

STOUR VALE ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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STOUR VALE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs Diane Baker (resigned 14 September 2023)
Mr David Hadley-Pryce (appointed 24 March 2023)
Mr Remley Mann
Mr Martin Stevens
Mr Mark Mitchell (appointed 26 September 2023)
Mr Stephen Tivey (resigned 7 November 2022)
Mrs Joanne Williams
Mr William Whiting (appointed 21 November 2022, resigned 29 January 2023)

Trustees

Mr David Bartlett
Ms Holly Bembridge
Dr Laura Braznell (resigned 30 November 2022)
Mr Richard Brooks
Mrs Jacqueline Carman (appointed 29 June 2023)
Mr Carl James (resigned 20 November 2022)
Mrs Rachel Salter, Chief Executive and Accounting Officer
Rev Christopher Siviter
Mr Stephen Tivey (appointed 7 November 2022)
Mrs Joanne Williams, Chair of Trustees

Company registered number

07865663

Company name

Stour Vale Academy Trust

Principal and registered office

C/O Halesowen College
Whittingham Road
Halesowen
West Midlands
B63 3NA

Company secretary

Mrs Louise Broxton

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Senior leadership team

Mrs Rachel Salter, Chief Executive and Accounting Officer
Mrs Nicky Bennett, Northfield Road Primary School, Headteacher
Mrs Rachel Cope, Ridgewood High School, Headteacher
Miss Hannah Grasby, Olive Hill Primary School, Headteacher
Mrs Simone Chesney Ly, Newtown Primary School, Headteacher
Mr Phillip Shackleton, Oldbury Academy, Headteacher
Mrs Catherine Rindl, Queen Victoria Primary School, Headteacher
Mr Jamie Fox, The Earls High School, Headteacher
Ms Lara Stone, Moat Farm Junior School, Headteacher
Mr Stephen Ralph, Trust Chief Finance Officer
Mrs Emma Titchener, Trust Executive Leader
Mr Jamie Clayton, Redhill School, Headteacher

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Solicitors

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

STOUR VALE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the year in question Stour Vale Academy Trust operated with five member primary schools and four member secondary schools within the boroughs of Dudley and Sandwell. On the 1 December 2022 Moat Farm Junior School joined the Trust and on 1 July 2023 Queen Victoria Primary School joined the Trust. Moat Farm Infant School and Holywell Primary School are due to join the Trust in Spring 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the Multi Academy Trust.

The Trustees of Stour Vale Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Stour Vale Academy Trust.

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Stour Vale Academy Trust is a member of the Risk Protection Arrangement. This arrangement allows Trustees to benefit from indemnity cover to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Academy Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 11 Trustees who are appointed by the Members
- The number of Trustees shall not be less than 3
- Chief Executive Officer
- Minimum of 2 Parent Trustees appointed in the event that no Local Governing Body is established or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body.
- 1 Co-opted Trustee appointed by the Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided to new Trustees will depend upon their existing experience but will always include a meeting with the Chief Executive Officer. All Trustees will be provided with copies of policies, procedures, minutes and other documents that they need to undertake their role.

Trustees have access to the NGA Learning Link platform, annual safeguarding training is offered at the start of each academic year as well as biannual professional development sessions on topics such as attendance and behaviour.

f. ORGANISATIONAL STRUCTURE

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education. The structure of the Trust consists of three senior levels:

- The Board of Trustees
- Chief Executive Officer (Accounting Officer)
- Senior Leadership Team

The Trust Board is accountable in law for all major decisions about the Trust and its future.

A Scheme of Delegation has been drawn up to enable local accountability and a sharing of responsibilities. A decision grid has been used to show the level at which a task can or must be actioned and if it can be delegated to whom the board has delegated it to.

Schools within the Trust establish a Local Governing Body which consists of 9 appointments:

- 1 to be the Headteacher
- 2 elected Staff Governors
- 2/3 elected Parent Governors (2 for schools of 500 pupils or below, 3 if above this figure)
- 4/3 (to make the total to 9) Community Governors
- The LGB and the Trust Board are able to appoint up to 3 Associate Governors to support the LGB

Each school has a leadership team in place for day to day management which includes authorisation of spending within agreed budgets and the appointment of staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

g. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	12
Full-time equivalent employee number	11

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	10
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	1,026	
Total pay bill	29,537,871	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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h. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

i. ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE ACADEMY

The Board of Directors of Stour Vale Academy Trust operates a governance model whereby the purpose, culture, ethos and aims of the Trust are considered when making decisions in order to promote the success of the Trust and member schools for the benefit of the community they serve, and in doing so have regard to the:

- a. likely consequences of any decision in the long term
- b. the interests of the Trust's employees
- c. the need to foster the Trust's business relationships with suppliers, customers and others
- d. the impact of the Trust's operations on the community and the environment
- e. the desirability of the Trust maintaining a reputation for high standards of business conduct
- f. the need to act fairly as between members of the Trust

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

To create a consistent educational experience for all our pupils so they become responsible, successful and confident young people who are active citizens in the 21st Century. Pupils in all the Trust schools will achieve outstanding progress through excellent teaching, a challenging curriculum and rich extracurricular experiences.

The essential principle for the Trust is that each school will have their own distinctive and individual identity whilst working in partnership.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust's objectives are summarised below:

Leadership

- There is a culture of high expectations and dynamic relationships that enables pupils and staff to excel
- All pupils follow a challenging and appropriate curriculum
- The progress, outcomes and personal development of disadvantaged pupils is a key driver for everyone
- All partnerships are used to produce measurable impact on pupil outcomes

Teaching

- That consistently high standards of teaching are in place across all learning areas and subjects leading to the rapid progress of pupils
- Pupils with SEND have effective teaching to meet their needs and demonstrate beyond expected levels of progress
- Pupil's Personal Development, Welfare and Safety

Safeguarding is effective

- Pupil participation in all areas of the school (including school rewards) creates a culture of high achievement
- School attendance for all groups of learners especially for those that nationally have lower educational outcomes is in line with the attendance of the most advantaged pupils nationally

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES (CONTINUED)

Pupil outcomes

- All pupils make outstanding progress from their different starting points
- The progress and attainment for disadvantaged pupils is in line with or better than national average
- All pupils leave school to continue their learning

c. PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the Governors consider how planned activities will contribute to the aims and objectives they have set.

