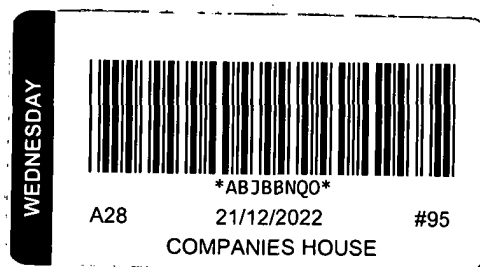


Charity registration number 1131991

Company registration number 03618159 (England and Wales)

VALUES ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



VALUES ACADEMY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Henman	
	E Dimelor	
	C Phillips	
	E Rowe	
	R Grindey	(Appointed 6 July 2022)
Secretary	E Dimelor	
Charity number	1131991	
Company number	03618159	
Principal address	15 Key Hill Hockley Birmingham B18 5PB	
Registered office	15 Key Hill Hockley Birmingham B18 5PB	
Auditor	LMH Accountants Limited T/A Trevor Jones & Co Old Bank Chambers 582-586 Kingsbury Road Erdington Birmingham B24 9ND	

VALUES ACADEMY

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VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and accounts for the year ended 31 March 2022.

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 Charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", effective January 2015.

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.

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.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

The impact of the global pandemic which was felt from March 2020 has continued to a significant degree through 2021-2022 and this has again created difficulties for the Charity's activities during the recovery period. The schools have had to make changes in our provision and delivery of our educational offering and this has proved challenging. In addition to the COVID-driven uncertainty around staffing, consideration on an individual basis has had to be made to ensure the continuing delivery of classes to students. In spite of the difficulties, we are confident that we have served our students and Commissioners well with a "business as usual" approach.

The focus of 2021-22 has been to continue in the recovery from COVID by increasing the number of student placements and this is reflected in the improvement to the financial results and maintenance of comfortable cash reserves.

Changes to the Board of Trustees are outlined elsewhere in this report but the Trustees continue to look for suitable additions to the Board in order to enhance diversity and expertise with the aim of both strengthening the Board and relieving pressure on individual Trustees. Achievements of note during the year include:-

- Significant progress made towards continuing compliance with Independent School Standards with the assistance of our School Improvement Partner.
- The school has successfully managed the re-integration to school life for a number of students whose attendance had dropped significantly owing to either their or their parents' anxiety caused by the pandemic.
- Broadening the curriculum - the following new subjects have been introduced in year to broaden the curriculum:-
 - NCFE Level 1 and 2 in Digital Media
 - Catering, construction and motor vehicle maintenance provision to build work-related skills
 - Physical Education to increase student awareness and benefits of a healthy lifestyle
 - Yoga to support student health and wellbeing
- We are proud of the individual support given to students to ensure that we are meeting their needs and that they are adequately prepared for gaining qualifications and to move on to Post 16 destinations. We have 2 students in the Birmingham school who have successfully accessed further education colleges along with a student who has secured a football apprenticeship.
- Our pastoral team continues to work hard to increase students' confidence, social skills and attitudes so that they are able to move on to Post 16 education or employment.
- School facilities have undergone major improvement over the year and this has given staff and students pride in their environment.

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review and financial management policies

In the 2021/22 financial year, the Charity returned a small surplus of £8k following the deficit of £73k in the previous year. The financial results reflect the gradual return to normality as the impact on operations of the global pandemic gradually subsided. Revenue increased by £59k with a higher number of student placements while costs reduced by £22k with the main movements being: -

1. Savings in staff costs (£43k) following a reduction in staff numbers through natural wastage
2. Reductions in building rates (£12k) following a successful project to claim zero rating status for our properties
3. Increased spend on student activities (£10k) and teaching materials (£10k).

Cashflow remained good during the year owing to good debt collection management with cash in hand at year end £230k (£248k 2020-21). As a charity, any financial upsides are channelled back into the schools themselves to the benefit of our students. This means that cashflow management is a key feature of our day-to-day activities and financial reporting. Debt collection is good and we have again avoided having to take advantage of our overdraft facility - thereby confirming the financial stability of the charity.

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

During the 2021-22 year, the charity committed c£23k to the improvement of Nuneaton school and investment in the school buildings has continued into 2022-23.

The Charity's revenue is predominantly derived from student placements from Local Authority Commissioners. Our relationships with the Commissioners give the charity a stable revenue stream provided that we continue to meet the needs of the students to the satisfaction of the Commissioners and that we are compliant with the Independent Schools Standards. Although our fees to the Local Authorities have been static for several years, a new pricing model has (in August 2022) been approved by a major Commissioner and this should help our financials in the coming year. Discussions on fees are to be held with remaining funders.

