



# **Vale Academy Trust**

**A Company Limited by Guarantee**

**Annual Report and Financial Statements**

**Year ended 31st August 2015**

**Period of account: 1 September 2014 – 31 August 2015**

**Company Registration Number:  
07674473 (England and Wales)**

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**COMPANIES HOUSE**

# Vale Academy Trust

## Reference and Administrative Details

### Members

Sara Ward  
Stephen Quinton (appointed 18<sup>th</sup> February 2015)  
Richard Peters (appointed 18<sup>th</sup> July 2015)  
The Diocese of Oxford  
James Goodman (resigned 8<sup>th</sup> March 2015)  
Christopher Munday (resigned 11<sup>th</sup> January 2015)

### Trustees and Directors

Sara Ward (Chair)  
Simon Spiers (Executive Headteacher and  
Accounting Officer)  
Jennifer de la Coze  
Christopher Ferguson  
Philip Harrison  
Gina Hocking  
Susan Hunter (appointed 31<sup>st</sup> October 2015)  
Karen Leigh  
Jeffrey Penfold (appointed 1<sup>st</sup> November 2014)  
Robin Sharples  
Matthew Donaldson (resigned 13<sup>th</sup> September  
2015)  
James Goodman (resigned 8<sup>th</sup> March 2015)  
Christopher Munday (resigned 1<sup>st</sup> October 2014)  
Richard Peters (resigned 31<sup>st</sup> August 2015)  
Stephen Quinton (resigned 31<sup>st</sup> August 2015)  
Fiona Rose (resigned 6<sup>th</sup> October 2014)

### Company Secretary

Victoria Roberts

# Vale Academy Trust

## Reference and Administrative Details (continued)

### Trust Central Leadership Team

Simon Spiers  
Joanna Halliday  
Clare Morgan  
Jennifer de la Coze  
Steven Rose  
Jane Ratcliffe  
Andrew Browne  
Peter Thompson  
Allison Ascroft

Executive Headteacher  
Headteacher King Alfred's  
Headteacher Wantage CE  
Headteacher Charlton (to 31/08/2015)  
Headteacher Charlton (from 01/09/2015)  
Headteacher Millbrook  
Headteacher St Nicholas  
Finance Director  
Operations Director

Company Name

Vale Academy Trust

Principal and Registered Office

Portway  
Wantage  
Oxfordshire  
OX12 9BY

Company Registration Number

07674473 (England and Wales)

Independent Auditor

Critchleys LLP  
Greyfriars Court  
Paradise Square  
Oxford  
OX1 1BE

Bankers

Lloyds Bank  
  
NatWest Bank

Solicitors

Stone King LLP

# **Vale Academy Trust**

## **Trustees' Report**

The trustees present their annual report, together with the financial statements and auditor's report of Vale Academy Trust, an Academy Trust charitable company for the period 1st September 2014 to 31st August 2015. The annual report serves the purpose of both a trustees' report under charity law, and a directors' report under company law.

### **Structure, Governance and Management**

#### **Constitution**

Vale Academy Trust is a Multi-Academy Trust, which was established on 1<sup>st</sup> October 2013, when King Alfred's School, a single school academy converter since 1<sup>st</sup> August 2011, joined with two of its partner Primary schools, Charlton Primary School, and Wantage CE Primary School, to create one of the first Trusts to include both secular and church schools working together as part of the same entity.

King Alfred's was founded in 1597 and was latterly a local authority maintained 11 to 18 non-selective secondary school under the control of Oxfordshire County Council until 31<sup>st</sup> July 2011, with Specialist Sports College status, Training School status, and Foundation School status. King Alfred's occupies three sites across Wantage: East Site, which houses Years 7 and 8; West Site for Years 9 and 10; and Centre Site for Years 11 to 13.

There are currently 1,844 students on roll at King Alfred's, including 310 in the Sixth Form. King Alfred's attracts students from Wantage, Grove, the surrounding villages and from further afield in Oxfordshire and neighbouring counties. There are currently 365 pupils on roll at Charlton Primary School, and 421 at Wantage CE Primary School.

On 1<sup>st</sup> October 2014 a fourth partner school, St Nicholas CE Primary School, Challow, joined the Trust, and a fifth partner school, Millbrook Primary School joined on 1<sup>st</sup> December 2014. St Nicholas currently has 94 pupils, and Millbrook 423, so that the total number across the Trust is 3,147. Discussions are currently underway with another local Primary school, who intend to convert and to join the Trust.

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Vale Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Vale Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

# Vale Academy Trust

## Trustees' Report (continued)

### Trustees' Indemnities

Subject to the provisions of the Companies Act 2006 every trustee or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors, or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim, and the premium for the year ended 31<sup>st</sup> August 2015 was £2,665.

### Method of Recruitment and Appointment or Election of Trustees

With effect from 1<sup>st</sup> October 2013, on which date the constitution was changed from a Single Academy Trust to a Multi Academy Trust, there were four members and sixteen trustees/directors. The members comprised the Chairs of the three founder school governing bodies, and the Diocese of Oxford. The Board of Trustees/Directors comprised: the three Chairs of Governors of the Founding Schools; nine appointed by the Members; and four appointed by the Diocese of Oxford. The nine appointed by the Members comprised: one Secondary Academy Headteacher, one Primary Academy Headteacher, two parents of current Academy students, three nominated by the Secondary Academy Local Governing Body, and two nominated by the Primary Academy Local Governing Bodies.

With effect from 1<sup>st</sup> September 2015 in line with recommendations and trends nationally the structure was rationalised so that the Board of Trustees/Directors now comprises 12 persons, plus the Executive Headteacher on an ex-officio basis. The twelve posts comprise: three appointed by the Diocese of Oxford; six appointed by the Members; and a further three appointed by the Members from amongst the chairs of the Local Governing Bodies. The number of members remains at four, comprising the Chair of the Board of Trustees/Directors, the Diocese of Oxford, and two others.

### Policies and Procedures Adopted for the Induction and Training of Trustees/Directors

The Trust provides induction training centrally for new Trustees/Directors and governors of Local Governing Bodies, and on-going training for all. The Trust procures Governor Support services provided by Oxfordshire County Council, and from elsewhere. Additional training is provided as required based on individual or collective need. External advice and support is commissioned as appropriate. In addition, regular self and peer evaluation is undertaken in order to ensure maximum effectiveness. The changes made to governance structures on 1<sup>st</sup> September 2015 were informed by a skills audit conducted during the year ended 31<sup>st</sup> August 2015.

# **Vale Academy Trust**

## **Trustees' Report (continued)**

### **Organisational Structure**

The Trustees/Directors are responsible for: the strategic direction of the academy trust; approving policies; adopting the Improvement and Development Plan and Budget; monitoring performance against these plans; and making major decisions about the direction of the Trust, including its curriculum, the achievement and welfare of students and staff, its staffing and its estate.

The Executive Headteacher of the Trust, who is an ex-officio trustee/director and the nominated Accounting Officer, supported by the individual school Headteachers and a Central Leadership Team, has operational and leadership responsibility for the Trust at an executive level, and implements the strategies and policies set by the Board and is accountable to them. As designated Accounting Officer the Executive Headteacher is accountable ultimately to Parliament for propriety, regularity and value for money.

The Trust is a converter academy and therefore does not have or require a Sponsor. The trustees and staff are privileged to enjoy the support of many stakeholders and members of the community, who provide their time, effort and expertise on a voluntary basis, across many activities and areas which are for the great benefit of the Trust.

### **Connected Organisations including Related Party Relationships**

The Trust has strong collaborative links with many other schools and organisations, in particular its partner Primary schools, and the academies' community both locally and nationally. The Trust is also a founder member of the Oxfordshire Teaching Schools Alliance (OTSA), which provides training and continuing professional development opportunities in collaboration with Oxfordshire County Council and others.

