the right skills, experience and knowledge to undertake their defined responsibilities.
- The Nolan Principles of Public Service are applied at all levels of governance.

Finance

- Value for money: ensure economy, efficiency and effectiveness in the use of Trust funds.
- Annual financial accounts are reported accurately and appropriately in line with ESFA guidelines.
- All statutory returns are submitted on time.
- Alternative sources of funding and capital development project funding is regularly and effectively pursued.
- Sufficient levels of income are reserved to ensure the long term economic viability and growth of the Trust.

Human Resource

- All academies are fully staffed.
- All staff achieve expectations set out in their appraisal in line with the Trust policy.
- Trust-wide development opportunities are made available for staff to work across the MAT.
- Policy alignment adopted across the Trust where appropriate.
- Trust-wide talent map and succession plan in place.

School Standards

- All academies are judged good or outstanding by Ofsted inspection grades.
- Parent, staff and pupil survey analysis illustrates satisfaction ratings are consistently high.
- Academies can demonstrate how their curriculum is fully inclusive, engaging and balanced for all children regardless of age, ability or background. To be demonstrated by improvements in attainment, attendance and attitudes to learning.

Facilities and IT Systems

- All academies are compliant with health & safety, safeguarding, GDPR and other statutory requirements.
- 100% statutory servicing compliance.
- 100% health & safety documentation and training compliance.
- IT systems and resources are fit for purpose.
- All condition surveys reviewed every 5 years.

THE STOUR FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Going concern

After making appropriate enquiries, the Board of Trustees, including all Committees, 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 Accounting Policies note of the financial statements. The Trust ensures that resources are managed to ensure sustainability.

Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

As of 31 August 2021 the Federation has Restricted General Reserves of negative £1,535,224 (2020: £1,093,000). This includes the Local Government Pension Scheme reserve deficit of £1,614,000 (2020: £1,093,000).

The Federation had Restricted Fixed Asset Reserves of £5,396,461 (2020: £4,018,239) representing the land and buildings relating to the Federation and assets acquired by restricted grants. The Federation also had Unrestricted Reserves of £244,434 (2020: £188,306).

Investment policy

The aim of the policy is to ensure that funds which The Stour Federation MAT does not need to cover anticipated expenditure are invested in such a way as to be reasonably accessible and maximise income without risk.

Our aim is to spend public monies entrusted to us for the direct educational benefit of pupils as soon as is prudent. The Stour Federation does not consider the investment of surplus funds as a primary activity, rather as a result of good practice as and when circumstances allow.

The purpose of the Investment and Reserves Policy is:

- To ensure adequate cash balances are maintained in the Lloyds current account to cover day to day working capital requirements for a period of 3 months
- To ensure there is no risk or loss in capital value of any cash invested.
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds
- To ensure value for money
- To exercise care and skill in investment decisions, taking advice, as appropriate, from a professional advisor
- Ensure all investment decisions are in the best interests of the trust and command broad public support.

The policy is reviewed annually by the Resources Committee.

THE STOUR FEDERATION

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

Principal risks and uncertainties

The Academy maintains a risk register that identifies the major risks to which it is exposed, in particular those relating to Health & Safety and Safeguarding together with finance, HR and ICT.

The Board of Trustees assess the principal risks facing the Academy as follows;

1. Personal injury on premises - Health & Safety Policy, external audit and named governor to monitor
2. Abuse of child or staff - robust safeguarding procedures in place. Single Control Record (DBS register) maintained and named governor to monitor.
3. Demographic changes - one County Councillor on the Board to monitor the situation.
4. Personal injury on school trip - staff trained on Off-Site Policy and procedures
5. Adverse Ofsted - close monitoring of teaching and learning, detailed school evaluation form (SEF) shared and learning walks carried out by Trustees.

The risk register is approved and monitored annually by the Resources Committee in consultation with the other committees.

Financial and risk management objectives and policies

The Academy has an effective system of internal financial controls as outlined in the Governance Statement.

External audits are carried out regularly and the Resources Committee monitor all policies and procedures annually.

Fundraising

The Academy does not operate a regulated fundraising scheme and does not use the services of a professional fundraiser. However the Academy does work with its Parent and Teacher Association who carry out excellent work to raise funds for the school. The Academy also supports its stakeholders in raising money for local, national and international charities throughout the year. This includes cake sales, sponsored walks and non-school uniform days.

Plans for future periods

The Trustees' Premises Development Plan is currently being completed and will act as a working document which aids decision making with regard to prioritising for future projects and developments.

