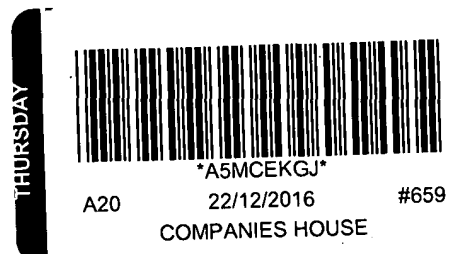


Charity Registration No. 1131991

Company Registration No. 03618159 (England and Wales)

VALUES ACADEMY
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016



VALUES ACADEMY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr S D Livings
Dr A Molony
Mr N W Topping
Mr R P Warman
Mrs L Collins

Secretary

Mrs K Capell

Charity number

1131991

Company number

03618159

Registered office

15 Key Hill
Hockley
Birmingham
B18 5PB

Auditors

Trevor Jones & Co
Old Bank Chambers
582-586 Kingsbury Road
Erdington
Birmingham
B24 9ND

VALUES ACADEMY

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VALUES ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The trustees present their report and accounts for the year ended 31 March 2016.

Values Academy (the Academy, the Charity or VA) is registered with the Charity Commission (charity number 1131991). It is a company limited by guarantee registered in England under number 03618159. Its registered office is at 15 Key Hill, Hockley Birmingham B18 5PB.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is controlled by its governing document, a Memorandum and Articles of Association adopted at the Annual General Meeting on 16 December 2015. It constitutes a company limited by guarantee as defined by the Companies Act 2006.

The charity is membership based. Membership is open to any individual or organisation interested in promoting the objects who

1. applies to the charity in the form required by the trustees,
2. is approved by the trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P R Lawrie	(Resigned 24 February 2016)
Mr S D Livings	
Mr D C McConnell	(Resigned 15 September 2016)
Dr A Molony	
Ms J A Elias	(Resigned 24 February 2016)
Mr N W Topping	
Mr R P Warman	
Mr P Edmundson	(Resigned 31 July 2015)
Mrs L Collins	(Appointed 16 June 2016)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The trustees may at any time appoint any individual who is qualified to be appointed as a trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee holds office only until the next AGM.

The Chief Executive Officer, to whom day to day management of the charity is delegated, is Estelle Dimelor.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

VALUES ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

The major risk identified by the Trustees is a reduction in pupil numbers with a corresponding reduction in income. The Trustees believe that the business development and financial control procedures they have introduced provide reasonable mitigation against this risk. The Trustees believe that the current level of reserves provides a reasonable mitigation against this risk.

The Trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Objectives and activities

The Objects for which the charity is constituted, are:

1. To advance the full-time or part-time education of children and young people who, by reason of exclusion from education or otherwise by special educational needs, may not for any period receive suitable provision unless alternatives are made for them.
2. To promote or advance for the benefit of the social welfare or education of people living in the area of benefit in which the charity operates recreation or other leisure time occupations for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances with a view to improving the conditions of life for such persons.

The charity operates two schools in Birmingham and Nuneaton responsible for educating between 40 and 50 secondary school age children.

Public benefit

The Trustees consider that these objectives, activities and goals have a clear public benefit in enhancing the educational, economic, social and cultural well-being of young people.

In drafting these statements, the Trustees have complied with the duty in Chapter 1, Section 4 of the Charities Act 2012, to have due regard to the public benefit guidance published by the Charity Commission.

VALUES ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Achievements and performance

This has been a challenging year for the charity due to reductions in student numbers and income. The trustees and management have responded very deftly and the financial position of the charity looks strong at the end of the year.

OFSTED inspections have taken place at both sites recognising the strengths of the schools while giving a direction for improvement. The trustees were particularly pleased with the Good rating achieved in Birmingham.

The Birmingham school's move to new premises at Key Hill in the Jewellery Quarter has been a great success with staff and students appreciating the improved facilities.

We have invested in curriculum resources which are age appropriate, appointed a School Principal and academic teaching staff and have revamped our values education to include specialist areas including anger management, emotional development and a range of extra services to support our students. Our aim is to equip our students with an education and life skills which will give them the confidence needed to reach their very best potential.

We take this opportunity to extend our sincere thanks and appreciation for the continued support of a number of charitable trusts that have made it possible for the students to enjoy the benefits of books and activities that it would not otherwise be possible for us to provide.

A number of students attended the Ingestre arts project in the year, which was made possible through a grant of £10,000 from the Big Lottery Fund.

The Wooden Spoon charity donated £3,143, and the Whitegates Childrens Trust donated £4,000 which enabled us to upgrade the heating at the Nuneaton school.