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

The Trust is the beneficiary of the King Alfred's School Fund, which is a registered charity that was established prior to conversion on 1st August 2011 in order to receive donations in support of King Alfred's School under the Gift Aid provisions. Income received by the King Alfred's School Fund during the year ended 31st August 2015 totalled £5,106 (2014 £6,630), and balances held at that date totalled £12,060 (2014 £13,204).

### **Objectives and Activities**

#### **Objects and Aims**

The principal object and activity of the academy trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum for students of different abilities, and recognising the faith nature of its member Church schools, and the secular and particular nature of its other schools.

# Vale Academy Trust

## Trustees' Report (continued)

The particular aims of the Trust during the year under review were:

- to continue to raise the standard of educational attainment and achievement of all students.
- to continue to provide a broad and balanced curriculum, including extra-curricular and enrichment activities.
- to develop students as effective and independent learners.
- to develop the academy sites to support students to achieve their full potential.
- to ensure that every student enjoys the same high quality of education in terms of resourcing, teaching and care.
- to continue to improve the effectiveness of the Trust by continual review of the curriculum and organisational structure.
- to achieve value for money for the funds expended.
- to fulfil the role of a Teaching School.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with the community, industry and commerce.
- to consolidate and develop the Trust's capacity to manage change, and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust aims to get the best for, and from, each student. The Trust aims to enable each student to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

### Objectives, Strategies and Activities

Key activities and targets are identified in the Improvement and Development Plan and are informed by the significant challenges and opportunities arising from national developments in education policy and funding, including the expansion of the Academy programme. The targets include:

- Raising achievement
- Improving Teaching and Learning
- Developing the physical Learning Environment

Each of these strands is supported by detailed activity targets, plans, and success criteria.

### Public Benefit

The Trustees confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

As a non-selective, taxpayer-funded group of schools, Vale Academy Trust's work is to the public benefit. The Trust offers a broad and balanced curriculum and a wealth of extra-curricular and enrichment activities to all its students of all abilities and from varied socio-economic backgrounds. The Trust also has regard to Charity Commission guidance on public benefit beyond the core provision of education to its students, and endeavours to be at the heart of its community, and fosters many collaborative links with community and other stakeholder groups.

# Vale Academy Trust

## Trustees' Report (continued)

### STRATEGIC REPORT

#### Achievements and Performance

King Alfred's was rated by Ofsted in 2011 in the highest grade of Outstanding in all categories. Since the Ofsted inspection and conversion to Academy status in 2011, attainment has continued to be a strength. A Section 8 Inspection in September 2014 confirmed that Attainment and Behaviour are prioritised by the Academy. The inspection team noted many strengths, as well as the Academy's judicious use of external support, and endorsed the status as Outstanding.

Although Summer 2015 saw a decrease in the percentage of King Alfred's students achieving GCSE 5A\*-C including English & Maths to 63%, a thorough analysis identified several issues relating to the rapid and recent changes in the curriculum brought about by national developments, which had impacted on King Alfred's extended three year KS3. Equally, a deeper analysis looked to challenge our default settings and a development plan was set accordingly for the new academic year. However, our confidence in the examination system has been damaged due to the very high number of examination remarks which positively changed the outcome for individual students; in addition, 10% of our entire cohort entered for English Literature improved by a whole grade when the exam board remarked every paper due to the number of submitted remarks outside of tolerance. We were delighted that 52 students achieved at least 5 A\*/A grades at GCSE, with 36 students achieving at least 7 A\*/A grade GCSEs.

At A Level three King Alfred's students who secured offers from Oxford or Cambridge met their offers, achieving between them 8 A\* and 5 A grades. We saw students' achievements result in around 30% of our university applicants take up places at Russell group universities, including Medicine at Bristol. At A Level the proportion of grades at the highest A\*/B grades was 60% which placed us in the top three or four schools in the County. The vast majority of Sixth Form students applying for places at university were accepted at their first choice university with only a few going through the clearing system. Some university courses of a more vocational nature are becoming as competitive as the most selective of the traditional academic courses. Two of our students have secured places to read Paramedic Science this year following outstanding results in their Level 3 BTEC qualifications. A strong result in BTEC Science also secured a place for a student to Midwifery at Northampton; building on previous success, three of our BTEC Sport students achieved the maximum triple Distinction\* level including one of students named as South East Regional Vocational Student of the Year.

The Trust's four Primary Schools continued to make progress during the year. Two of them, Wantage CE Primary School and Charlton Primary School were inspected by Ofsted during the year, and both were graded as "Good" overall, with Charlton being graded as "Outstanding" on some aspects, including pupils' conduct. Ofsted Inspectors commented that *"the establishment of the Multi Academy Trust in partnership with local schools has made a significant contribution to the quality of leadership and management"*. An additional SIAMS ("Statutory Inspections of Anglican and Methodist Schools") Inspection was carried out at Wantage CE during the year, and the school was graded as "Good" with some "Outstanding" elements.

In the Early Years Foundation Stage, the percentage of pupils achieving a Good Level of Development in three out of the Trust's four Primary schools was above local and national averages. At Key Stage 1, this was also the case for the percentage of pupils achieving Level 2b or above in Reading and Maths, with Writing very close to local and national averages. At Key Stage 2, the percentage of pupils achieving Level 4 or above in Reading, Writing and Maths combined increased in all the Trust's Primary schools in comparison to the previous year. The percentage of pupils achieving Level 4 or above in Reading and Writing was greater than or equal to local and national averages in three out of the four Primary schools.



# Vale Academy Trust

## Trustees' Report (continued)

Full details of the student performance data of each of the Trust's schools are given on their respective websites.

The Trust's aspiration and realistic expectation is that all its schools will reach and maintain the "Outstanding" grade.

The Trust's success is further evidenced by increasing student intakes, well-being and outcomes; staff recruitment and retention; and sound finances.

### Key Performance Indicators

The performance of the Trust is monitored over a range of indicators, including: student recruitment, welfare, attendance, and outcomes; the quality of teaching and learning; the curriculum delivered; staff recruitment and retention; and financial performance, including the achievement of Best Value, and continuing solvency.

### Enrichment

Enrichment activities for students have always and continue to form a very significant part of the provision at King Alfred's and its partner schools. Enrichment comprises a number of aspects of the work at the Trust: including all after-hours extra-curricular activities; local trips and visits; receiving numerous local and national speakers and experts to work with our students; and residential trips within the UK and abroad, including trips to Croatia, Morocco, Florence, Tanzania, Paris, the Ardeche, and Skiing in the French Alps. Enrichment also includes the very successful Duke of Edinburgh Award Scheme, which is offered to students from Years 9 to 13 and is very popular. In addition there are numerous academic Awards evenings, Sports Awards evenings, dance shows, celebration evenings and productions. This last year has seen the continued growth and development of the Highly Able programme, an extra-curricular enrichment programme for most able 10% of each year group. The programme has extended across Years 7- 9 and the Sixth Form. This year has seen a significant number of Pupil Premium students enrol onto the Bronze and Silver Duke of Edinburgh awards.

### Going Concern

After making appropriate enquiries, including an assessment of the likelihood of public funds continuing to be made available to it under the Funding Agreement with the Secretary of State for Education, the Board of Trustees has a reasonable expectation that the Trust has resources available to continue in operational existence for the foreseeable future. In common with other taxpayer-funded entities, the Trust will need to continue to use its resources carefully and prudently. For these reasons the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# **Vale Academy Trust**

## **Trustees' Report (continued)**

### **Financial Review**

The principal source of the Trust's public funding is grants received from the Education Funding Agency (EFA), most of which are properly restricted for use for particular purposes relating to the Trust's charitable activities, its educational operations. The grants received from the EFA during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The amounts of the principal annual grants received by the Trust are known with certainty some months before the start of each financial/academic year, and are received in monthly instalments during the year which enables cash flow to be managed with accuracy.