Projects identified for Shipston are toilet refurbishment and fire safety including automatic fire detection and external lighting.

Projects identified for Acorns are fire safety including automatic fire detection and external lighting, car parking and roof/window replacement.

Where funds allow, projects will be funded from school budgets, for larger projects external grant funding will be sourced.

Funds held as custodian trustee on behalf of others

The Academy Trust does not hold any funds as Custodian Trustees on behalf of other Charities.

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

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Ellacotts Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

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



15.12.2021

.....
Mrs J Barker

Chair of Trustees

THE STOUR FEDERATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Stour Federation 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 Executive Headteacher, 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 The Stour Federation 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 5 times during the year with 6 Resources meetings and 3 Children & Curriculum and Curriculum meetings. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr C Hilton (Executive Headteacher)	11	11
Mrs J Barker (Chair of Trustees)	9	11
Mr M J Dumelow (Finance / Estates)	10	11
Mr N Jennings (Vice Chair / Chair of Resources)	11	11
Mrs R Sellars (Education)	8	8
Mrs H Young (Acorns Associate Head) (Resigned 1 August 2021)	7	7
Mrs A Holland (Resigned 1 August 2021)	10	11
Mr G Roberts (Shipston Associate Head) (Resigned 1 August 2021)	8	8
Miss A Rose (Resigned 1 August 2021)	7	7
Miss A Bayliss (Resigned 1 August 2021)	7	7
Mrs A Pearson (Resigned 1 August 2021)	4	8
Mrs L Kirkman (Resigned 1 August 2021)	8	8
Mrs V Faulkner (Resigned 1 August 2021)	9	10
Mrs S Calcott (Legal) (Resigned 13 October 2021)	4	11
Mr B Richter (Resigned 1 August 2021)	12	14
Rev. S Edmonds (Pastoral)	4	8
Mrs N Britt (Resigned 1 August 2021)	8	8
Mr G Stokes (Resigned 1 August 2021)	11	11
Mrs Lois Self (Education) (Appointed 1 August 2021)		
Mr Sam Gibson (Appointed 29 March 2021 and resigned 1 August 2021)		

Of those trustees who resigned on 1 August 2021, all apart from A Pearson remained as Local Governors.

THE STOUR FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key Changes to the composition to the board of trustees:

There were no key changes in the composition of the board of trustees until 1st August 2021 when Brailes C of E Primary School converted to an academy and joined The Stour Federation. At this point governance was restructured to a Trust Board of 7 plus the Executive Headteacher, with three local academy councils.

The coverage of its work:

The main focus of the Board was ensuring the schools acted positively and responsibly towards the guidance around COVID-19, including monitoring of: risk assessments, providing food parcels, vouchers and pastoral support to families and providing effective remote learning in line with government expectations. Governors learned about how the schools were adapting their curriculum to focus on the key areas of learning and scrutinised internal assessment data, comparing to pre-COVID attainment and progress.

The Board looked closely at Trust growth and completed due diligence with regards to Brailes C of E Primary School joining the MAT.

The board's performance:

All meetings in 2020-21 were virtual and physical attendance in school was restricted. Although the technology was not a particular challenge, governors did miss the physical activities they would usually undertake regularly with staff, pupils and condition of the building.

The board was effective in ensuring the schools supported staff and pupils via the Trust Leadership Team in the full return to school in September 2020 and during the lockdown in 2021.

The board completed due diligence in the conversion of Brailes C of E Primary School before they joined the Trust.

Information about the quality of the data used by the board, and why the board finds it acceptable:

Trustees receive monthly management reports for each school in the Trust, detailing income and expenditure for the period, overall and any variances.

Trustees receive a report from the Executive Headteacher each term based on learning partnerships, pedagogical principles, learning environment and leveraging digital.

Trustees receive data analysis of pupil attainment and progress.

Trustees receive regular school newsletters – monthly from Acorns Primary and fortnightly from Shipston Primary.

The Resources Committee has delegated responsibility for school finances and makes recommendations from their six meetings per year to the full board.

Review of value for money

As accounting officer, the Executive Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

THE STOUR FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Reviewing budgets at Trustees Resources committee meetings.

- Adhering to purchasing policies.
- Negotiating costs for goods and services.
- Using the ESPO tendering framework for catering services.
- Using the Financial Benchmarking website.
- Discussed Integrated Curriculum and Financial Planning with the Accountants

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Stour Federation for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees. The Academy Trust has an up to date risk register.