STRATEGIC REPORT

ACHIEVEMENTS & PERFORMANCE

a. KEY PERFORMANCE INDICATORS

Staffing costs as a percentage of General Annual Grant (GAG) is a key performance indicator. For the year ended 31 August 2023 this was 92% for the Trust in total. This may be higher than the average due to the number of staff employed to support non teaching and learning areas as opposed to contract provision. In addition, staff costs funded via Pupil Premium and Teaching Schools also raises the measure as these funding streams are not classified as GAG.

b. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

c. PROMOTING THE SUCCESS OF THE COMPANY

The Trustees have once again been actively involved this year in promoting the safety and success of the key stakeholders of the Trust, namely its learners, staff and local communities.

There is regular interaction between the Trust Board and the Local Governing Bodies of each school to ensure that the Board is abreast of all major developments. Board meetings are well attended and offer a robust challenge to Executive Leads and the CEO in respect of the outcomes of each school and the plans in place to meet the needs of disadvantaged learners. Trustees also remain actively involved in the performance management and recruitment of senior leaders across the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for capital expenditure from the ESFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2023, the Trust received charitable income grants amounting to £40,117,367 and generated other income amounting to £978,187.

Total Trust expenditure was £43,431,769 (2022: £37,584,380) whilst the total income for the year excluding transfers into the Trust was £43,424,539 (2022: £37,576,933). This resulted in excess expenditure over income for the year of £7,230 (2022: £7,447 surplus) before actuarial movement. Since April 2021 the Trust became eligible for the School Capital Allocation (SCA) and Devolved Formula Capital (DFC) and was awarded £1,506,389 in April 2023. The Trust must account for all capital income in the financial year awarded.

As at 31 August 2023 the net book value of tangible fixed assets was £72,822,360 (2022: £63,526,745) and movements in tangible assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Trust.

The Trust held fund balances at 31 August 2023 of £82,382,152 (2022: £67,301,396) comprising £75,870,204 (2022: £65,901,362) restricted fixed assets funds, £4,979,306 (2022: £4,145,271) of restricted general funds (excluding the pension fund), a restricted endowment fund of £127,586 (2022: £127,586) and £3,416,056 (2022: £2,339,177) of unrestricted general funds. The restricted pension fund deficit amounted to £2,011,000 (2022: £5,212,000).

a. RESERVES POLICY

Multi Academy Trusts are expected to hold contingency reserves from their annual grant funding or other income, which may be both capital and revenue reserves. Schools within the Trust need to ensure that reserves are not being used to offset funding shortfalls but instead must be time limited. In addition, the Trust needs to ensure that the schools hold enough reserves for:

- Working capital
- Mitigate financial risks
- Future developments
- Going Concern

As per the reserves policy, actual reserves held and future business planning forecasts are used to confirm that the going concern principle applies for at least 12 months from the date that the statutory accounts are approved by the board.

The Trust's free reserves at 31 August 2023 amounted to £8,395,362, comprising £4,979,306 of restricted funds and £3,416,056 of unrestricted funds. This represents approximately 3 months of the Trust's annual payroll cost which is considered to be a reasonable level of reserves in the current economic climate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

b. INVESTMENT POLICY

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. The Trust does not consider the investment of funds as a primary activity, rather because of good stewardship as and when circumstances allow.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust has implemented a risk management policy and created a risk register (pandemics such as Covid 19 are included within this register) and risk review process. The main risks identified include both strategic and operational risks. The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agenda for all committee activity
- Terms of reference for all Local Governing Bodies and delegated committees under the direction of the Governing Bodies
- Pecuniary interests of Trustees and Governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

d. ESTATES MANAGEMENT

The Trustees acknowledge their responsibilities around effective estates management and ensuring that students, staff and other key stakeholders are kept warm, safe and dry. The Finance, Audit and Risk Committee receives regular information around health and safety compliance and accident reporting. Alongside this they play a key role in approving and monitoring the use of the School Condition Allocation that the Trust receives. There are 3 main areas that this spend is targeted towards:

- Condition works based on independent surveys
- School based bids which may be condition, safeguarding or educational improvement led
- Environmental improvements to help the trust become more environmentally friendly

Following on from DfE concerns in the year one of the Trust schools was found to contain Reinforced Autoclaved Aerated Concrete (RAAC) – the school worked quickly with the DfE to mitigate against the effects of the concrete and the school remained open to all students, staff and visitors. Trustees were kept abreast of developments via regular updates at Board and Committee meetings as well as via specific communications at the time of the event.

FUNDRAISING

The majority of fund raising undertaken by the schools within the Trust relates to registered charities. The schools ensure that there are effective systems in place to ensure that all the monies raised are paid over to the charities in full in a timely manner.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STREAMLINED ENERGY AND CARBON REPORTING

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

	2023	<i>2022</i>
Energy consumption used to calculate emissions (kWh)	5,475,166	<i>5,531,574</i>
ENERGY CONSUMPTION BREAKDOWN (KWH):		
Gas	4,223,798	<i>4,409,322</i>
Electricity	1,241,636	<i>1,115,897</i>
Transport fuel	9,732	<i>6,355</i>
SCOPE 1 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Gas consumption	905,963	<i>920,297</i>
Owned transport	3,282	<i>2,143</i>
TOTAL SCOPE 1	909,245	<i>922,440</i>
SCOPE 2 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Purchased electricity	240,108	<i>215,792</i>
TOTAL GROSS EMISSIONS (IN TONNES OF CO2 EQUIVALENT):	1,149,353	<i>1,138,232</i>
INTENSITY RATIO:		
Tonnes of CO2 equivalent per pupil	0.25	<i>0.28</i>

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

Looking to the future, continuing to hold children and young people at the heart of all that we do, our vision is to be a larger successful family of schools. Stour Vale member schools will serve their communities by providing the excellent education and care which ensures strong academic progress and a broad range of opportunities for personal development. Both individually and collectively, member schools will also have a significant positive impact on the wider education system. Further growth is key to realising our vision as it will increase our capacity to provide:

- expert support and challenge for school leaders which ensures continuous improvement
- excellent back-office functions which have a clear focus on sustainable school improvement
- innovative and comprehensive approaches to professional learning, career development and staff well-being that will attract, retain and grow the best staff
- powerful learning from research and increased collaboration
- greater collective capacity to support schools facing challenges or who need to rapidly improve

As an outward looking trust, we continue to work collaboratively with a growing range of schools. Several schools are on the journey towards joining Stour Vale, with Moat Farm Infant School's and Holywell Primary School's application to convert to academy status and join Stour Vale having already been approved by the Regional Director. Mindful of this growth, our strategic plan is focused on the development of greater central capacity in financial and operational functions, greater capacity to support school improvement, and through deeper collaboration between schools and greater capacity to support and maximise professional development.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

There is an Executive Team Pay Committee whose remit is to prepare and agree the Job Descriptions, Person Specifications and pay ranges for the Executive Officers of the Trust i.e. Chief Executive Officer, Executive Lead for Schools and the Chief Finance Officer. Support is provided by the Trust's HR Manager to ensure transparency and consistency when setting the pay ranges.