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. Remuneration of staff (all of whom are employees) is subject to approval by the Board of Trustees with performance a key benchmark.

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.

Statement as to disclosure of information to auditors

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.

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 (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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

Plans for future periods

The Charity's plans for the future are similar to those highlighted in last year's report. Boosting revenue through higher student recruitment remains paramount and the half-year financial results suggest that we are on track. Other key priorities are:-

- Values Academy is undertaking a benchmarking exercise to ensure that salaries remain competitive to improve staff retention and to aid recruitment. We have been aware for some time that our salary structure at the lower end of the scale is not always competitive and we have, in the past, lost valuable staff. As a post year-end note, the salaries of staff at the lower end of the scale have been increased by 10% (September 2022).
- The Board has taken the decision to increase the school leaving age to ensure there is provision made for students who need longer to develop skills necessary to transition into further education. An application to the DfE has been made and we are awaiting Ofsted approval.
- As mentioned above, we are looking to review and update our pricing model to Local Authority funders since it is clear that our fee structure is proving a disadvantage.
- Compliance with the Independent School Standards is vital to our existence as a school since Ofsted regularly monitors performance. Our aim is for compliance to be a "given" in school so that Ofsted reviews are considered to be part and parcel of our activities.
- The Charity is also looking to recruit additional Trustees to increase the diversity of the current team and to bring additional expertise and knowledge to the Charity.

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 2013.

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:

P Roberts	(Resigned 26 May 2021)
M Henman	
E Dimelor	
R Josen	(Resigned 2 June 2022)
C Phillips	
E Rowe	
R Grindey	(Appointed 6 July 2022)

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

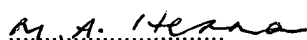
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 28 days' purchases, based on the average daily amount invoiced by suppliers during the year.

Auditor

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

The Trustees' report was approved by the Board of Trustees.



M Henman

Trustee

Date: 7/12/22

VALUES ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 AUDITOR'S REPORT TO THE TRUSTEES OF VALUES ACADEMY

Opinion

We have audited the financial statements of Values Academy (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

VALUES ACADEMY

INDEPENDENT AUDITOR'S 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

VALUES ACADEMY

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

LMH Accountants LTD

Stephen Lewis (Senior Statutory Auditor)

for and on behalf of LMH Accountants Limited T/A Trevor Jones & 8/12/2022
Co

Chartered Accountants
Statutory Auditor

Old Bank Chambers
582-586 Kingsbury Road
Erdington
Birmingham
B24 9ND

LMH Accountants Limited T/A Trevor Jones & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

VALUES ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Restricted funds 2022 £	Restricted funds 2021 £
<u>Income from:</u>			
Charitable activities	3	1,152,722	1,093,641
<u>Expenditure on:</u>			
Charitable activities	4	1,144,577	1,167,024
Net income/(expenditure) for the year/ Net movement in funds		8,145	(73,383)
Fund balances at 1 April 2021		388,728	462,111
Fund balances at 31 March 2022		<u>396,873</u>	<u>388,728</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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 2022

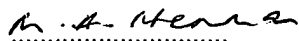
	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	7		182,723		183,641
Current assets					
Debtors	8	113,270		71,632	
Cash at bank and in hand		229,723		248,180	
		<u>342,993</u>		<u>319,812</u>	
Creditors: amounts falling due within one year	10	<u>(104,343)</u>		<u>(90,225)</u>	
Net current assets			238,650		229,587
Total assets less current liabilities			421,373		413,228
Creditors: amounts falling due after more than one year	11		(24,500)		(24,500)
Net assets			<u>396,873</u>		<u>388,728</u>
Income funds					
Restricted funds	12	396,873		388,728	
Unrestricted funds		-		-	
		<u>396,873</u>		<u>388,728</u>	

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 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 7/12/22



M Henman
Trustee

Company Registration No. 03618159

VALUES ACADEMY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	16		6,111		(21,377)
Investing activities					
Purchase of tangible fixed assets		(22,874)		(4,460)	
Net cash used in investing activities			(22,874)		(4,460)
Financing activities					
Repayment of bank loans		(2,035)		(12,341)	
Net cash used in financing activities			(2,035)		(12,341)
Net decrease in cash and cash equivalents			(18,798)		(38,178)
Cash and cash equivalents at beginning of year			248,180		286,358
Cash and cash equivalents at end of year			229,382		248,180
Relating to:					
Cash at bank and in hand			229,723		248,180
Bank overdrafts included in creditors payable within one year			(341)		-

VALUES ACADEMY

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

1 Accounting policies

Charity information

Values Academy is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Key Hill, Hockley, Birmingham, B18 5PB.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Values Academy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable 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.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.5 Expenditure