In summary, we have had an eventful and challenging year, but the decisions we have taken are bearing fruit and we are confident that we can continue to offer the best possible support and development to our students.

Our hardworking management and staff do a great job in very difficult circumstances and the Trustees would like to express their appreciation for their efforts. We are always looking to improve the rewards we can offer to staff and we are pleased that we have taken positive steps in this direction during the financial year.

In February, Altine Elias and Paul Lawrie both decided to step down from the Board. Both have generously given their time and expertise to the charity and the trustees would like to record their thanks for services to Values Academy. In September, Derek McConnell, the charity's longest serving trustee, retired after an unstinting and dedicated service to the charity from inception. The trustees wish him a long and happy retirement and thank him for his valued guidance throughout the growth of the charity to its current status. Looking forward, we are pleased to welcome Lorna Collins and Paul Roberts as two key educational trustee appointments who will work with the Board to continue to embed improvements in the educational offer to our students.

VALUES ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Financial review and Financial Management Policies

During the period, the charity recorded a deficit of £19k (2015 surplus £145k.) The financial pressures on local education authorities, who provide the bulk of the charity's income, led to a reduction in student numbers and a 12.5% drop in fee income. At the same time, the move to the much improved premises in Birmingham added to the cost structure while absorbing most of the available reserves.

The trustees and management responded rapidly to this difficult situation and reduced the cost base of the charity. Gratifyingly, no compulsory redundancies were required. Student recruitment methods have been improved and the outlook for the 2016-17 financial year is for a small surplus.

Cash resources at the end of the financial year were lower than those available at the end of the previous period but adequate for the charity's needs.

Regular management accounts and forecasts are prepared and reviewed by the Trustees

The principal source of income for the charity is the fees receivable for the education of students for which it is responsible. The proceeds of this activity are applied to meet the key objectives through the running of the two schools.

Information on Restricted Funds is given in note 13 to the accounts.

Financial management policies

To ensure the charity is managed efficiently and effectively, the Board of Trustees have delegated a range of day-to-day decision-making powers to the CEO, who reports directly to the Board of Trustees. The Board of Trustees has also established appropriate controls and reporting mechanisms to ensure that the charity operates within the scope of the powers delegated to it. The delegation policy is updated on an on-going basis and is formally reviewed and approved by Trustees as amendments are required.

Reserves policy

The charity's income consists almost entirely of restricted funds, being charges for the education of particular students. A proportion of these charges relates to the running costs of the charity. The charity manages its cash flows carefully with the aim of ensuring that it can continue in operation for a period of four months in the case of a falloff in student numbers.

Plans for the future

The existing schools will continue to be run to the highest standards in order to offer the best possible experience to students in our care. The charity is always alert for opportunities to open additional schools, where this can be done in a way that is financially viable and in keeping with the charity's objects.

VALUES ACADEMY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Auditors

A resolution proposing that Trevor Jones & Co be reappointed as auditors of the company will be put to the members.

Statement as to disclosure of information to auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board of trustees



Mr S D Livings

Trustee

Dated: 15/12/16

VALUES ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors, who also act as trustees for the charitable activities of Values Academy, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

VALUES ACADEMY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF VALUES ACADEMY

We have audited the accounts of Values Academy for the year ended 31 March 2016 set out on pages 9 to 17. These accounts have been prepared in accordance with the accounting policies set out on page 12.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Values Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 15 to the financial statements.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

VALUES ACADEMY

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE TRUSTEES OF VALUES ACADEMY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Trevor Jones *rb*

Trevor Jones & Co

Chartered Accountants

Statutory Auditor

Old Bank Chambers

582-586 Kingsbury Road

Erdington

Birmingham

B24 9ND

Dated: *19/12/16.*

Trevor Jones & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

VALUES ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
<u>Incoming resources from generated funds</u>			
Donations and legacies	2	17,738	53,891
Investment income	3	8	107
		<u>17,746</u>	<u>53,998</u>
Incoming resources from charitable activities	4	1,059,128	1,197,257
Total incoming resources		<u>1,076,874</u>	<u>1,251,255</u>
<u>Resources expended</u>	5		
Resources expended		1,095,756	1,106,635
Total resources expended		<u>1,095,756</u>	<u>1,106,635</u>
Net income/(expenditure) for the year/ Net movement in funds		(18,882)	144,620
Fund balances at 1 April 2015		<u>276,115</u>	<u>131,495</u>
Fund balances at 31 March 2016		<u><u>257,233</u></u>	<u><u>276,115</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