In addition, The Trust Board has established a Chief Executive Performance Management Committee to set performance objectives for the Chief Executive Officer. These objectives and the performance against the objectives are assessed externally as outlined in the Governance Handbook. The Trust Board will satisfy itself that the external advisor has the skills, experience and objectivity to provide it with advice and support. The objectives for the Executive Lead for Schools and the Chief Finance Officer are set by the Chief Executive Officer and subject to performance review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The Pay Policy of the Trust also includes the staff within the individual schools. Staff are set meaningful and challenging objectives which are then assessed. Each Local Governing Body has its own Pay Committee and the Terms of Reference are:

- To review, update and implement the Trust Pay Policy with appropriate consultation as required
- To work with the Headteacher to ensure that the appraisal process for all teaching staff is implemented effectively
- To carry out the effective appraisal of the Headteacher in accordance with current regulations and appraisal policy
- To determine the salaries of all staff employed at the school in accordance with statutory and contractual obligations, including annual pay awards
- To establish fair procedures for addressing pay discrepancies
- To ensure that appropriate salary ranges are determined, recorded and advertised through the recruitment process
- To ensure that recruitment to a teaching post has been duly considered in terms of relevant pay in relation to the candidates skills, experience and competence
- To formally record all decisions relating to pay
- To clearly minute the rationale for all decisions and report these to the next Governing Body meeting
- To ensure the right to raise a pay grievance in relation to pay decisions following the salary review statement is complied with in a fair, consistent and transparent manner

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

Stour Vale Academy Trust nor the Board of Trustees are acting as third-party custodial trustees.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

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:



.....
Mrs J Williams
Chair of Trustees
Date: 13 December 2023

STOUR VALE ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Stour Vale Academy Trust 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 Chief Executive Officer, 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 Stour Vale Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr David Bartlett	4	6
Ms Holly Bembridge	5	6
Dr Laura Braznell	1	1
Mr Richard Brooks	5	6
Mrs Jacqueline Carman	0	1
Mr Carl James	0	1
Mrs Rachel Salter	6	6
Rev Christopher Siviter	6	6
Mrs Joanne Williams, Chair of Trustees	4	6
Mr Stephen Tivey	5	5

The skills set of the Trustees ensures that the board is not just educationally focused but includes knowledge of finance, human resources and legal. The Trustees have completed a skills audit and work will be undertaken during this coming year to evaluate the results and put in to place an action plan.

The Trust is committed to ensuring that all Employees, Members, Trustees and Governors understand what constitutes a conflict of interest, and their responsibility to identify and declare any conflicts that might arise; and that the conflict and the actions taken are recorded to ensure that the conflict does not affect decision-making at any level within the governance of the Trust.

The scheme of delegation sets out clearly the responsibilities of the office holders in the governance and executive teams within the Trust. The scheme ensures that all headteachers in the schools continue to be held to account by the Local Governing Body with the involvement of the CEO to provide additional guidance and professional advice.

A schedule of external audit is in place to review the financial effectiveness of the Trust. The review of school performance also includes external reviewers to provide accurate and reliable information to be the school governors and trustees.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

An agreed format for reports from the headteachers has been implemented across Trust schools and the CEO report is focused on providing clear information on school performance with benchmarking data used against previous performance and similar schools.

The Board created a Finance and Audit Committee whose remit is to:

- Ensure sound management of the Trust's finances and resources including proper planning, monitoring, probity and value for money.
- Advise the Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr Laura Braznell	1	1
Mr David Barlett (Chair)	3	3
Mr Richard Brooks	3	3
Rev Chris Siviter	1	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer 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 Accounting Officer considers how the 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 where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- not only measuring the cost of goods and services, but also take in to account the mix of quality, cost, resources use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value for money
- the Finance Teams within the schools take a lead in promoting the sharing of good practice, where this has an implication for VfM as budget holders may not always be aware of the opportunities to achieve greater VfM
- quotes/tenders are obtained in line with authorised limits and Framework Agreements are used whenever appropriate
- text systems are used to communicate with parents saving on postage

STOUR VALE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

THE PURPOSE OF INTERNAL CONTROL AND THE CAPACITY TO HANDLE RISK

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 Stour Vale Academy Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

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 year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Dudley MBC Audit services as internal auditor.

The Internal Audit Team's role is to perform a range of checks on the Trust's financial systems and statutory duties, these checks include the testing of payroll/personnel, procurement, income collection, health and safety, governance.

On an annual basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a 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.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

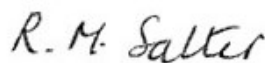
- the internal audit function
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



.....
Mrs J Williams
Chair of Trustees
Date: 13 December 2023



.....
Mrs R Salter
Accounting Officer
Date: 13 December 2023

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Stour Vale Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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

R. M. Salter

Mrs R Salter
Accounting Officer
Date: 13 December 2023

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



.....
Mrs J Williams
Chair of Trustees
Date: 13 December 2023

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR VALE ACADEMY TRUST

OPINION

We have audited the financial statements of Stour Vale Academy Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

BASIS OF 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy 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.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR VALE ACADEMY TRUST (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR VALE ACADEMY TRUST (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STOUR VALE ACADEMY TRUST (CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

USE OF OUR REPORT

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



Dave Darlaston (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 19/12/23

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 18 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stour Vale Academy Trust during the year 1 September 2022 to 31 August 2023 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 Stour Vale Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stour Vale Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stour Vale Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stour Vale Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stour Vale Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2011 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 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 a review of the design and implementation of the Academy Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy Trust and specific transactions identified from our review.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STOUR
VALE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Come U.K. LLP

Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury
West Midlands B69
2DG

Date:

19/12/23

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and capital grants:						
3						
Transfer on conversion from local authority	633,179	(1,623,000)	10,699,807	-	9,709,986	-
Transfer in from existing academy	-	-	-	-	-	21,269,320
Other donations and capital grants	37,136	-	1,878,516	-	1,915,652	1,684,723
Other trading activities	278,678	-	-	-	278,678	244,831
Investments	134,655	-	-	-	134,655	5,039
Charitable activities	978,187	40,117,367	-	-	41,095,554	35,642,340
Total income and endowments	2,061,835	38,494,367	12,578,323	-	53,134,525	58,846,253
Expenditure on:						
Raising funds	199,751	-	-	-	199,751	-
Charitable activities	720,705	40,440,720	2,070,593	-	43,232,018	37,584,380
Total expenditure	920,456	40,440,720	2,070,593	-	43,431,769	37,584,380
Net income/ (expenditure)	1,141,379	(1,946,353)	10,507,730	-	9,702,756	21,261,873
Transfers between funds	(64,500)	603,388	(538,888)	-	-	-
Net movement in funds before other recognised gains carried forward	1,076,879	(1,342,965)	9,968,842	-	9,702,756	21,261,873

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Net movement in funds before other recognised gains/(losses) brought forward	1,076,879	(1,342,965)	9,968,842	-	9,702,756	21,261,873
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	27	-	5,378,000	-	-	5,378,000
			-			19,171,000
Net movement in funds	<u>1,076,879</u>	<u>4,035,035</u>	<u>9,968,842</u>	<u>-</u>	<u>15,080,756</u>	<u>40,432,873</u>
Reconciliation of funds:						
Total funds brought forward	2,339,177	(1,066,729)	65,901,362	127,586	67,301,396	26,868,523
Net movement in funds	1,076,879	4,035,035	9,968,842	-	15,080,756	40,432,873
Total funds carried forward	<u>3,416,056</u>	<u>2,968,306</u>	<u>75,870,204</u>	<u>127,586</u>	<u>82,382,152</u>	<u>67,301,396</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 68 form part of these financial statements.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07865663

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	72,822,360	63,526,745
Investments	14	86,198	83,967
		<u>72,908,558</u>	<u>63,610,712</u>
Current assets			
Stocks		37,770	32,786
Debtors	15	2,105,322	2,664,591
Cash at bank and in hand		13,551,444	11,292,310
		<u>15,694,536</u>	<u>13,989,687</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(3,996,193)	(4,816,056)
Net current assets		<u>11,698,343</u>	<u>9,173,631</u>
Total assets less current liabilities		<u>84,606,901</u>	<u>72,784,343</u>
Creditors: amounts falling due after more than one year	17	(213,749)	(270,947)
Net assets excluding pension liability		<u>84,393,152</u>	<u>72,513,396</u>
Defined benefit pension scheme liability	27	(2,011,000)	(5,212,000)
Total net assets		<u><u>82,382,152</u></u>	<u><u>67,301,396</u></u>

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07865663

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Academy Trust			
Endowment funds		127,586	127,586
Restricted funds:			
Fixed asset funds	18	75,870,204	65,901,362
Restricted income funds	18	4,979,306	4,145,271
Restricted funds excluding pension asset	18	80,849,510	70,046,633
Pension reserve	18	(2,011,000)	(5,212,000)
Total restricted funds	18	78,838,510	64,834,633
Unrestricted income funds	18	3,416,056	2,339,177
Total funds		82,382,152	67,301,396

The financial statements on pages 25 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

R. M. Salter

Mrs R Salter
Accounting Officer
Date: 13 December 2023

J. Williams

Mrs J Williams
Chair
Date: 13 December 2023

The notes on pages 30 to 68 form part of these financial statements.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,130,490	5,788,512
Cash flows from investing activities	22	1,190,841	(3,748)
Cash flows from financing activities	21	(62,197)	(51,538)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		2,259,134	5,733,226
Cash and cash equivalents at the beginning of the year		11,292,310	5,559,084
Cash and cash equivalents at the end of the year	23, 24	13,551,444	11,292,310

The notes on pages 30 to 68 form part of these financial statements

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stour Vale Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 COMPANY INFORMATION

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number (07865663)). The address of the registered office is C/O Halesowen College, Whittingham Road, Halesowen, West Midlands, B63 3NA

1.3 GOING CONCERN

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

1.4 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 Grants are recognised in full in the Statement of financial activities in the year for which they are receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INCOME (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.

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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

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

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 allocated on the portion of the asset's use.

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (CONTINUED)

1.5 EXPENDITURE (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 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 Part 11, chapter 3 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.

1.7 TANGIBLE ASSETS AND DEPRECIATION

Assets costing £5,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on the following bases:

Freehold property	- 2-5% straight line
Long term leasehold property	- 2-5% straight line
Leasehold land	- 0.8% straight line
Furniture and fixtures	- 10 - 15% straight line
Equipment	- 20% straight line
Computer equipment	- 33% 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.

Long term leasehold land and buildings are owned by various local authorities and these authorities have granted each Academy, via a supplemental agreement, the right to use the land and buildings for educational purposes over 125 and 50 years. The land at each Academy has been depreciated over the life of the lease.

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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (CONTINUED)

1.8 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

DEBTORS

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

CASH AT BANK IN HAND

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

1.11 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tac discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (CONTINUED)

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 ACCOUNTING FOR AGENCY ARRANGEMENTS

The trust acts as an agent in distributing bursary funds and grants from government bodies. Payments received and subsequent disbursements are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities where applicable. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (CONTINUED)

1.15 FUND ACCOUNTING

Restricted endowment fund represents assets gifted to the Academy Trust on an endowed basis by The Earls High School Foundation upon conversion to an Academy Trust.