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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital work and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines; and
- identification and management of risks.

The Board of trustees has decided:

A local governor with suitable skills and experience carries out internal scrutiny, meeting regularly with the Executive Head and Office Manager and reporting back to the Resources Committee.

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

THE STOUR FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- Confirming that the Trust has a Financial Procedures Manual which has been approved by the Board.
- Confirming that there have been no transactions that have exceeded delegated authority limits without prior ESFA approval.
- Checking details of contracts to ensure quotation and tender procedures are adhered to.
- Checking a sample of orders, invoices and payments to ensure that they are correctly authorised, recorded and that goods and services have been procured from an appropriate supplier and certified received.
- Reviewing management reports and ensuring they contain a variance report, cash flow and balance sheet and are distributed monthly to the chair and 6 times a year to the Board.
- Checking that the Resources Committee has completed and submitted the School Resource Management Self-Assessment Toolkit checklist.
- Reviewing bank reconciliations to ensure they are correctly prepared and authorised.

On a half termly basis, the auditor reports to the board of trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an 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.

The internal auditor has delivered their schedule of work as planned, RAG-rated areas of scrutiny to provide details of any material control issues arising as a result of their work and recorded actions taken to address these.

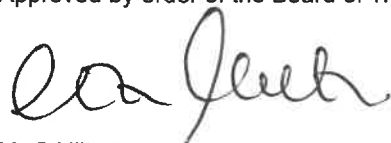
Review of effectiveness

As accounting officer the Executive Headteacher 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 auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 15.12.2021 and signed on its behalf by:



Mr C Hilton
Executive Headteacher



Mrs J Barker
Chair of Trustees

THE STOUR FEDERATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of The Stour Federation, I have considered my responsibility to notify the Academy Trust Board of Governors 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 Academies Financial Handbook 2020.

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

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



Mr C Hilton
Accounting Officer

15.12.2021
.....

THE STOUR FEDERATION

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

The trustees (who are also the directors of The Stour Federation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2020 to 2021 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 in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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 that 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 Governors on 15.12.2021 and signed on its behalf by:



Mrs J Barker
Chair of Trustees

THE STOUR FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STOUR FEDERATION

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of The Stour Federation for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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.

Other information

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

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

We have nothing to report in this regard.

THE STOUR FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STOUR FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 charitable company, 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 these financial statements.

Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE STOUR FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STOUR FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also perform the following procedures:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

Use of our report

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

David Stevens BA FCA
(Senior Statutory Auditor)
for and on behalf of Ellacotts Audit Services Limited
Chartered Accountants and Statutory Auditor
Countrywide House
23 West Bar
Banbury
Oxfordshire
England
OX16 9SA

Date:.....

THE STOUR FEDERATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE STOUR FEDERATION AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Stour Federation during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Stour Federation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Stour Federation and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Stour Federation and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Stour Federation's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Stour Federation's funding agreement with the Secretary of State for Education dated 29 August 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- testing a sample of grants received and other income streams
- evaluation the internal control procedures and reporting lines, and testing as appropriate.

THE STOUR FEDERATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE STOUR FEDERATION AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

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

Reporting Accountant

Ellacotts Audit Services Ltd
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

Dated:

THE STOUR FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	2	5,058	-	21,888	26,946	236,148
Donations - transfer from local authority on conversion	25	78,776	(212,000)	1,442,853	1,309,629	-
Charitable activities:						
- Funding for educational operations	3	-	2,467,514	-	2,467,514	2,265,972
Other trading activities	4	9,988	82,379	-	92,367	116,065
Investments	5	42	-	-	42	1,498
Total		<u>93,864</u>	<u>2,337,893</u>	<u>1,464,741</u>	<u>3,896,498</u>	<u>2,619,683</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	2,616,755	109,617	2,726,372	2,602,213
Total	6	<u>-</u>	<u>2,616,755</u>	<u>109,617</u>	<u>2,726,372</u>	<u>2,602,213</u>
Net income/(expenditure)		93,864	(278,862)	1,355,124	1,170,126	17,470
Transfers between funds	17	-	(23,098)	23,098	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(178,000)	-	(178,000)	(163,000)
Net movement in funds		93,864	(479,960)	1,378,222	992,126	(145,530)
Reconciliation of funds						
Total funds brought forward		188,306	(1,093,000)	4,018,239	3,113,545	3,259,075
Total funds carried forward		<u>282,170</u>	<u>(1,572,960)</u>	<u>5,396,461</u>	<u>4,105,671</u>	<u>3,113,545</u>