VALUES ACADEMY

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	8		257,993		263,991
Current assets					
Debtors	9	52,242		38,948	
Cash at bank and in hand		98,030		162,968	
		150,272		201,916	
Creditors: amounts falling due within one year	10	(73,511)		(107,453)	
Net current assets			76,761		94,463
Total assets less current liabilities			334,754		358,454
Creditors: amounts falling due after more than one year	11		(77,521)		(82,339)
Net assets			257,233		276,115
Income funds					
Restricted funds	13		257,233		276,115
Unrestricted funds			-		-
			257,233		276,115

VALUES ACADEMY

BALANCE SHEET (CONTINUED)

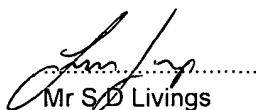
AS AT 31 MARCH 2016

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2016, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 15/12/16


Mr S D Livings
Trustee

Company Registration No. 03618159

VALUES ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.3 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2% straight line
Leasehold property	10% straight line
Plant and machinery	20% straight line
Fixtures, fittings & equipment	25% Straight line

1.5 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the statement of financial activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

1.6 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

2 Donations and legacies

	2016 £	2015 £
Donations and gifts	17,738	53,891

VALUES ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Investment income

	2016 £	2015 £
Interest receivable	8	107

4 Incoming resources from charitable activities

	2016 £	2015 £
Student fees - special needs	1,008,215	1,152,529
School meals	36,281	35,779
Pupil premium	14,632	8,949
	1,059,128	1,197,257

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2016 £	Total 2015 £
Costs of charitable activities	856,222	37,326	202,208	1,095,756	1,106,635

Governance costs includes payments to the auditors of £3,955 (2015: £3,000) for audit fees.

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Trustees expenses were paid totalling £161 (2015 - £50).

VALUES ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2016 Number	2015 Number
Management	4	4
Teaching	5	5
Administration	5	4
Mentors	39	36
Other	5	5
	<u>58</u>	<u>54</u>

Employment costs

	2016 £	2015 £
Wages and salaries	807,667	816,521
Social security costs	37,557	40,900
Other pension costs	10,998	11,310
	<u>856,222</u>	<u>868,731</u>

There were no employees whose annual remuneration was £60,000 or more.

VALUES ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

8 Tangible fixed assets

	Land and buildings	Improve - ments to property	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2015	150,000	82,674	132,468	47,030	412,172
Additions	-	7,146	15,247	8,934	31,327
At 31 March 2016	150,000	89,820	147,715	55,964	443,499
Depreciation					
At 1 April 2015	9,750	8,003	92,208	38,220	148,181
Charge for the year	3,000	8,256	19,494	6,575	37,325
At 31 March 2016	12,750	16,259	111,702	44,795	185,506
Net book value					
At 31 March 2016	137,250	73,561	36,013	11,169	257,993
At 31 March 2015	140,250	74,671	40,260	8,810	263,991

9 Debtors

	2016 £	2015 £
Trade debtors	30,557	9,316
Other debtors	8,734	8,436
Prepayments and accrued income	12,951	21,196
	52,242	38,948

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans	10,060	9,300
Trade creditors	14,935	33,167
Taxes and social security costs	11,109	13,760
Other creditors	-	10,626
Accruals	37,407	40,600
	73,511	107,453

VALUES ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

11 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Bank loans	47,924	58,242
Other creditors	29,597	24,097
	<u>77,521</u>	<u>82,339</u>
Analysis of loans		
Wholly repayable within five years	57,984	67,542
Included in current liabilities	(10,060)	(9,300)
	<u>47,924</u>	<u>58,242</u>
Loan maturity analysis		
Debt due in one year or less	10,060	9,300
In more than one year but not more than two years	10,589	10,062
In more than two years but not more than five years	35,216	33,718
In more than five years	2,119	14,462
	<u>57,984</u>	<u>67,542</u>
12 Pension and other post-retirement benefit commitments		
Defined contribution		
	2016	2015
	£	£
Contributions payable by the company for the year	10,998	11,310

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2015 £	Movement in funds		Balance at 31 March 2016 £
		Incoming resources £	Resources expended £	
Education	276,115	1,076,874	(1,095,756)	257,233
	<u>276,115</u>	<u>1,076,874</u>	<u>(1,095,756)</u>	<u>257,233</u>

VALUES ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

14 Analysis of net assets between funds

	Total £
Fund balances at 31 March 2016 are represented by:	
Tangible fixed assets	257,993
Current assets	150,272
Creditors: amounts falling due within one year	(73,511)
Creditors: amounts falling due after more than one year	(77,521)
	<hr/>
	257,233
	<hr/>

15 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.