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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Where the scheme is in a surplus according to the accounting valuation, the associated asset has not been recognised on the basis that it is not likely to be recoverable either through future reductions in contributions rates or future repayments. Further details of pension assets not recognised can be found with the pensions note to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	37,136	-	-	37,136
Transfer in on conversion from local authority	633,179	(1,623,000)	10,699,807	9,709,986
Capital Grants	-	-	1,878,516	1,878,516
TOTAL 2023	670,315	(1,623,000)	12,578,323	11,625,638

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	1,440	90,552	-	91,992
Transfer in on conversion from existing academy trust	1,737,135	(4,799,405)	24,331,590	21,269,320
Capital Grants	-	-	1,592,731	1,592,731
TOTAL 2022	1,738,575	(4,708,853)	25,924,321	22,954,043

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
EDUCATIONAL OPERATIONS			
DFE/ESFA GRANTS			
General annual grant	-	33,465,248	33,465,248
OTHER DFE/ESFA GRANTS			
Pupil premium	-	2,155,475	2,155,475
Supplementary grants	-	1,101,917	1,101,917
Others	-	1,998,862	1,998,862
	-	38,721,502	38,721,502
OTHER GOVERNMENT GRANTS			
Local authority grants	-	1,395,865	1,395,865
Other income from the Academy Trust's educational operations	978,187	-	978,187
	978,187	40,117,367	41,095,554

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (CONTINUED)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
EDUCATIONAL OPERATIONS			
DFE/ESFA GRANTS			
General annual grant	-	30,766,757	30,766,757
OTHER DFE/ESFA GRANTS			
Pupil premium	-	1,926,523	1,926,523
Others	-	943,915	943,915
	-	33,637,195	33,637,195
OTHER GOVERNMENT GRANTS			
Local authority grants	-	912,105	912,105
Other income from the Academy Trust's educational operations	248,183	523,392	771,575
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	244,165	244,165
Other DfE/ESFA COVID-19 funding	-	77,300	77,300
	-	321,465	321,465
	248,183	35,394,157	35,642,340

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £
Hire of facilities	216,730	216,730
Other Income	61,948	61,948
	278,678	278,678

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	226,368	226,368
Other Income	18,463	18,463
	<u>244,831</u>	<u>244,831</u>

6. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:				
Allocated support costs	85,790	80,555	33,406	199,751
EDUCATIONAL OPERATIONS:				
Direct costs	22,962,136	-	3,169,412	26,131,548
Allocated support costs	8,343,037	3,802,909	4,954,524	17,100,470
	<u>31,390,963</u>	<u>3,883,464</u>	<u>8,157,342</u>	<u>43,431,769</u>

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
EDUCATIONAL OPERATIONS:				
Direct costs	23,030,794	-	2,146,771	25,177,565
Allocated support costs	6,332,947	2,067,851	4,006,017	12,406,815
	<u>29,363,741</u>	<u>2,067,851</u>	<u>6,152,788</u>	<u>37,584,380</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Operations	26,131,548	17,100,470	43,232,018

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	25,177,565	12,406,815	37,584,380

ANALYSIS OF SUPPORT COSTS

	Educational Operations 2023 £	Total funds 2023 £
Staff costs	8,343,037	8,343,037
Depreciation	2,070,593	2,070,593
Technology costs	1,044,741	1,044,741
Other costs	1,546,783	1,546,783
Premises expenses	3,802,909	3,802,909
Legal and professional	193,085	193,085
Governance	99,322	99,322
	17,100,470	17,100,470

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS (continued)

	Educational Operations 2022 £	Total funds 2022 £
Staff costs	6,332,947	6,332,947
Depreciation	1,266,075	1,266,075
Technology costs	1,025,461	1,025,461
Other costs	1,519,867	1,519,867
Premises expenses	2,067,851	2,067,851
Legal and professional	110,675	110,675
Governance	83,939	83,939
	<u>12,406,815</u>	<u>12,406,815</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	51,813	58,272
Depreciation of tangible fixed assets	2,070,593	1,266,075
Fees paid to auditor for:		
- audit	31,090	25,900
- other services	3,350	2,500
	<u>2,106,846</u>	<u>1,552,747</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	22,486,614	19,919,924
Social security costs	2,232,986	1,949,934
Pension costs	5,638,515	6,644,799
	<u>30,358,115</u>	<u>28,514,657</u>
Agency staff costs	1,025,348	785,890
Staff restructuring costs	7,500	63,194
	<u>31,390,963</u>	<u>29,363,741</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	-	31,149
Severance payments	7,500	32,045
	<u>7,500</u>	<u>63,194</u>

b. SEVERANCE PAYMENTS

The Academy Trust paid 1 severance payments in the year (2022 - 3), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	1	1
£25,001 - £50,000	-	2
	<u>1</u>	<u>3</u>

c. SPECIAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,500 (2022: £32,045). Individually, the payments were: £7,500 (2022: £26,362 and £5,683).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. STAFF (CONTINUED)

d. STAFF NUMBERS

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

	2023	2022
	No.	No.
Teachers	346	311
Administration and support	427	350
Management	50	40
	823	701

e. HIGHER PAID STAFF

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	15	13
In the band £70,001 - £80,000	8	5
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	3	3
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	1	-

f. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,420,534 (2022: £1,056,866).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. CENTRAL SERVICES

The Academy Trust has provided the following central services to member schools during the year:

- Central Team staffing and office costs
- HR and payroll services
- Insurance cover
- Internal controls audit
- External audit and accountancy fees
- Annual actuarial valuation (FRS102)
- Clerking of Trust Board and Local Governing Bodies
- GDPR support
- Health and safety support
- Financial software package
- School improvement

The Academy Trust charges 4% of each schools' annual GAG income for these services.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
The Earls High School	279,078	269,616
Redhill School	278,513	269,485
Ridgewood High School	157,717	165,718
Olive Hill Primary School	73,557	71,380
Northfield Road Primary School	76,133	71,836
Newtown Primary School	42,273	41,120
Oldbury Academy	349,146	341,515
Moat Farm Junior School	66,572	-
Queen Victoria Primary School	15,620	-
TOTAL	1,338,609	1,230,670

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO only receives remuneration in respect of services they provide undertaking the role of CEO under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
Mrs Rachel Salter	Remuneration	125,000 - 130,000	<i>115,000 - 120,000</i>
	Pension contributions paid	30,000 - 35,000	<i>25,000 - 30,000</i>