In accordance with the Trust's financial strategy, the key financial performance target has been met during the year: overall total expenditure has been contained at less than the total funding and income available, with an amount drawn from the previous year's in-year surplus. Reserves are held at prudent levels, and will be used to contribute to on-going projects and to sustain educational provision at a time of funding uncertainty. Balances are held in interest-bearing bank deposit accounts with UK banks, which are not considered to be at risk of loss to the Trust.

The Trust has also continued to bid successfully for grants for capital expenditure from the EFA under the Academies Capital Maintenance Fund. In accordance with the 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 lives of the assets concerned.

As set out in Note 29 to the Financial Statements, the Trust is responsible for meeting the employers' contributions for employees who are members of the Teachers' Pension Scheme or the Local Government Pension Scheme. Both schemes are defined-benefit schemes, and the latter scheme is a funded scheme, with the assets held in separate trustee-administered funds. The scheme actuary has calculated a notional fund deficit at the date of the financial statements, which is used to determine the level of employers' contributions, currently 16% (2014 16%). In addition, the scheme actuary's valuation requires lump sum employer contributions of £46,000, £48,000 and £51,000 to be made by the Trust in the years beginning 1<sup>st</sup> April 2014, 2015, and 2016 respectively. Prior to conversion the trustees were advised that there are no circumstances in which an academy would be called upon to meet the pension deficit in a single transaction. Since conversion, at the request of the Secretary of State for Education, Parliament has agreed that, in the event of an academy closing, outstanding pension scheme liabilities would be met by the DfE. This guarantee came into force on 18<sup>th</sup> July 2013.

### **Reserves Policy**

The Trust's Reserves policy is to hold in reserves sufficient sums to enable educational provision and the on-going improvement and development of the teaching, learning and working environment to be continued as far as possible, whilst making proper use of funds for the current cohort. A proportion of the available revenue balances will be required over the coming years in order to minimise turbulence during a period of funding uncertainty.

# Vale Academy Trust

## Trustees' Report (continued)

The total fund balances of the Trust at 31<sup>st</sup> August 2015, as detailed in Note 19 to the financial statements, amounted to £29,038k (2014: £23,311k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £31,349k (2014: £24,488k) and the pension deficit fund of £4,696k (2014: £3,478k), the operational fund balances amounted to £2,385k (2014: £2,301k) and are summarised as follows:

	2015 £	2014 £
GAG funds	558,592	731,199
Other restricted income funds	187,726	273,816
EFA capital project funding	91,685	-
Other restricted capital funds	417,633	386,188
Unrestricted funds	<u>1,128,986</u>	<u>909,949</u>
	<u>2,384,622</u>	<u>2,301,152</u>

As set out in Note 21 to the Financial Statements, at the Balance Sheet date the Trust had contracted for the sum of £490k in respect of the further in-budget costs of the construction of a new Teaching/Dining block on the King Alfred's Centre Site, which is substantially funded by further instalments to be received after date from a fourth successful bid from the EFA Academies Capital Maintenance Fund (ACMF).

As set out in the Statement of Accounting policies property transferred on conversion is included on a depreciated cost basis which is not representative of market value.

The pension fund deficit is likely to be met in the longer term from a combination of increased employer or employee contributions, increased government funding, or a change to scheme benefits.

Restricted funds will be spent in accordance with the terms of the particular funds.

### Investment Policy

The academy's Investment policy is to safeguard its assets by holding them in low-risk categories, principally interest-bearing accounts with UK High Street banks, and land and buildings used for its educational purposes.

### Principal Risks and Uncertainties

The Trustees and the Leadership Teams continually consider the major risks to which the Trust is exposed, including those relating to governance, health and safety, safeguarding, teaching and learning, reputation, finance, and facilities. An active and formal Risk Register is in place which records the strategies and systems in place to identify and manage all risks. The Risk Register is reviewed on an annual basis in order to assess the effectiveness of the procedures in place.

# **Vale Academy Trust**

## **Trustees' Report (continued)**

### **Plans for Future Periods**

The Trust will continue in future periods to strive to meet its key objectives, and has ambitious aspirations and targets for: student outcomes; the use and development of its estate; and closer and more formal collaborative links with other schools across the age range. Strong governance and leadership, pro-active strategic planning, sound financial management, and continuing staff development will be key aspects of the Trust's continuing success.

### **Funds Held as Custodian Trustee on Behalf of Others**

The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

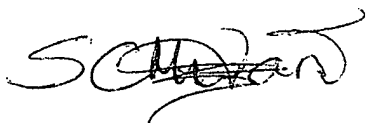
### **Auditor**

Insofar as the trustees are aware:

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

The auditors, Critchleys LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17<sup>th</sup> December 2015 and signed on the board's behalf by:



**Sara Ward**  
Chair of Trustees

# Vale Academy Trust

## Governance Statement

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that 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.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management, and are in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Vale Academy Trust and the Secretary of State for Education, which include compliance with the "Academies Financial Handbook" issued by the Education Funding Agency. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance Review

The information on governance included in this section supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees/Directors has formally met seven times during the year ended 31<sup>st</sup> August 2015. Not all trustees/directors attended the full seven meetings as attendance is determined by when they were appointed/resigned. This information is shown below where applicable.

#### Board of Trustees/Directors (Chair: Sara Ward)

Trustee	Meetings attended	Out of a possible	Appointed	Resigned
Sara Ward	7	7		
Simon Spiers	6	7		
Stephen Quinton	6	7		
Philip Harrison	7	7		
Gina Hocking	7	7		
Christopher Ferguson	7	7		
Fiona Rose	0	0		6 <sup>th</sup> Oct 14
Jennifer de la Coze	3	7		
James Goodman	2	3		8 <sup>th</sup> Mar 15
Richard Peters	7	7		
Christopher Munday	0	0		1 <sup>st</sup> Oct 14
Matthew Donaldson	5	7		
Robin Sharples	4	7		
Karen Leigh	6	7		
Jeffrey Penfold	4	6	1 <sup>st</sup> Nov 14	

The Finance & Operations Committee is a sub-committee of the Board of Trustees/Directors. Its terms of reference include responsibility for agreeing the formal Budget Plans and the Financial Statements for each year, and for recommending their approval by the Board of Trustees. The committee also monitors financial activity during the year. Not all trustees/governors attended the full six meetings as the committee comprises a core membership, with others attending on an ad hoc basis.

## Vale Academy Trust

### Governance Statement (continued)

The Audit Committee is a sub-committee of the Board of Trustees/Directors, and is separate to the Finance & Operations Committee. Its terms of reference include responsibility for agreeing that an effective audit process is in place. The committee has met three times during the year. Not all trustee/directors attended the meetings as the committee comprises a core membership of a minimum of three persons and a maximum of five, with others attending on an ad hoc basis.

Attendance during the year at the meetings of these two committees was as follows:

<b>Finance &amp; Operations Committee (Chair: Christopher Ferguson )</b>				
<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>	<b>Appointed</b>	<b>Resigned</b>
Christopher Ferguson	6	6		
Simon Spiers	5	6		
Stephen Quinton	6	6		
James Goodman	3	3		8 <sup>th</sup> Mar 15
Richard Peters	6	6		
Philip Harrison	5	6		

<b>Audit Committee (Chair: Philip Harrison)</b>				
<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>	<b>Appointed</b>	<b>Resigned</b>
Philip Harrison	3	3		
Ed Mitchell (External Member)	3	3		
Ed Byrne (External Member)	3	3	11 <sup>th</sup> Dec 14	
Nigel Tipple (External Member)	2	3	11 <sup>th</sup> Dec 14	

On 22<sup>nd</sup> October 2015 Terry Bond was appointed as an additional External Member of the Audit Committee. The Committee was renamed Audit & Risk on 22<sup>nd</sup> October 2015.