THE STOUR FEDERATION

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

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	2	3,083	-	233,065	236,148
Charitable activities:					
- Funding for educational operations	3	-	2,265,972	-	2,265,972
Other trading activities	4	10,348	105,717	-	116,065
Investments	5	1,498	-	-	1,498
Total		<u>14,929</u>	<u>2,371,689</u>	<u>233,065</u>	<u>2,619,683</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	2,502,807	99,406	2,602,213
Total	6	<u>-</u>	<u>2,502,807</u>	<u>99,406</u>	<u>2,602,213</u>
Net income/(expenditure)		14,929	(131,118)	133,659	17,470
Transfers between funds	17	(81,543)	4,118	77,425	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(163,000)	-	(163,000)
Net movement in funds		(66,614)	(290,000)	211,084	(145,530)
Reconciliation of funds					
Total funds brought forward		<u>254,920</u>	<u>(803,000)</u>	<u>3,807,155</u>	<u>3,259,075</u>
Total funds carried forward		<u>188,306</u>	<u>(1,093,000)</u>	<u>4,018,239</u>	<u>3,113,545</u>

THE STOUR FEDERATION

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		5,396,461		4,018,239
Current assets					
Debtors	13	98,683		116,628	
Cash at bank and in hand		437,204		268,911	
		<u>535,887</u>		<u>385,539</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(193,843)		(197,233)	
Net current assets			342,044		188,306
Total assets less current liabilities			<u>5,738,505</u>		<u>4,206,545</u>
Creditors: amounts falling due after more than one year	15		(18,834)		-
Net assets before defined benefit pension scheme liability			<u>5,719,671</u>		<u>4,206,545</u>
Defined benefit pension scheme liability	19		(1,614,000)		(1,093,000)
Total net assets			<u>4,105,671</u>		<u>3,113,545</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			5,396,461		4,018,239
- Restricted income funds			41,040		-
- Pension reserve			(1,614,000)		(1,093,000)
Total restricted funds			<u>3,823,501</u>		<u>2,925,239</u>
Unrestricted income funds	17		282,170		188,306
Total funds			<u>4,105,671</u>		<u>3,113,545</u>

The financial statements on pages 24 to 48 were approved by the trustees and authorised for issue on 15.12.21 and are signed on their behalf by:


 Mrs J Barker
 Chair of Trustees

Company Number 09174628

THE STOUR FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		168,330		19,223
Cash flows from investing activities					
Dividends, interest and rents from investments		42		1,498	
Capital grants from DfE Group		21,888		233,065	
Purchase of tangible fixed assets		(44,986)		(404,610)	
Net cash used in investing activities			(23,056)		(170,047)
Cash flows from financing activities					
New other loan		25,112		-	
Repayment of other loan		(2,093)		-	
Net cash provided by/(used in) financing activities			23,019		-
Net increase/(decrease) in cash and cash equivalents in the reporting period			168,293		(150,824)
Cash and cash equivalents at beginning of the year			268,911		419,735
Cash and cash equivalents at end of the year			437,204		268,911

THE STOUR FEDERATION

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

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion, from Shipston on Stour Primary School, Acorns Primary School and Brailes Church of England Primary School, to The Stour Federation, have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. The only exception being land and buildings which have been valued using depreciated replacement cost. Fair value is in accordance with the accounting policies set out for The Stour Federation. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income / (net expenditure) in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1.4 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	20 - 50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years 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 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.

1.8 Leased assets

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

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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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 and the assets are held separately from those of the Academy Trust.

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. The 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 are 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 or 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.

1.12 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 the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/ Department for Education.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	21,888	21,888	233,065
Other donations	5,058	-	5,058	3,083
	<u>5,058</u>	<u>21,888</u>	<u>26,946</u>	<u>236,148</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,908,782	1,908,782	1,752,849
Other DfE/ESFA grants:				
UIFSM	-	66,853	66,853	64,524
Pupil premium	-	90,679	90,679	100,770
Start up grants	-	25,000	25,000	-
Others	-	152,876	152,876	154,094
	<u>-</u>	<u>2,244,190</u>	<u>2,244,190</u>	<u>2,072,237</u>
Other government grants				
Local authority grants	-	82,670	82,670	113,742
	<u>-</u>	<u>82,670</u>	<u>82,670</u>	<u>113,742</u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	60,306	60,306	-
	<u>-</u>	<u>60,306</u>	<u>60,306</u>	<u>-</u>
Other incoming resources	-	80,348	80,348	79,993
	<u>-</u>	<u>80,348</u>	<u>80,348</u>	<u>79,993</u>
Total funding	<u>-</u>	<u>2,467,514</u>	<u>2,467,514</u>	<u>2,265,972</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £29k of additional free school meal and cleaning costs. These costs are included in notes 7 and 9 below as appropriate.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	6,422	-	6,422	7,818
Catering income	-	29,334	29,334	38,548
Music tuition	3,566	-	3,566	2,530
Parental contributions	-	44,533	44,533	64,414
Other income	-	8,512	8,512	2,755
	<u>9,988</u>	<u>82,379</u>	<u>92,367</u>	<u>116,065</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	42	-	42	1,498