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustee and officers indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2022	34,758,700	33,401,141	769,707	443,826	69,373,374
Additions	462,869	-	90,923	268,538	822,330
Acquired on conversion	4,076,073	6,591,784	7,267	-	10,675,124
Disposals	(132,335)	-	-	-	(132,335)
At 31 August 2023	<u>39,165,307</u>	<u>39,992,925</u>	<u>867,897</u>	<u>712,364</u>	<u>80,738,493</u>
DEPRECIATION					
At 1 September 2022	4,127,267	874,122	550,052	295,188	5,846,629
Charge for the year	877,605	1,060,126	48,598	84,264	2,070,593
On disposals	(1,089)	-	-	-	(1,089)
At 31 August 2023	<u>5,003,783</u>	<u>1,934,248</u>	<u>598,650</u>	<u>379,452</u>	<u>7,916,133</u>
NET BOOK VALUE					
At 31 August 2023	<u><u>34,161,524</u></u>	<u><u>38,058,677</u></u>	<u><u>269,247</u></u>	<u><u>332,912</u></u>	<u><u>72,822,360</u></u>
At 31 August 2022	<u><u>30,631,433</u></u>	<u><u>32,527,019</u></u>	<u><u>219,655</u></u>	<u><u>148,638</u></u>	<u><u>63,526,745</u></u>

Included within freehold land and buildings cost is freehold land of £10,353,167 which is not depreciated.

Long Leasehold property includes property that has been gifted to the Academy Trust on 125 year leases upon conversion of constituent schools to an academy. The legal owners of the leasehold property being Dudley Metropolitan Borough Council and Sandwell Metropolitan Borough Council.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. FIXED ASSET INVESTMENTS

	Other fixed asset investments £
COST OR VALUATION	
At 1 September 2022	83,967
Revaluations	2,231
AT 31 AUGUST 2023	86,198

15. DEBTORS

	2023 £	2022 £
Trade debtors	20,184	27,313
Other debtors	219,393	680,878
Prepayments and accrued income	1,865,745	1,956,400
	2,105,322	2,664,591

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans	60,449	65,448
Trade creditors	1,128,202	2,490,729
Other taxation and social security	587,875	626,058
Other creditors	759,976	620,808
Accruals and deferred income	1,459,691	1,013,013
	3,996,193	4,816,056
	3,996,193	4,816,056
	2023	2022
	£	£
Deferred income at 1 September 2022	254,698	177,161
Resources deferred during the year	373,563	254,698
Amounts released from previous periods	(254,698)	(177,161)
	373,563	254,698
	373,563	254,698

Deferred income relates to general government grants received in advance of entitlement and school trip monies received in advance.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Salix loans	213,749	270,947
	213,749	270,947
The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:		
Salix loan	907	9,133
	907	9,133

The Salix loans are repayable twice yearly, in equal instalments of £2,500, £725, £9,574, £5,153, £532, £1,955, £907 and £11,377 and are all interest free.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
School fund	152,275	579,826	(553,511)	16,837	-	195,427
Other unrestricted funds	2,186,902	848,830	(366,945)	298,753	-	2,967,540
Transfer on conversion	-	633,179	-	(380,090)	-	253,089
	<u>2,339,177</u>	<u>2,061,835</u>	<u>(920,456)</u>	<u>(64,500)</u>	<u>-</u>	<u>3,416,056</u>
ENDOWMENT FUNDS						
Endowment Funds - all funds	127,586	-	-	-	-	127,586
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	4,145,271	33,465,248	(33,234,601)	603,388	-	4,979,306
Other DfE/ESFA grants	-	3,000,424	(3,000,424)	-	-	-
Local authority grants	-	1,395,865	(1,395,865)	-	-	-
UIFSM	-	100,355	(100,355)	-	-	-
Pupil premium	-	2,155,475	(2,155,475)	-	-	-
Pension reserve	(5,212,000)	(1,623,000)	(554,000)	-	5,378,000	(2,011,000)
	<u>(1,066,729)</u>	<u>38,494,367</u>	<u>(40,440,720)</u>	<u>603,388</u>	<u>5,378,000</u>	<u>2,968,306</u>

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Restricted fixed assets	63,526,745	10,675,124	(2,070,593)	691,084	-	72,822,360
SCA/DFC	2,375,247	1,903,199	-	(1,292,169)	-	2,986,277
Fixed assets purchased with Salix loan	(336,395)	-	-	62,197	-	(274,198)
Transfer on conversion of Oldbury Academy	335,765	-	-	-	-	335,765
	<u>65,901,362</u>	<u>12,578,323</u>	<u>(2,070,593)</u>	<u>(538,888)</u>	<u>-</u>	<u>75,870,204</u>
TOTAL RESTRICTED FUNDS	<u>64,834,633</u>	<u>51,072,690</u>	<u>(42,511,313)</u>	<u>64,500</u>	<u>5,378,000</u>	<u>78,838,510</u>
TOTAL FUNDS	<u><u>67,301,396</u></u>	<u><u>53,134,525</u></u>	<u><u>(43,431,769)</u></u>	<u><u>-</u></u>	<u><u>5,378,000</u></u>	<u><u>82,382,152</u></u>

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

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

Unrestricted funds are available for use at the discretion of the Trustees for the furtherance of the Academy Trust's charitable objects.

The restricted endowment fund represents assets gifted to the Academy Trust on an endowed basis by The Earls High School Foundation upon conversion to an Academy Trust.

Restricted general funds will be used for educational purposes in line with the Trust's objects and its funding agreement with the DfE.

Included within Restricted fixed asset funds is unspent income from the School Capital Allocation grants awarded and recognised in full in income during the year. There are also Salix loans of that relate to numerous energy efficiency fixed assets projects, these have been received in conjunction with Conditional Improvement Fund grants. The loans are repayable as a deduction to GAG payments issued by the DfE over 6-8 years. Therefore a transfer will be made for the same amount between GAG and the Restricted fixed assets fund each year to reduce the outstanding loan balance. The repayment is expected to be covered by the energy efficiency savings each year.