### Review of Value for Money

As Accounting Officer the Executive Headteacher has responsibility for ensuring that the 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 available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Continuing to work towards the rationalisation of the Trust's estate onto fewer sites in order to improve educational outcomes and make efficiency savings
- Achieving savings in procurement through collaborative purchasing of back-office and other support systems
- Working towards streamlined leadership and management structures

# **Vale Academy Trust**

## **Governance Statement (continued)**

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Vale Academy Trust for the period from 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees, in conjunction with the leadership teams, 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

The academy 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 & Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered its determination and obligation to have in place processes for checking its financial systems, controls, transactions and risks. Through the Audit Committee the Board has identified the significant risks that the Trust faces, and devised a programme of work to assess how these risks are being dealt with. This programme of work included targeted meeting agendas, at which senior officers and staff of the Trust were robustly challenged to evidence how identified, particular, and high level risks are dealt with e.g. Procurement; Whistleblowing; Conflicts of Interest and Loyalties; the Site Rationalisation Project and Due Diligence on academy conversions. The work of the Audit Committee supplements that carried out by the external auditors, who conduct field work testing during visits twice a year, and additionally have on-going access to the Trust's internal Management Accounts and underlying financial records. The Trustees can confirm that the programme of work of the Audit Committee has been dealt with as planned and that there have been no material control issues arising requiring remedial action.

# Vale Academy Trust

## Governance Statement (continued)

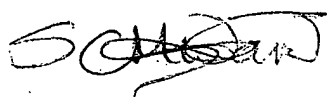
### Review of Effectiveness

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


- the work of the Audit Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior teams within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer will ensure continuous improvement of the control systems is in place.

Approved by order of the members of the board of trustees on 17<sup>th</sup> December 2015 and signed on its behalf by:



**Sara Ward**  
Chair of Trustees



**Simon Spiers**  
Accounting Officer



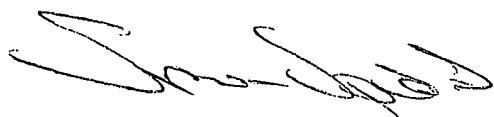
## Vale Academy Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Vale Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees/Directors and the Education Funding Agency ("EFA") of any material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board of Trustees would be able to identify any material, irregular, or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

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, they will be notified to the Board of Trustees/Directors and EFA.



**Simon Spiers**  
Accounting Officer

17<sup>th</sup> December 2015

# Vale Academy Trust

## Statement of Trustees' Responsibilities

The trustees (who act as governors of Vale Academy Trust and 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 Annual Accounts Direction published by the Education Funding Agency; United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and applicable law and regulations.

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

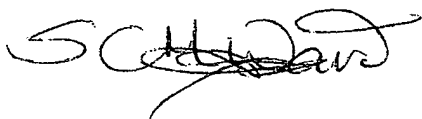
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 17<sup>th</sup> December 2015 and signed on its behalf by:



**Sara Ward**  
Chair of Trustees

# Vale Academy Trust

## Independent Auditor's Report to the members of Vale Academy Trust

We have audited the financial statements of Vale Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

## Vale Academy Trust

### Independent Auditor's Report to the members of Vale Academy Trust (continued)

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Michael Good (Senior statutory auditor)  
For and on behalf of Critchleys LLP  
Statutory Auditor  
Oxford

Date: 18 December 2015

# Vale Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Vale Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Vale Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Board of Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Vale Academy Trust and the EFA 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 Vale Academy Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Vale Academy Trust's accounting officer and the reporting accountant**  
The accounting officer is responsible, under the requirements of Vale Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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.

## Vale Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Vale Academy Trust and the Education Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP  
Reporting Accountant  
Oxford

Date:

18 December 2015

Vale Academy Trust  
Statement of Financial Activities  
For the year ended 31 August 2015  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income - transfer on conversion	2,32	160,334	(768,000)	2,781,778	2,174,112	5,086,608
Other voluntary income	3	22,097	63,465	2,114,404	2,199,966	65,379
Activities for generating funds	4	153,846	-	-	153,846	158,655
Investment income	5	6,815	-	-	6,815	14,715
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	13,662,686	2,992,849	16,655,535	12,749,259
Other income for educational operations	7	1,235,870	-	-	1,235,870	1,115,354
<b>Total incoming resources</b>		<b>1,578,962</b>	<b>12,958,151</b>	<b>7,889,031</b>	<b>22,426,144</b>	<b>19,189,970</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	8	124,054	-	-	124,054	160,452
<i>Charitable activities:</i>						
Academy's educational operations	8,9	1,164,097	14,278,637	980,592	16,423,326	14,159,505
Governance costs	10	-	48,934	-	48,934	55,151
<b>Total resources expended</b>		<b>1,288,151</b>	<b>14,327,571</b>	<b>980,592</b>	<b>16,596,314</b>	<b>14,375,108</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>290,811</b>	<b>(1,369,420)</b>	<b>6,908,439</b>	<b>5,829,830</b>	<b>4,814,862</b>
Gross transfers between funds	19	(71,773)	(4,277)	76,050	-	-
<b>Net income/(expenditure) for the period</b>		<b>219,038</b>	<b>(1,373,697)</b>	<b>6,984,489</b>	<b>5,829,830</b>	<b>4,814,862</b>
<b>Other recognised gains and losses</b>						
Actuarial gains and losses in period for defined benefit pension schemes	19,29	-	(103,000)	-	(103,000)	(563,000)
<b>Net movement in funds</b>		<b>219,038</b>	<b>(1,476,697)</b>	<b>6,984,489</b>	<b>5,726,830</b>	<b>4,251,862</b>
Funds brought forward at 1 September 2014		909,948	(2,472,985)	24,873,865	23,310,828	19,058,966
<b>Funds carried forward at 31 August 2015</b>		<b>1,128,986</b>	<b>(3,949,682)</b>	<b>31,858,354</b>	<b>29,037,658</b>	<b>23,310,828</b>

The Academy's activities derive from continuing operations and new schools added to the Trust during the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

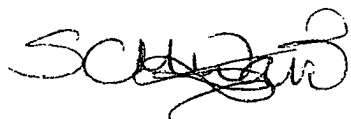
Vale Academy Trust  
Balance sheet  
As at 31 August 2015

Company number:  
07674473

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	15		31,349,036		24,487,676
<b>Current assets</b>					
Debtors	16	973,091		287,405	
Cash at bank and in hand		<u>3,730,681</u>		<u>3,385,174</u>	
		4,703,772		3,672,579	
<b>Creditors: Amounts falling due within one year</b>	17	(2,305,559)		(1,299,800)	
<b>Net current assets</b>			<u>2,398,213</u>		<u>2,372,779</u>
Total assets less current liabilities			33,747,249		26,860,455
<b>Creditors: Amounts falling due after more than one year</b>	18		<u>(13,591)</u>		<u>(71,627)</u>
<b>Net assets excluding pension liability</b>			33,733,658		26,788,828
Pension scheme liability	29		<u>(4,696,000)</u>		<u>(3,478,000)</u>
<b>Net assets including pension liability</b>			<u>29,037,658</u>		<u>23,310,828</u>
<b>Funds of the academy:</b>					
Restricted fixed asset funds	19		31,858,354		24,873,865
Restricted funds					
Restricted funds excluding pension liability	19	746,318		1,005,015	
Pension reserve	19	<u>(4,696,000)</u>		<u>(3,478,000)</u>	
Total restricted funds			(3,949,682)		(2,472,985)
Unrestricted funds	19		1,128,986		909,948
<b>Total funds</b>			<u>29,037,658</u>		<u>23,310,828</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17th December 2015.