6 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	1,335,597	-	158,655	1,494,252	1,355,569
- Allocated support costs	804,332	231,117	196,671	1,232,120	1,246,644
	<u>2,139,929</u>	<u>231,117</u>	<u>355,326</u>	<u>2,726,372</u>	<u>2,602,213</u>

Net income/(expenditure) for the year includes:	2021 £	2020 £
Fees payable to auditor for:		
- Audit	6,180	6,000
- Other services	18,595	10,413
Depreciation of tangible fixed assets	109,617	99,406
Net interest on defined benefit pension liability	21,000	16,000

7 Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8	Charitable activities	2021	2020
		£	£
	All from restricted funds:		
	Direct costs		
	Educational operations	1,494,252	1,355,569
	Support costs		
	Educational operations	1,232,120	1,246,644
		<u>2,726,372</u>	<u>2,602,213</u>
		<u><u>2,726,372</u></u>	<u><u>2,602,213</u></u>
		2021	2020
		£	£
	Analysis of support costs		
	Support staff costs	804,332	773,118
	Depreciation	109,617	99,406
	Technology costs	10,179	5,541
	Premises costs	121,500	111,003
	Legal costs	448	683
	Other support costs	161,269	236,730
	Governance costs	24,775	20,163
		<u>1,232,120</u>	<u>1,246,644</u>
		<u><u>1,232,120</u></u>	<u><u>1,246,644</u></u>
9	Staff		
	Staff costs		
	Staff costs during the year were:		
		2021	2020
		£	£
	Wages and salaries	1,549,475	1,432,546
	Social security costs	128,658	117,156
	Pension costs	461,614	441,186
		<u>2,139,747</u>	<u>1,990,888</u>
	Staff costs - employees	2,139,747	1,990,888
	Agency staff costs	182	3,363
		<u>2,139,929</u>	<u>1,994,251</u>
	Staff development and other staff costs	8,153	7,829
		<u>2,148,082</u>	<u>2,002,080</u>
	Total staff expenditure	<u><u>2,148,082</u></u>	<u><u>2,002,080</u></u>

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	34	28
Administration and support	60	58
Management	4	3
	<u>98</u>	<u>89</u>

Higher paid staff

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

	2021 Number	2020 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £282,710 (2020: £242,644).

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr C Hilton (Head Teacher and Trustee):

Remuneration £80,001 - £85,000 (2020: £75,001 - £80,000)

Employers pension contributions £15,001 - £20,000 (2020: £15,001 - £20,000)

Mrs H Young (Staff Member and Trustee):

Remuneration £50,001 - £55,000 (2020: £45,001 - £50,000)

Employers pension contributions £10,001 - £15,000 (2020: £10,001 - £15,000)

Mr G Roberts (Staff Member and Trustee)

Remuneration £50,001 - £55,000 (2020: £50,001 - £55,000)

Employers pension contributions £10,001 - £15,000 (2020: £10,001 - £15,000)

Mrs A Rose (Staff Member and Trustee)

Remuneration £40,001 - £45,000 (2020: £35,001 - £40,000)

Employers pension contributions £10,001 - £15,000 (2020: £5,001 - £10,000)

Miss A Bayliss (Staff Member and Trustee)

Remuneration £40,001 - £45,000 (2020: £35,001 - £40,000)

Employers pension contributions £10,001 - £15,000 (2020: £5,001 - £10,000)

Mrs V Faulkner (Staff Member and Trustee)

Remuneration £25,001 - £30,000 (2020: £20,001 - £25,000)

Employers pension contributions £5,001 - £10,000 (2020: £0 - £5,000)

Other related party transactions involving the Trustees are set out within the related parties note.