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

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	10% straight line
Land and buildings	2% straight line
Plant and machinery	25% Straight line
Fixtures, fittings & equipment	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	Student fees - special needs	Student fees - Other	Pupil premium	Total 2022	Total 2021
	2022	2022	2022		
	£	£	£	£	£
Income within charitable activities	931,956	183,608	37,158	1,152,722	1,093,641

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	828,813	871,880
Depreciation and impairment	23,791	23,528
Rent and rates	28,096	40,279
Teaching materials and course fees	23,584	13,833
Insurance	7,038	8,438
Light and heat	18,914	15,526
Repairs and maintenance	19,932	20,438
Postage and stationery	10,422	11,054
Telephone	19,864	20,218
Travelling	11,449	3,693
Bank charges	242	249
Legal and professional fees	17,959	17,692
Auditors remuneration	5,500	5,060
Auditors fees for non-audit work.	3,305	3,564
Activities and visits	115,621	106,645
Loan Interest	-	413
Subscriptions	3,190	3,672
Other charitable expenditure	6,857	842
	<u>1,144,577</u>	<u>1,167,024</u>

5 Trustees

Trustees expenses were paid totalling £197.80 (2021 - £180).

Estelle Dimelor who is a Trustee is also Chief Executive and was paid a salary.

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	37	42
	<u>37</u>	<u>42</u>
Employment costs	2022 £	2021 £
Wages and salaries	745,594	781,398
Social security costs	46,645	52,518
Other pension costs	19,333	21,360
	<u>811,572</u>	<u>855,276</u>

7 Tangible fixed assets

	Land and buildings £	Improvements to property £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 April 2021	150,000	100,862	197,976	56,072	504,910
Additions	-	19,717	3,157	-	22,874
	<u>150,000</u>	<u>120,579</u>	<u>201,133</u>	<u>56,072</u>	<u>527,784</u>
At 31 March 2022	150,000	120,579	201,133	56,072	527,784
Depreciation and impairment					
At 1 April 2021	27,750	60,913	176,628	55,978	321,269
Depreciation charged in the year	3,000	9,917	10,848	27	23,792
	<u>30,750</u>	<u>70,830</u>	<u>187,476</u>	<u>56,005</u>	<u>345,061</u>
At 31 March 2022	30,750	70,830	187,476	56,005	345,061
Carrying amount					
At 31 March 2022	<u>119,250</u>	<u>49,749</u>	<u>13,657</u>	<u>67</u>	<u>182,723</u>
At 31 March 2021	<u>122,250</u>	<u>39,949</u>	<u>21,348</u>	<u>94</u>	<u>183,641</u>

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	81,705	36,527
Other debtors	8,734	8,734
Prepayments and accrued income	22,831	26,371
	<u>113,270</u>	<u>71,632</u>

9 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	341	-
Bank loans	-	2,035
Other loans	24,500	24,500
	<u>24,841</u>	<u>26,535</u>
Payable within one year	341	2,035
Payable after one year	24,500	24,500

10 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	9	341	2,035
Other taxation and social security		15,561	11,266
Trade creditors		23,885	24,086
Accruals and deferred income		64,556	52,838
		<u>104,343</u>	<u>90,225</u>

11 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	<u>24,500</u>	<u>24,500</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

12 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:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended 31 March 2022	Balance at 31 March 2022
	£	£	£	£	£	£	£
Education	462,111	1,093,641	(1,167,024)	388,728	1,152,722	(1,144,577)	396,873

13 Analysis of net assets between funds

	Restricted funds 2022 £	Restricted funds 2021 £
Fund balances at 31 March 2022 are represented by:		
Tangible assets	182,723	183,640
Current assets/(liabilities)	238,650	229,588
Long term liabilities	(24,500)	(24,500)
	<u>396,873</u>	<u>388,728</u>

14 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	33,600	33,600
Between two and five years	58,800	92,400
	<u>92,400</u>	<u>126,000</u>

15 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16	Cash generated from operations	2022 £	2021 £
	Surplus/(deficit) for the year	8,145	(73,383)
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	23,792	23,527
	Movements in working capital:		
	(Increase)/decrease in debtors	(41,638)	24,126
	Increase in creditors	15,812	4,353
	Cash generated from/(absorbed by) operations	6,111	(21,377)
17	Analysis of changes in net funds	At 1 April 2021 £	Cash flowsAt 31 March 2022 £
	Cash at bank and in hand	248,180	(18,457)
	Bank overdrafts	-	(341)
		248,180	(18,798)
	Loans falling due within one year	(2,035)	2,035
	Loans falling due after more than one year	(24,500)	-
		221,645	(16,763)
			204,882