Signed on behalf of the Board of Trustees



Sara Ward  
Chair of Trustees



Vale Academy Trust  
Cash Flow Statement  
For the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash flow from operating activities	23	669,947	1,307,725
Returns on investments and servicing of finance	24	6,815	14,715
Capital expenditure and financial investment	25	(491,589)	(964,210)
Increase/(decrease) in cash in the period	26	<u>185,173</u>	<u>358,230</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash transferred on conversion of new academy schools		160,334	383,764
Net funds at 1 September 2014		3,385,174	2,643,180
Net funds at 31 August 2015		<u><u>3,730,681</u></u>	<u><u>3,385,174</u></u>

All of the cash flows are derived from continuing operations and new academy schools added to the Trust in the year.

## 1 Statement of Accounting Policies

### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

### Academy conversion

The conversion from the Local Authority maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method. The assets and liabilities transferred have been valued at their fair value in accordance with the accounting policies set out below. Property has been valued on a depreciated replacement cost basis (see note 15). The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

### Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

## 1 Statement of Accounting Policies (continued)

### Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's accounting policies.

### Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with other relevant staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### Costs of generating funds

These are costs incurred in activities that raise funds.

### Charitable activities

These are costs incurred on the Academy Trust's educational operations.

### Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

### Tangible Fixed Assets

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.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 15 for further details).

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Freehold buildings	35 years from conversion
Leasehold buildings	30-50 years from conversion
Buildings improvements	10-35 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years
Motor vehicles	5 years

## **1 Statement of Accounting Policies (continued)**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

### **Leased Assets**

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

### **Stock**

Any significant catering stocks are valued at the lower of cost or net realisable value.

### **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.

### **Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 quinquennial valuations using a prospective benefit method. As stated in Note 29, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## 1 Statement of Accounting Policies (continued)

### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education and other funders.

### Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

**2 Voluntary income on conversion to academy**

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Fixed assets transferred to academy	-	2,781,778	2,781,778	5,376,844
LGPS pension deficit	-	(768,000)	(768,000)	(674,000)
Other capital funds	-	-	-	14,067
Other revenue funds	160,334	-	160,334	369,697
	<u>160,334</u>	<u>2,013,778</u>	<u>2,174,112</u>	<u>5,086,608</u>

**3 Other voluntary income**

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Donated fixed assets	-	1,582,192	1,582,192	-
Capital grants	-	532,212	532,212	-
Other grants and donations	22,097	63,465	85,562	65,379
	<u>22,097</u>	<u>2,177,869</u>	<u>2,199,966</u>	<u>65,379</u>

The donated fixed asset relates to a capital building project at Charlton Primary School commissioned and funded by Oxfordshire County Council.

**4 Activities for Generating Funds**

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Hire of facilities / other lettings	29,792	-	29,792	22,380
Catering income from other schools	124,054	-	124,054	102,604
Other income	-	-	-	33,671
	<u>153,846</u>	<u>-</u>	<u>153,846</u>	<u>158,655</u>

**5 Investment Income**

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Bank interest	6,815	-	6,815	14,715
	<u>6,815</u>	<u>-</u>	<u>6,815</u>	<u>14,715</u>

**6 Funding for Academy's educational operations**

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
<b>DfE/EFA capital grants</b>				
Devolved formula capital grant	-	66,002	66,002	51,431
EFA capital project funding - ACMF/CIF	-	2,920,391	2,920,391	248,048
	<u>-</u>	<u>2,986,393</u>	<u>2,986,393</u>	<u>299,479</u>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	12,468,768	12,468,768	11,486,904
GAG: SEN LACSEG adjustment	-	-	-	(107,012)
Other DfE grants	-	795,640	795,640	705,967
	<u>-</u>	<u>13,264,408</u>	<u>13,264,408</u>	<u>12,085,859</u>
<b>Other Government grants</b>				
Early Years funding	-	148,231	148,231	72,009
Local authority revenue grants	-	250,047	250,047	245,756
Local authority capital grants	-	6,456	6,456	46,156
	<u>-</u>	<u>404,734</u>	<u>404,734</u>	<u>363,921</u>
	<u>-</u>	<u>16,655,535</u>	<u>16,655,535</u>	<u>12,749,259</u>

**7 Other income for educational operations**

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Contributions to salaries	37,667	-	37,667	52,538
Trip and activity income	418,758	-	418,758	403,865
Training school and OTSA income	200,979	-	200,979	116,549
Transport charges	59,655	-	59,655	72,194
Catering income	272,260	-	272,260	266,140
Other income	246,551	-	246,551	204,068
	<u>1,235,870</u>	<u>-</u>	<u>1,235,870</u>	<u>1,115,354</u>

Vale Academy Trust  
Notes to the financial statements  
For the year ended 31 August 2015

8 Resources Expended

	Staff Costs £	Premises Costs £	Other Costs £	Total 2015 £	Total 2014 £
<b>Costs of activities for generating funds</b>	69,470	-	54,584	124,054	160,452
<b>Academy's educational operations</b>					
Direct costs (note 9)	9,795,384	-	1,652,201	11,447,585	10,054,352
Allocated support costs (note 9)	2,299,472	1,584,309	1,091,960	4,975,741	4,105,153
	<u>12,094,856</u>	<u>1,584,309</u>	<u>2,744,161</u>	<u>16,423,326</u>	<u>14,159,505</u>
<b>Governance costs (note 10)</b>	-	-	48,934	48,934	55,151
	<u>12,164,326</u>	<u>1,584,309</u>	<u>2,847,679</u>	<u>16,596,314</u>	<u>14,375,108</u>

Incoming/outgoing resources for the period include:

	2015 £	2014 £
Operating leases		
Plant and machinery	-	-
Other	8,862	43,769
Fees payable to auditor for:		
Audit	Note 10 15,550	10,575
Other services	Note 10 12,745	8,400
Non-governance accounting services	<u>19,500</u>	<u>6,650</u>



Vale Academy Trust  
Notes to the financial statements  
For the year ended 31 August 2015

9 Charitable Activities - Academy's educational operations

	2015 £	2014 £
<b>Direct costs</b>		
Teaching and educational support staff costs	9,795,384	8,160,302
Educational supplies, trips and transport costs	875,315	1,019,170
Examination fees	194,481	175,953
Technology costs	164,701	229,151
Staff development	115,841	112,765
Other direct costs	301,863	357,011
	<u>11,447,585</u>	<u>10,054,352</u>
<b>Allocated support costs</b>		
Support staff costs	1,952,472	1,585,432
Depreciation	980,592	838,922
Recruitment and support	44,604	52,659
Maintenance of premises	392,566	373,736
Cleaning	61,688	48,362
Rent, rates and other utilities	405,263	286,634
Catering supplies	343,073	233,164
Insurance	71,546	75,671
Technology costs	53,023	38,095
Other pension costs	264,000	189,000
Other finance costs (FRS17)	83,000	88,000
Legal and professional fees	30,831	10,965
Other support costs	293,083	284,513
	<u>4,975,741</u>	<u>4,105,153</u>
<b>Total</b>	<u><u>16,423,326</u></u>	<u><u>14,159,505</u></u>

10 Governance Costs

	2015 £	2014 £
Legal and professional fees	19,919	34,916
Auditors' remuneration		
Audit services 2013/14	1,800	10,575
2014/15	13,750	-
Other services 2013/14	3,600	8,400
2014/15	9,145	-
Other governance costs	720	1,260
	<u>48,934</u>	<u>55,151</u>

Charitable activities costs in note 9 includes further auditors' remuneration for other non-governance related services amounting to £19,500 (2014: £6,650).