11 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 Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2021 was included in the Statement of Financial Activities.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2020	4,461,690	163,575	382,659	5,007,924
Additions	1,442,853	13,945	31,041	1,487,839
At 31 August 2021	<u>5,904,543</u>	<u>177,520</u>	<u>413,700</u>	<u>6,495,763</u>
Depreciation				
At 1 September 2020	484,731	154,002	350,952	989,685
Charge for the year	85,844	11,946	11,827	109,617
At 31 August 2021	<u>570,575</u>	<u>165,948</u>	<u>362,779</u>	<u>1,099,302</u>
Net book value				
At 31 August 2021	<u>5,333,968</u>	<u>11,572</u>	<u>50,921</u>	<u>5,396,461</u>
At 31 August 2020	<u>3,976,959</u>	<u>9,573</u>	<u>31,707</u>	<u>4,018,239</u>

13 Debtors

	2021	2020
	£	£
Trade debtors	49	-
VAT recoverable	36,230	46,768
Other debtors	38,776	-
Prepayments and accrued income	23,628	69,860
	<u>98,683</u>	<u>116,628</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other loans	4,185	-
Trade creditors	51,196	19,590
Other taxation and social security	34,217	27,948
Other creditors	44,695	69,268
Accruals and deferred income	59,550	80,427
	<u>193,843</u>	<u>197,233</u>

Other loans above are Salix interest free loans.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due after more than one year	2021 £	2020 £
Other loans	18,834	-
	18,834	-
	2021 £	2020 £
Analysis of loans		
Wholly repayable within five years	23,019	-
Less: included in current liabilities	(4,185)	-
	18,834	-
Amounts included above		
Loan maturity		
Debt due in one year or less	4,185	-
Due in more than one year but not more than two years	4,185	-
Due in more than two years but not more than five years	12,555	-
Due in more than five years	2,094	-
	23,019	-
Other loans above are Salix interest free loans.		
16 Deferred income	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	42,880	76,677
	42,880	76,677
Deferred income at 1 September 2020	76,677	62,540
Released from previous years	(76,677)	(62,540)
Resources deferred in the year	42,880	76,677
	42,880	76,677
Deferred income at 31 August 2021		

At the balance sheet date the Federation was holding funds received in advance in respect of pupil premium and free school meals both of which will be fully utilised during the year ended 31 August 2021.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	1,908,782	(1,844,644)	(23,098)	41,040
Start up grants	-	25,000	(25,000)	-	-
UIFSM	-	66,853	(66,853)	-	-
Pupil premium	-	90,679	(90,679)	-	-
Catch-up premium	-	60,306	(60,306)	-	-
Other DfE/ESFA grants	-	152,876	(152,876)	-	-
Other government grants	-	82,670	(82,670)	-	-
Other restricted funds	-	162,727	(162,727)	-	-
Pension reserve	(1,093,000)	(212,000)	(131,000)	(178,000)	(1,614,000)
	<u>(1,093,000)</u>	<u>2,337,893</u>	<u>(2,616,755)</u>	<u>(201,098)</u>	<u>(1,572,960)</u>
Restricted fixed asset funds					
Inherited on conversion	3,453,673	1,442,853	(80,898)	-	4,815,628
DfE group capital grants	564,566	21,888	(28,719)	23,098	580,833
	<u>4,018,239</u>	<u>1,464,741</u>	<u>(109,617)</u>	<u>23,098</u>	<u>5,396,461</u>
Total restricted funds	<u>2,925,239</u>	<u>3,802,634</u>	<u>(2,726,372)</u>	<u>(178,000)</u>	<u>3,823,501</u>
Unrestricted funds					
General funds	188,306	93,864	-	-	282,170
	<u>188,306</u>	<u>93,864</u>	<u>-</u>	<u>-</u>	<u>282,170</u>
Total funds	<u>3,113,545</u>	<u>3,896,498</u>	<u>(2,726,372)</u>	<u>(178,000)</u>	<u>4,105,671</u>

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

General Annual Grant (GAG)

The General Annual Grant (GAG) has been provided by the ESFA/DfE in order to fund the normal running costs of the Federation. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA Grants

This represents various grants from national government bodies for the provision of specific services to pupils of the Federation.

Other Government Grants

This represents various grants from local authorities for the provision of specific services to pupils of the Federation.

Other Restricted Funds

Other Restricted Funds include funding from the sale of uniforms and education related goods, exam fee income and income for educational supplies and services.

Pension Reserve

The restricted Pension reserve represents the deficit on the Federation's share of the Local Government Pension Scheme as at 31 August 2021.