Transfers between funds represent capital expenditure from funds other than the restricted fixed asset fund and reclassification of certain funds between restricted and unrestricted. During the year, a transfer has been made between restricted and unrestricted funds in order to better reflect the position of the funds going forward.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
School fund	86,458	96,545	(30,728)	-	-	152,275
Other unrestricted funds	373,412	400,107	(377,345)	1,737,135	-	2,133,309
Football development centre fund	50,752	2,841	-	-	-	53,593
Other unrestricted funds	-	1,737,135	-	(1,737,135)	-	-
	<u>510,622</u>	<u>2,236,628</u>	<u>(408,073)</u>	<u>-</u>	<u>-</u>	<u>2,339,177</u>
ENDOWMENT FUNDS						
Endowment Funds - all funds	127,586	-	-	-	-	127,586

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	2,704,102	30,766,757	(28,717,140)	(608,448)	-	4,145,271
Other DfE/ESFA grants	-	809,728	(809,728)	-	-	-
Local authority grants	-	912,105	(912,105)	-	-	-
Other restricted funds	-	613,944	(613,944)	-	-	-
UIFSM	-	134,187	(134,187)	-	-	-
Pupil premium	-	1,926,523	(1,926,523)	-	-	-
Catch-up Premium	63,545	244,165	(307,710)	-	-	-
Other DfE/ESFA COVID-19 funding	-	77,300	(77,300)	-	-	-
Transfer on conversion of Oldbury Academy	-	502,595	(502,595)	-	-	-
Pension reserve	(17,172,000)	(5,302,000)	(1,909,000)	-	19,171,000	(5,212,000)
	<u>(14,404,353)</u>	<u>30,685,304</u>	<u>(35,910,232)</u>	<u>(608,448)</u>	<u>19,171,000</u>	<u>(1,066,729)</u>

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Restricted fixed assets	39,002,542	23,995,825	(1,266,075)	1,794,453	-	63,526,745
SCA/DFC	2,020,059	1,592,731	-	(1,237,543)	-	2,375,247
Fixed assets purchased with Salix loan	(387,933)	-	-	51,538	-	(336,395)
Transfer on conversion of Oldbury Academy	-	335,765	-	-	-	335,765
	<u>40,634,668</u>	<u>25,924,321</u>	<u>(1,266,075)</u>	<u>608,448</u>	<u>-</u>	<u>65,901,362</u>
TOTAL RESTRICTED FUNDS	<u>26,230,315</u>	<u>56,609,625</u>	<u>(37,176,307)</u>	<u>-</u>	<u>19,171,000</u>	<u>64,834,633</u>
TOTAL FUNDS	<u><u>26,868,523</u></u>	<u><u>58,846,253</u></u>	<u><u>(37,584,380)</u></u>	<u><u>-</u></u>	<u><u>19,171,000</u></u>	<u><u>67,301,396</u></u>

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Earls High School	2,073,199	1,430,205
Redhill School	913,583	1,053,399
Ridgewood High School	312,403	135,843
Northfield Road Primary	560,571	481,562
Olive Hill Primary School	651,795	496,188
Foundation property/Endowment fund	127,586	127,586
Trust	720,025	542,707
Newtown Primary School	176,036	108,921
Oldbury Academy	2,299,673	2,235,623
Moat Farm Juniors	407,523	-
Queen Victoria Primary School	280,554	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	8,522,948	6,612,034
Restricted fixed asset fund	75,870,204	65,901,362
Pension reserve	(2,011,000)	(5,212,000)
	<hr/>	<hr/>
TOTAL	82,382,152	67,301,396
	<hr/> <hr/>	<hr/> <hr/>

Included in the balances for The Earls High School, Ridgewood School, and Redhill School are amounts of £74,997, £17,593 and £181,608 respectively, relating to Salix loan balances that are repayable in equal instalments over 6 years. Each repayment will reduce each Academy's fund balance each year until the loans are fully repaid.

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
The Earls High School	4,780,002	1,365,701	174,916	1,215,875	7,536,494
Redhill School	4,891,436	1,435,317	419,520	1,190,309	7,936,582
Ridgewood High School	2,664,464	927,814	212,790	1,109,450	4,914,518
Olive Hill Primary School	1,120,998	687,346	23,719	337,516	2,169,579
Northfield Road Primary School	1,211,433	614,776	106,127	457,492	2,389,828
Newtown Primary School	685,351	365,884	33,044	311,817	1,396,096
Oldbury Academy	5,758,482	1,593,370	459,843	2,382,775	10,194,470
Trust	647,903	471,386	1,262	1,114,477	2,235,028
Moat Farm Juniors	1,025,255	692,196	53,373	325,291	2,096,115
Queen Victoria Primary School	262,602	189,247	2,704	37,913	492,466
ACADEMY TRUST	23,047,926	8,343,037	1,487,298	8,482,915	41,361,176

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
The Earls High School	4,855,686	1,181,140	264,198	892,150	7,193,174
Redhill School	4,727,242	1,441,502	303,643	669,318	7,141,705
Ridgewood High School	3,027,839	934,728	163,209	571,964	4,697,740
Olive Hill Primary School	1,526,418	351,536	55,328	321,288	2,254,570
Northfield Road Primary School	1,380,200	433,146	83,819	361,545	2,258,710
Newtown Primary School	886,989	222,451	55,871	207,483	1,372,794
Oldbury Academy Trust	6,135,706 490,714	1,479,112 289,332	296,902 16,971	2,266,504 424,371	10,178,224 1,221,388
ACADEMY TRUST	23,030,794	6,332,947	1,239,941	5,714,623	36,318,305

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	72,822,360	-	72,822,360
Fixed asset investments	-	-	-	86,198	86,198
Current assets	3,416,056	8,915,050	3,322,042	41,388	15,694,536
Creditors due within one year	-	(3,935,744)	(60,449)	-	(3,996,193)
Creditors due in more than one year	-	-	(213,749)	-	(213,749)
Provisions for liabilities and charges	-	(2,011,000)	-	-	(2,011,000)
TOTAL	3,416,056	2,968,306	75,870,204	127,586	82,382,152

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	63,526,745	-	63,526,745
Fixed asset investments	-	-	-	83,967	83,967
Current assets	2,339,177	8,895,879	2,711,012	43,619	13,989,687
Creditors due within one year	-	(4,750,608)	(65,448)	-	(4,816,056)
Creditors due in more than one year	-	-	(270,947)	-	(270,947)
Provisions for liabilities and charges	-	(5,212,000)	-	-	(5,212,000)
TOTAL	2,339,177	(1,066,729)	65,901,362	127,586	67,301,396