Vale Academy Trust  
Notes to the financial statements  
For the year ended 31 August 2015

11 Staff Costs

	2015	2014
	£	£
<b>Staff costs for the period were:</b>		
Wages and salaries	9,755,933	8,098,720
Social security costs	643,586	549,041
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,399,942	1,171,230
FRS17 Other pension and finance costs	347,000	277,000
	<u>12,146,461</u>	<u>10,095,991</u>
Agency supply teacher costs	13,585	5,953
Staff restructuring costs	4,280	3,500
	<u>12,164,326</u>	<u>10,105,444</u>

There are no non-statutory/non-contractual severance payments included in staff restructuring costs for 2015 (2014: £3,500).

The average number of persons (including core leadership team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
<b>Charitable Activities</b>		
Teachers	159	148
Administration and support	171	138
Management	10	8
	<u>340</u>	<u>294</u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
£60,001 - £70,000	5	3
£70,001 - £80,001	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

The above employees also participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £74,712 (2014: £54,921).

## 12 Central services

Each member school in the Trust contributes proportionately to the cost of central services that benefit the whole Trust.

Central costs funded by central services contributions include Central Leadership Team staff costs, Teaching staff costs, Premises and general insurance, External administration and support services and External professional services.

During the period under review each school contributed a sum equivalent to 5% of their government revenue funding (2014: contribution equal to Education Services Grant), as follows:

	2015	2014
	£	£
King Alfred's School	454,631	351,806
Wantage CoE Primary School	80,449	58,786
Charlton Primary School	60,792	43,642
St Nicholas CoE Primary School	17,896	-
Millbrook Primary School	57,950	-
	<u>671,718</u>	<u>454,234</u>

### 13 Trustees' remuneration and expenses

The Headteacher and staff trustees only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as trustees. Other trustees did not receive any payments from the academy in respect of their role as trustees. Remuneration (including employers' pension contributions) for the whole year where staff were trustees for any part of the year, is disclosed in £5,000 bands for trustees, as follows:

	2015 £	2014 £
S Spiers, Executive Headteacher Trustee		
Remuneration	£115k-£120k	£105k-£110k
Employer's pension contributions	£15k-£20k	£10k-£15k
J De La Coze, Staff Trustee (from 1 October 2013)		
Remuneration	£60k-£65k	£55k-£60k
Employer's pension contributions	£5k-£10k	£5k-£10k
F Rose, Staff Trustee (resigned 6 October 2014)		
Remuneration	£45k-£50k	£45k-£50k
Employer's pension contributions	£5k-£10k	£5k-£10k
D Johnson, Staff Trustee (until 30 September 2013)		
Remuneration	-	£45k-£50k
Employer's pension contributions	-	£5k-£10k
A Norris, Staff Trustee (until 30 September 2013)		
Remuneration	-	£30k-£35k
Employer's pension contributions	-	£5k-£10k
J Baxter, Staff Trustee (until 30 September 2013)		
Remuneration	-	£35k-£40k
Employer's pension contributions	-	£5k-£10k
H Newark, Appointed Trustee (until 30 September 2013)		
Remuneration	-	£0k-£5k
Employer's pension contributions	-	£0k

During the period ended 31 August 2015, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2014: £Nil).

Related party transactions involving trustees are disclosed in note 30.

#### 14 Trustees and Officers Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10m (2014: £10m) on any one claim and the cost for the period ended 31 August 2015 was £2,665 (2014: £3,999).

The cost of this insurance is included in the total insurance cost.

#### 15 Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
As at 1 September 2014	13,283,377	12,483,456	238,760	600,094	32,895	26,638,582
Transfer on conversion	-	2,765,000	-	16,778	-	2,781,778
Additions	13,295	4,965,083	26,370	40,426	15,000	5,060,174
As at 31 August 2015	13,296,672	20,213,539	265,130	657,298	47,895	34,480,534
<b>Depreciation</b>						
As at 1 September 2014	869,625	670,535	148,961	443,628	18,157	2,150,906
Charges in period	301,561	475,828	44,544	149,080	9,579	980,592
As at 31 August 2015	1,171,186	1,146,363	193,505	592,708	27,736	3,131,498
<b>Net book values</b>						
As at 31 August 2015	12,125,486	19,067,176	71,625	64,590	20,159	31,349,036
As at 1 September 2014	12,413,752	11,812,921	89,799	156,466	14,738	24,487,676

#### Transfers on conversion in year ended 31 August 2015

The Academy Trust entered into a 125 year lease over the land and buildings at Millbrook Primary School. Leasehold buildings have been valued by Mouchel as commissioned by the EFA and this valuation has been used as the basis of the value of the transfer on conversion. The valuation was carried out on a desktop depreciated replacement cost basis as at 31 March 2015.

The Academy Trust also entered into a Supplemental Agreement with Church land trustees for the use of land and buildings at St Nicholas Church of England Primary School. The Academy Trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. A depreciated replacement cost value of the buildings (as valued by Mouchel) has been recognised on the balance sheet on the basis that the Academy has the economic benefit arising from their use.

#### Leasehold building additions in year ended 31 August 2015

Additions represent capital building works and improvements on existing sites.

#### Leasehold buildings brought forward at 1 September 2015

Balances brought forward represent long leasehold interests for sites at King Alfred's School and Charlton Primary School, together with a Supplemental Agreement with Church land trustees for the use of land and buildings at Wantage Church of England Primary School. Under the Supplemental Agreement, the Academy Trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. A depreciated replacement cost value of the buildings is recognised on the balance sheet on the basis that the Academy has the economic benefit arising from their use.

Vale Academy Trust  
Notes to the financial statements  
For the year ended 31 August 2015

**16 Debtors**

	2015 £	2014 £
Trade debtors	8,499	42,895
VAT recoverable	283,925	140,282
Prepayments and accrued income	680,667	104,228
	<u>973,091</u>	<u>287,405</u>

Other debtors at 31 August 2015 included an amount of £287,025 relating to Academies Capital Maintenance Fund grants awarded to the Academy up to the level of costs incurred on the project prior to the year end.

**17 Creditors: amounts falling due within one year**

	2015 £	2014 £
Trade creditors	550,479	365,653
Salix loan	4,530	4,530
PAYE and NIC creditor	400,078	172,504
Other creditors	337,780	280,841
EFA creditor (SEN LACSEG adjustment)	53,504	53,506
Accruals and deferred income	959,188	422,766
	<u>2,305,559</u>	<u>1,299,800</u>

**Deferred income**

	2015 £
Deferred income at 1 September	150,739
Resources utilised in the period	(150,739)
Resources deferred in the period	185,748
Deferred income at 31 August	<u>185,748</u>

Deferred income represents other income and funding received specifically for next financial year.