Restricted Fixed Assets

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

The amount of £23,098 was transferred from GAG funds to the restricted fixed asset fund to fund the additional capital expenditure arising during the year.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	(12,071)	1,752,849	(1,744,896)	4,118	-
UIFSM	-	64,524	(64,524)	-	-
Pupil premium	-	100,770	(100,770)	-	-
Other DfE/ESFA grants	12,071	154,094	(166,165)	-	-
Other government grants	-	113,742	(113,742)	-	-
Other restricted funds	-	185,710	(185,710)	-	-
Pension reserve	(803,000)	-	(127,000)	(163,000)	(1,093,000)
	<u>(803,000)</u>	<u>2,371,689</u>	<u>(2,502,807)</u>	<u>(158,882)</u>	<u>(1,093,000)</u>
Restricted fixed asset funds					
Transfer on conversion	3,569,219	-	(78,493)	(37,053)	3,453,673
DfE group capital grants	237,936	233,065	(20,913)	114,478	564,566
	<u>3,807,155</u>	<u>233,065</u>	<u>(99,406)</u>	<u>77,425</u>	<u>4,018,239</u>
Total restricted funds	<u>3,004,155</u>	<u>2,604,754</u>	<u>(2,602,213)</u>	<u>(81,457)</u>	<u>2,925,239</u>
Unrestricted funds					
General funds	254,920	14,929	-	(81,543)	188,306
	<u>254,920</u>	<u>14,929</u>	<u>-</u>	<u>(81,543)</u>	<u>188,306</u>
Total funds	<u>3,259,075</u>	<u>2,619,683</u>	<u>(2,602,213)</u>	<u>(163,000)</u>	<u>3,113,545</u>

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Acorns Primary	121,469	102,187
Shipston-On-Stour Primary School	97,965	86,119
Brailes C of E Primary School	103,776	-
Total before fixed assets fund and pension reserve	<u>323,210</u>	<u>188,306</u>
Restricted fixed asset fund	5,396,461	4,018,239
Pension reserve	(1,614,000)	(1,093,000)
Total funds	<u>4,105,671</u>	<u>3,113,545</u>

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Acorns Primary	333,292	72,303	36,608	63,157	505,360	521,896
Shipston-On-Stour Primary School	1,349,623	251,512	108,605	294,424	2,004,164	2,080,317
Brailes C of E Primary School	25,362	5,988	4,990	-	36,340	-
	<u>1,708,277</u>	<u>329,803</u>	<u>150,203</u>	<u>357,581</u>	<u>2,545,864</u>	<u>2,602,213</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	5,396,461	5,396,461
Current assets	494,847	41,040	-	535,887
Creditors falling due within one year	(193,843)	-	-	(193,843)
Creditors falling due after one year	(18,834)	-	-	(18,834)
Defined benefit pension liability	-	(1,614,000)	-	(1,614,000)
Total net assets	<u>282,170</u>	<u>(1,572,960)</u>	<u>5,396,461</u>	<u>4,105,671</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	4,018,239	4,018,239
Current assets	385,539	-	-	385,539
Creditors falling due within one year	(197,233)	-	-	(197,233)
Defined benefit pension liability	-	(1,093,000)	-	(1,093,000)
Total net assets	<u>188,306</u>	<u>(1,093,000)</u>	<u>4,018,239</u>	<u>3,113,545</u>

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

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 the Warwickshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2016.

There was £37,352 (2020: £35,116) of outstanding contributions payable to the schemes as at 31 August 2021.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £226,637 (2020: £212,851).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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.

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(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 contributions are as noted below. The estimated value of employer contributions for the forthcoming year is £158,000.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Total contributions made	2021	2020
	£	£
Employer's contributions	125,000	116,000
Employees' contributions	29,000	28,000
Total contributions	<u>154,000</u>	<u>144,000</u>

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.8	21.6
- Females	24.2	23.8
Retiring in 20 years		
- Males	23.0	22.5
- Females	26.1	25.4

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:
(the below percentages are approximates, and represent the average percentages from the three actuarial reports prepared)

Change in assumptions at 31 August 2021:	Approximate % increase to Employer Liability	Approximate monetary amount £'s
0.1% decrease in Real Discount Rate	2.67%	81,000
1 year increase in member liability	4.00%	138,000
0.1% increase in the Salary Increase Rate	0.00%	3,000
0.1% increase in the Pension Increase Rate	2.00%	77,000