STOUR VALE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	9,702,756	21,261,873
ADJUSTMENTS FOR:		
Depreciation and amortisation charges	2,070,593	1,266,075
Capital grants from DfE and other capital income	(1,878,516)	(1,785,667)
Interest receivable	(134,655)	(5,039)
Defined benefit pension scheme inherited on conversion	1,623,000	5,302,000
Defined benefit pension scheme cost less contributions payable	306,000	1,526,000
Defined benefit pension scheme finance cost	248,000	383,000
Increase in stocks	(4,984)	(6,730)
Decrease/(increase) in debtors	559,269	(1,353,544)
(Decrease)/increase in creditors	(814,864)	3,196,522
Net assets transferred from existing and converted academies	(10,675,124)	(23,995,824)
(Decrease)/Increase in valuation of investments	(2,231)	(154)
Proceeds from disposal of fixed assets	131,246	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,130,490	5,788,512

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2023 £	2022 £
Repayments of Salix loan	(62,197)	(51,538)
NET CASH USED IN FINANCING ACTIVITIES	(62,197)	(51,538)

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest received	134,655	5,039
Purchase of tangible fixed assets	(822,330)	(1,794,454)
Capital grants from DfE Group	1,878,516	1,785,667
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,190,841	(3,748)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash in hand and at bank	13,551,444	11,292,310

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	Transfer on conversion of Moat Farm Junior School £	Transfer on conversion of Queen Victoria Primary School £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	11,292,310	1,879,044	363,253	16,837	-	13,551,444
Debt due within 1 year	(65,448)	62,197	-	-	(57,198)	(60,449)
Debt due after 1 year	(270,947)	-	-	-	57,198	(213,749)
	<u>10,955,915</u>	<u>1,941,241</u>	<u>363,253</u>	<u>16,837</u>	<u>-</u>	<u>13,277,246</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. CONVERSION TO AN ACADEMY

On 1st December 2022 Moat Farm Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Stour Vale Academy Trust from Sandwell Metropolitan Borough Council 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 value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Freehold land and buildings	-	-	4,076,073	4,076,073
CURRENT ASSETS				
Cash - representing budget surplus on other school funds	363,253	-	-	363,253
NON-CURRENT LIABILITIES				
Defined Benefit Pension Scheme	-	(598,000)	-	(598,000)
NET ASSETS/(LIABILITIES)	<u>363,253</u>	<u>(598,000)</u>	<u>4,076,073</u>	<u>3,841,326</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

25. CONVERSION TO AN ACADEMY (CONTINUED)

On 1st July 2023 Queen Victoria Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Stour Vale Academy Trust from Dudley Metropolitan Borough Council 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 value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Leasehold land and buildings	-	-	6,591,784	6,591,784
Other tangible fixed assets	-	-	7,267	7,267
CURRENT ASSETS				
Cash - representing budget surplus on other school funds	269,926	-	24,683	294,609
NON-CURRENT LIABILITIES				
Defined Pension Scheme Liability	-	(1,025,000)	-	(1,025,000)
NET ASSETS/(LIABILITIES)	<u>269,926</u>	<u>(1,025,000)</u>	<u>6,623,734</u>	<u>5,868,660</u>

26. CAPITAL COMMITMENTS

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>497,873</u>	<u>-</u>

27. PENSION COMMITMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

27. PENSION COMMITMENTS (CONTINUED)

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £654,186 were payable to the schemes at 31 August 2023 (2022 - £502,254) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

The result of the 31 March 2022 valuation is due to be implemented from 1 April 2024 which confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The employer's pension costs paid to TPS in the year amounted to £3,599,712 (2022 - £3,304,084).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,809,065 (2022 - £1,596,942), of which employer's contributions totalled £1,437,460 (2022 - £1,313,614) and employees' contributions totalled £ 371,605 (2022 - £283,301). The agreed contribution rates for future years are 25.1 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy 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.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2023	2022
	%	%
Rate of increase in salaries	4.00	4.05
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	19.4	21.2
Females	23.2	23.6
<i>Retiring in 20 years</i>		
Males	20.8	22.9
Females	25.0	25.4

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

27. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate +0.1%	27,108	26,836
Discount rate -0.1%	25,910	28,048
Mortality assumption - 1 year increase	27,569	28,539
Mortality assumption - 1 year decrease	25,449	26,345
Salary increase +0.1%	27,047	27,543
Salary increase -0.1%	25,971	27,341
Pension increase +0.1%	26,581	27,953
Pension increase -0.1%	26,437	26,931

The figures above represent the total defined benefit obligation after the change in sensitivity has been applied.

SHARE OF SCHEME ASSETS

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

	At 31	<i>At 31 August</i>
	August 2023	<i>2022</i>
	£	<i>£</i>
Equities	16,659,000	14,894,000
Bonds	5,145,000	4,668,000
Property	1,715,000	1,778,000
Cash	980,000	889,000
TOTAL MARKET VALUE OF ASSETS	24,499,000	<i>22,229,000</i>

The actual return on scheme assets was £(262,000) (2022 - £(561,000)).

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

	2023	<i>2022</i>
	£	<i>£</i>
Current Service Cost	(1,659,000)	(2,850,000)
Interest Income	999,000	368,000
Interest cost	(1,247,000)	(751,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,907,000)	<i>(3,233,000)</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

27. PENSION COMMITMENTS (CONTINUED)

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

	2023 £	2022 £
AT 1 SEPTEMBER	27,442,000	33,445,000
Transferred in on academies joining the Trust	3,130,000	10,620,000
Interest cost	1,247,000	751,000
Employee contributions	362,000	288,000
Actuarial losses/(gains)	(6,964,000)	(20,216,000)
Benefits paid	(367,000)	(296,000)
Current service cost	1,659,000	2,850,000
AT 31 AUGUST	26,509,000	27,442,000

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

	2023 £	2022 £
AT 1 SEPTEMBER	22,230,000	16,273,000
Transferred in on academies joining the Trust	1,624,000	5,318,000
Interest income	999,000	368,000
Actuarial gains/(losses)	(1,703,000)	(1,045,000)
Employer contributions	1,353,000	1,324,000
Employee contributions	362,000	288,000
Benefits paid	(367,000)	(296,000)
AT 31 AUGUST	24,498,000	22,230,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	56,129	48,669
Later than 1 year and not later than 5 years	56,051	74,547
	112,180	123,216

STOUR VALE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. MEMBERS' LIABILITY

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

30. RELATED PARTY TRANSACTIONS

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

Other than Trustees remuneration there are no further related party transactions entered into during the year.

31. POST BALANCE SHEET EVENTS

The Trustees have agreed to expand the Trust by welcoming Moat Farm Infant School and Holywell Primary School. These schools are due to join the Trust in Spring 2024.