**18 Creditors: amounts falling after more than one year**

	2015 £	2014 £
EFA creditor (SEN LACSEG adjustment)	-	53,506
Salix loan	13,591	18,121
	<u>13,591</u>	<u>71,627</u>

Vale Academy Trust  
Notes to the financial statements  
For the year ended 31 August 2015

19 Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Transfers & actuarial loss on pension £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	731,199	12,468,768	(12,565,325)	(76,050)	558,592
Pupil Premium funding	-	459,711	(459,711)	-	-
Other DfE funding	80,727	285,929	(366,656)	-	-
Early Years funding	-	148,231	(148,231)	-	-
OTSA	127,813	171,000	(233,608)	71,773	136,978
Other LA revenue funding	13,929	129,047	(142,976)	-	-
Sports related funding	28,706	-	(1,267)	-	27,439
Other restricted funding	22,641	63,465	(62,797)	-	23,309
Pension reserve (note 29)	(3,478,000)	(768,000)	(347,000)	(103,000)	(4,696,000)
	<u>(2,472,985)</u>	<u>12,958,151</u>	<u>(14,327,571)</u>	<u>(107,277)</u>	<u>(3,949,682)</u>
<b>Restricted fixed asset funds</b>					
Academies Capital Maintenance fund	-	2,712,380	-	(2,712,380)	-
Condition Improvement funding	-	208,011	-	(116,326)	91,685
Devolved formula capital	16,500	66,002	-	(35,944)	46,558
LA capital funding	-	6,456	-	-	6,456
Capital funds transferred on conversion	119,486	-	-	-	119,486
Donated fixed assets	-	1,582,192	-	(1,582,192)	-
Other capital grants	-	532,212	-	(500,000)	32,212
Proceeds of house sale restricted for capital reinvestment	250,203	-	-	(37,282)	212,921
Fixed asset fund (note 15)	24,487,676	2,781,778	(980,592)	5,060,174	31,349,036
	<u>24,873,865</u>	<u>7,889,031</u>	<u>(980,592)</u>	<u>76,050</u>	<u>31,858,354</u>
<b>Total restricted funds</b>	<u><b>22,400,880</b></u>	<u><b>20,847,182</b></u>	<u><b>(15,308,163)</b></u>	<u><b>(31,227)</b></u>	<u><b>27,908,672</b></u>
<b>Unrestricted funds</b>					
Unrestricted funds	909,948	1,578,962	(1,288,151)	(71,773)	1,128,986
<b>Total unrestricted funds</b>	<u><b>909,948</b></u>	<u><b>1,578,962</b></u>	<u><b>(1,288,151)</b></u>	<u><b>(71,773)</b></u>	<u><b>1,128,986</b></u>
<b>Total funds</b>	<u><b>23,310,828</b></u>	<u><b>22,426,144</b></u>	<u><b>(16,596,314)</b></u>	<u><b>(103,000)</b></u>	<u><b>29,037,658</b></u>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2015.

## 19 Funds (continued)

### Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	2015 Total £	2014 Total £
<b>Revenue reserves</b>		
King Alfred's School	1,343,922	1,549,035
Wantage CoE Primary School	274,357	226,671
Charlton Primary School	104,404	123,548
St Nicholas CoE Primary School	33,562	-
Millbrook Primary School	119,059	-
Central	-	15,709
<b>Total before capital, fixed assets and pension reserve</b>	<b>1,875,304</b>	<b>1,914,963</b>
Capital reserves - general	385,421	386,189
Capital reserves - project funding unspent at year end	123,897	-
Fixed asset fund (representing net book value of fixed assets - note 15)	31,349,036	24,487,676
Pension reserve	(4,696,000)	(3,478,000)
<b>Total funds</b>	<b>29,037,658</b>	<b>23,310,828</b>

### Analysis of academies by cost

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation and FRS17 pension costs) £	Total £
King Alfred's School	6,189,613	1,563,121	1,256,280	1,115,850	10,124,864
Wantage CoE Primary School	1,176,055	93,313	87,302	202,964	1,559,634
Charlton Primary School	962,783	77,678	58,322	168,708	1,267,491
St Nicholas CoE Primary School	254,350	35,313	36,543	66,696	392,902
Millbrook Primary School	859,674	90,727	45,555	194,742	1,190,698
Central costs	352,909	161,790	11,064	207,370	733,133
	<b>9,795,384</b>	<b>2,021,942</b>	<b>1,495,066</b>	<b>1,956,330</b>	<b>15,268,722</b>
				Depreciation	980,592
				Other finance costs and pension costs (FRS17)	347,000
				<b>Note 8</b>	<b>16,596,314</b>



## 20 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	31,349,036	31,349,036
Current assets	3,448,136	746,318	509,318	4,703,772
Current liabilities	(2,305,559)	-	-	(2,305,559)
Non-current liabilities	(13,591)	-	-	(13,591)
Pension Scheme liability	-	(4,696,000)	-	(4,696,000)
<b>Total net assets</b>	<b>1,128,986</b>	<b>(3,949,682)</b>	<b>31,858,354</b>	<b>29,037,658</b>

## 21 Capital commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements	489,724	3,542,379

The commitment at 31 August 2015 is to be predominantly funded by post year end Academies Capital Maintenance funding receipts from the EFA.

## 22 Financial commitments

### Operating leases

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<u>Land and buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>-</u>	<u>-</u>
<u>Other</u>		
Expiring within one year	2,370	17,307
Expiring within two and five years inclusive	3,506	-
Expiring in over five years	-	-
	<u>5,876</u>	<u>17,307</u>

**Vale Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

**23 Reconciliation of net income to net cash flow from operating activities**

	2015 £	2014 £
Net income	5,829,830	4,814,862
Cash transferred on conversion	(160,334)	(383,764)
Depreciation (note 15)	980,592	838,922
Capital income re fixed assets transferred on conversion	(2,781,778)	(5,376,844)
Donated fixed assets	(1,582,192)	-
Capital grants from DfE	(2,986,393)	(299,479)
Interest receivable (note 5)	(6,815)	(14,715)
FRS17 pension liability on transfer to Academy	768,000	674,000
FRS17 pension costs less contributions payable (note 29)	264,000	189,000
FRS17 pension finance income (note 29)	83,000	88,000
(Increase) / decrease in debtors	(685,686)	219,828
Increase / (decrease) in creditors	947,723	557,915
<b>Net cash inflow from operating activities</b>	<b>669,947</b>	<b>1,307,725</b>

**24 Returns on investments and servicing of finance**

	2015 £	2014 £
Interest received	6,815	14,715
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>6,815</b>	<b>14,715</b>

**25 Capital expenditure and financial investment**

	2015 £	2014 £
Purchase of tangible fixed assets	(3,477,982)	(1,263,689)
Capital grants from DfE	2,986,393	299,479
Receipts from sale of tangible fixed assets	-	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(491,589)</b>	<b>(964,210)</b>

**26 Analysis of changes in net funds**

	At 1 Sept 2014 £	Transfer on conversion	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	3,385,174	160,334	185,173	3,730,681
	<b>3,385,174</b>	<b>160,334</b>	<b>185,173</b>	<b>3,730,681</b>

**27 Contingent liabilities**

There are no contingent liabilities that require disclosure.

**28 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.

## 29 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £185,429 were payable to the schemes at 31 August 2015 (2014: £158,453) and are included within creditors.

### Teachers' Pension Scheme

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £898,157 (2014: £779,450).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

## 29 Pension and similar obligations (continued)

### Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £679,000, of which employer's contributions totalled £501,000 and employees' contributions totalled £178,000. The agreed contribution rates for future years are 16.0% for employers and 5.5-12.5% for employees until 31st March 2017. In addition, employer top-up contributions of £48,000 and £51,000 are due for the years ended 31st March 2016 and 2017 respectively.