The Academy Trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	1,182,340	742,800
Bonds	457,680	309,500
Cash	57,210	24,760
Property	209,770	160,940
Total market value of assets	<u>1,907,000</u>	<u>1,238,000</u>

The actual return on scheme assets was £313,000 (2020: £54,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	235,000	227,000
Interest income	(21,000)	(20,000)
Interest cost	42,000	36,000
Total operating charge	<u>256,000</u>	<u>243,000</u>

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	2,331,000	1,843,000
Obligations acquired on conversion	434,000	-
Current service cost	235,000	227,000
Interest cost	42,000	36,000
Employee contributions	29,000	28,000
Actuarial loss	470,000	197,000
Benefits paid	(20,000)	-
At 31 August 2021	<u>3,521,000</u>	<u>2,331,000</u>

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2021	2020
	£	£
At 1 September 2020	1,238,000	1,040,000
Assets acquired on conversion	222,000	-
Interest income	21,000	20,000
Actuarial gain	292,000	34,000
Employer contributions	125,000	116,000
Employee contributions	29,000	28,000
Benefits paid	(20,000)	-
	1,907,000	1,238,000
	1,907,000	1,238,000

20 Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,170,127	17,469
Adjusted for:		
Net surplus on conversion to academy	(1,309,629)	-
Capital grants from DfE and other capital income	(21,888)	(233,065)
Investment income receivable	(42)	(1,498)
Defined benefit pension costs less contributions payable	110,000	111,000
Defined benefit pension scheme finance cost	21,000	16,000
Depreciation of tangible fixed assets	109,617	99,406
Decrease/(increase) in debtors	17,945	(25,648)
(Decrease)/increase in creditors	(7,576)	35,559
Stocks, debtors and creditors transferred on conversion	78,776	-
	168,330	19,223
	168,330	19,223

21 Analysis of changes in net funds

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash	268,911	168,293	437,204
Loans falling due within one year	-	(4,185)	(4,185)
Loans falling due after more than one year	-	(18,834)	(18,834)
	268,911	145,274	414,185
	268,911	145,274	414,185

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts due within one year	931	2,542
Amounts due in two and five years	-	931
	<u>931</u>	<u>3,473</u>

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no transactions with related parties during the period ended 31 August 2021 which require disclosure.

In the opinion of the Governors, there is no ultimate controlling party.

24 Members' liability

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

25 Conversion to an academy

On 1 August 2021 the Brailes Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Stour Federation from the Warwickshire County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as "donations – transfer from local authority on conversion".

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Brailes C of E Primary School	Lower Brailes	1 August 2021		
			Unrestricted	Restricted funds: Total

THE STOUR FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

25 Conversion to an academy (Continued)

Net assets transferred:	funds £	General £	Fixed asset £	2021 £
Leasehold land and buildings	-	-	1,442,853	1,442,853
Pension scheme deficit	-	(212,000)	-	(212,000)
Local authority budget funds	78,776	-	-	78,776
	<u>78,776</u>	<u>(212,000)</u>	<u>1,442,853</u>	<u>1,309,629</u>
	<u><u>78,776</u></u>	<u><u>(212,000)</u></u>	<u><u>1,442,853</u></u>	<u><u>1,309,629</u></u>
	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	1,442,853	1,442,853
Local authority budget funds	78,776	-	-	78,776
LGPS pension funds	-	(212,000)	-	(212,000)
	<u>78,776</u>	<u>(212,000)</u>	<u>1,442,853</u>	<u>1,309,629</u>
	<u><u>78,776</u></u>	<u><u>(212,000)</u></u>	<u><u>1,442,853</u></u>	<u><u>1,309,629</u></u>

The Brailes C of E Primary School site was transferred on a 125 year lease for a peppercorn rent. The value attributed to the site at the time of conversion was the property's estimated rebuild cost of £1,442,853 as provided to the school by Warwickshire County Council.

One month's depreciation has been provided on this asset amounting to £2,405 in the year to 31 August 2021.

In relation to the pension scheme deficit, an actuarial report was produced at 1 August 2021 for Brailes C of E Primary School. At that point in time there was a deficit of £212,000. The same actuaries produced the year end report as at 31 August 2021, being the trust's year end. That report showed a deficit of £217,000 representing an increase in the deficit of £5,000 for the month of August 2021.

As referred to in note 17 of the accounts, the funds attributed to Brailes C of E Primary School as at 31 August 2021 is £103,776. This is made up of £78,776 receivable on 1 August 2021 from the local authority upon conversion, and a generated surplus of £25,000.