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

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.40%	4.40%
Rate of increase for pensions in payment / inflation	2.60%	2.60%
Discount rate for scheme liabilities	3.90%	3.90%
Inflation assumption (CPI)	2.60%	2.60%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

### Sensitivity analysis

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	9,166,000	9,347,000	952,000
Projected service cost	764,000	780,000	796,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	9,589,000	9,347,000	9,111,000
Projected service cost	800,000	780,000	761,000

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.7	25.5
<i>Retiring in 20 years</i>		
Males	25.5	25.4
Females	28.0	27.9

## 29 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	*	3,074,000	6.70%	2,454,000
Gilts	*	571,000	3.00%	334,000
Other bonds	*	161,000	3.60%	223,000
Property	*	320,000	5.90%	219,000
Cash	*	148,000	2.90%	155,000
LLPs	*	163,000	N/A	N/A
Hedge funds	*	-	6.70%	62,000
Diversified growth fund	*	214,000	0.00%	-
<b>Total market value of assets</b>		<b>4,651,000</b>		<b>3,447,000</b>
Present value of scheme liabilities				
- Funded		(9,347,000)		(6,925,000)
<b>Surplus/(deficit) in the scheme</b>		<b>(4,696,000)</b>		<b>(3,478,000)</b>

\* For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore there is no requirement to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.9% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The actual return on scheme assets was £138,000 (2014: £303,000).

### Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	765,000	582,000
Past service cost	-	-
<b>Total operating charge</b>	<b>765,000</b>	<b>582,000</b>

### Analysis of pension finance income / (costs)

Expected return on pension scheme assets	241,000	172,000
Interest on pension liabilities	(324,000)	(260,000)
<b>Pension finance income / (costs)</b>	<b>(83,000)</b>	<b>(88,000)</b>

## 29 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £1,104,000 loss (2014: £1,001,000 loss).

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

	2015 £	2014 £
<b>At 1 September</b>	<b>6,925,000</b>	<b>4,169,000</b>
Current service cost	765,000	582,000
Interest cost	324,000	260,000
Employee contributions	178,000	135,000
Actuarial (gain) / loss	-	690,000
Benefits paid	(27,000)	4,000
Past service cost	-	-
Curtailments and settlements	1,182,000	1,085,000
<b>At 31 August</b>	<b>9,347,000</b>	<b>6,925,000</b>

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

	2015 £	2014 £
<b>At 1 September</b>	<b>3,447,000</b>	<b>2,205,000</b>
Expected return on assets	241,000	172,000
Actuarial gain / (loss)	(103,000)	127,000
Employer contributions	501,000	393,000
Employee contributions	178,000	135,000
Benefits paid	(27,000)	4,000
Settlement prices received / (paid)	414,000	411,000
<b>At 31 August</b>	<b>4,651,000</b>	<b>3,447,000</b>

### Reconciliation of opening and closing deficit

	2015		2014	
	£	£	£	£
<b>Pension deficit at 1 September</b>		<b>(3,478,000)</b>		<b>(1,964,000)</b>
Deficit transferred on conversion of new academy schools		(768,000)		(674,000)
Current service cost	(765,000)		(582,000)	
Employer contributions	501,000		393,000	
Additional pension cost		(264,000)		(189,000)
Other finance costs		(83,000)		(88,000)
Actuarial gains/(losses)		(103,000)		(563,000)
<b>Pension deficit at 31 August</b>		<b>(4,696,000)</b>		<b>(3,478,000)</b>

## 29 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2016 is £503,000 (2015: £384,000)

The history of experience adjustments is as follows:

	Year to 31 Aug 2015 £	Year to 31 Aug 2014 £	Year to 31 Aug 2013 £	Period to 31 Aug 2012 £
Present value of defined benefit obligation	(9,347,000)	(6,925,000)	(4,169,000)	(3,387,000)
Fair value of share of scheme assets	4,651,000	3,447,000	2,205,000	1,640,000
Deficit in the scheme	<u>(4,696,000)</u>	<u>(3,478,000)</u>	<u>(1,964,000)</u>	<u>(1,747,000)</u>
Experience adjustments on scheme assets	(103,000)	127,000	163,000	36,000
Experience adjustments on scheme liabilities	-	(435,000)	-	-

### 30 Related party transactions

The membership of the Board of Trustees/Directors appropriately includes individuals from stakeholder public and private sector organisations and groups. Where it is to the benefit of the Trust to use such networking links, from time to time financial transactions will be entered into with organisations in which a member or trustee/director of the Trust may have an interest. All transactions are conducted at arm's length and in accordance with the Trust's Financial Procedures, and are disclosed in the Trust's Register of Interests.

In addition, relatives of Trustees/Directors may be employed by the Trust, in accordance with the Trust's selection procedures, and on terms that are no more or less favourable than those applying to the Trust's employees generally. The employment of related parties is disclosed in the Trust's Register of Interests.

Transactions with related parties during the year comprised:

Mrs J Spiers (spouse of Simon Spiers, Trustee/Director, Executive Headteacher and Accounting Officer) is employed by the Trust as a teacher, having previously been employed by the predecessor local authority maintained school since 1 September 2000). Mrs Spiers' remuneration during the year was £23,216 (2014: £20,424) and employer pension contributions amounted to £3,337 (2014: £2,880).

Mrs V Harrison (spouse of Philip Harrison, Trustee/Director) is employed by the Trust as a teacher, having previously been employed by the predecessor local authority maintained school since 1 September 2008). Mrs Harrison's remuneration during the year was £40,083 (2014: £39,685) and employer pension contributions amounted to £5,672 (2014: £5,592).

Miss K Spiers and Miss J Harrison, daughters of Simon Spiers and Philip Harrison respectively, are Sixth Form students at King Alfred's. Both have been appointed, along with 49 other Sixth Form students, as mentors to younger students under a Peer Support programme. Miss Spiers gross pay was £402 during the year for this work, and Miss Harrison £432, at rates consistent with those paid to other students.

Mr S Hocking (spouse of Gina Hocking, Trustee/Director) has been employed by the Trust as a management coach since 1 September 2014. Mr Hocking's gross pay was £16,350 for the year. Mr Hocking is the principal director of Red Octopus Media Limited, with which company the Trust had a contractual arrangement for the provision of coaching services, which commenced prior to conversion on 1 August 2011, and which was terminated by mutual agreement on 31 August 2014. Transactions totalling £14,700 took place during the year ended 31 August 2014.

### 31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2015 the trust received £18,704 and disbursed £21,917 from the fund. An amount of £5,033 (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to EFA.



### 32 Additions to the Academy Trust

On 1 October 2014 St Nicholas CoE Primary School (Local Authority maintained schools) converted to academy trust status under the Academies Act 2010. All the operations and assets and liabilities were transferred to Vale Academy Trust from Oxfordshire County Council for £nil consideration.

On 1 December 2014 Millbrook Primary School (Local Authority maintained schools) converted to academy trust status under the Academies Act 2010. All the operations and assets and liabilities were transferred to Vale Academy Trust from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities ("SOFA") as voluntary income.

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
<b>St Nicholas CoE Primary School</b>				
Tangible fixed assets:				
Leasehold buildings			938,000	938,000
Other tangible fixed assets			-	-
Budget surplus on LA funds - revenue	66,215			66,215
Budget surplus on LA funds - capital				-
	66,215	-	938,000	1,004,215
<b>Millbrook Primary School</b>				
Tangible fixed assets:				
Leasehold buildings			1,827,000	1,827,000
Other tangible fixed assets			16,778	16,778
Budget surplus on LA funds - revenue	94,119			94,119
Budget surplus on LA funds - capital				-
	94,119	-	1,843,778	1,937,897
LGPS pension deficit		(768,000)		(768,000)
Net assets	160,334	(768,000)	2,781,778	2,174,112

The above net assets include £160,334 that was transferred as cash at bank.

### **33 Connected charities**

The King Alfred's School Fund is a registered charity that was established prior to conversion on 1 August 2011 in order to receive donations in support of King Alfred's School under the Gift Aid provisions. Income received by the King Alfred's School Fund during the year ended 31 August 2015 totalled £5,106 (2014 £6,630), and balances held at that date totalled £12,060 (2014: £13,204).