

Vale Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2016



Company Registration Number:
07674473 (England and Wales)

Period of account: 1 September 2015 – 31 August 2016

Vale Academy Trust

Contents

Item	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	15
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	23
Statement of Financial Activities including Income & Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements, incorporating:	28
Statement of Accounting Policies	
Other Notes to the Financial Statements	

Vale Academy Trust

Reference and Administrative Details

Members

Sara Ward (resigned 20th October 2016)
Joseph Pillman (appointed 19th October 2016)
Stephen Quinton
Richard Peters
The Diocese of Oxford (represented by Gordon Joyner)

Trustees

Sara Ward, Chair (resigned 20th October 2016)
Simon Spiers, Chief Executive/Accounting Officer
Jennifer de la Coze
Christopher Ferguson
Philip Harrison
Gina Hocking
Susan Hunter (appointed 31st October 2015)
Karen Leigh (resigned 31st August 2016)
Jeffrey Penfold
Robin Sharples
Matthew Donaldson (resigned 13th September 2015)
Joseph Pillman (appointed 17th December 2015 and
appointed Chair on 19th October 2016)
Christopher Williams (appointed 19th July 2016)

Company Secretary

Victoria Roberts

Vale Academy Trust

Reference and Administrative Details (continued)

Trust Leadership Team

Simon Spiers
Peter Thompson
David Pearce
Allison Ascroft
Jean Creagh

Chief Executive
Finance Director (until 31 August 2016)
Finance Director (from 27 September 2016)
Operations Director
HR Director (from 1 February 2016)

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 the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Vale Academy Trust is a multi-academy trust comprising six academy schools. It was established on 1st October 2013, when King Alfred's School, a single school academy converter since 1st 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 31st 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.

King Alfred's attracts students from Wantage, Grove, the surrounding villages and from further afield in Oxfordshire and neighbouring counties

On 1st 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 1st December 2014. A sixth partner school, St James CE Primary School joined on 1st March 2016.

Academy School	Capacity (including nursery provision where applicable)	Pupils on Roll (Oct 16 census)
King Alfred's Academy	2205	1827
Wantage Church of England Primary School	480	432
Charlton Primary School	420	381
St Nicholas Church of England Primary School	105	96
Millbrook Primary School	420	430
St James Church of England Primary School	210	121
Total	3,840	3,287

Structure, Governance and Management

Constitution

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.

Vale Academy Trust

Trustees' Report (continued)

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors, or omissions occurring whilst on Trust business.

Method of Recruitment and Appointment or Election of Trustees

With effect from 1st 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 students, three nominated by the secondary academy local governing body and two nominated by the primary academy local governing bodies.

With effect from 1st September 2015, and taking into account a further governance review in May 2016, the structure was rationalised so that the Board of Trustees/Directors comprised twelve persons, including the Chief Executive (referred to as Executive Principal in the articles) on an ex-officio basis. The remaining eleven posts comprise: three appointed by the Diocese of Oxford; eight appointed by the members, three of whom are appointed 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. The only member also serving as a director is the Chair of the Board of Trustees, so a high degree of separation is maintained between members and the Board.

The term of office for any trustee apart from the Chief Executive is four years. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

Trustees are appointed in accordance with the Articles of Association. When a vacancy arises for a diocese appointed trustee, close collaboration takes place between the Board and the Diocese to ensure a suitable candidate is appointed with the appropriate skills and knowledge required to be an effective trustee.

For the recruitment of academy trustees, the Board first reviews its existing set of skills and experience in order to identify areas where additional support and expertise would be beneficial, with particular attention given to the changing skill requirements at different stages of Trust growth and development. Diversity is also taken into account when considering Board composition. Where possible, the Trust endeavours to attract new trustees who live and/or work within the catchment areas of the Trust, but will consider candidates from further afield when they are thought to have exceptional skills and experience. The Trust sources trustee candidates through a number of channels, including national governance recruitment agencies and local business networking.

Vale Academy Trust

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees, Members and LGB Governors

The Trust is committed to providing high-quality induction, support and on-going training for trustees, members and LGB governors to ensure that all have a full understanding of the requirements of their specific roles and are well-equipped to carry out their responsibilities.

The procedure for induction is tailored for each individual, and may include:

- One-on-one meetings with the Chief Executive, Chair and Company Secretary
- A package of documentation comprising the articles of association, trustee declaration, director guidelines, past minutes, scheme of delegation, and all other documentation relevant to the specific role
- Attendance at a formal presentation given by the Chief Executive entitled 'The role of a governor or director within a Multi-Academy Trust'

All trustees, members and governors are given access to the Trust's cloud-based information system (Virtual Learning Environment – VLE), and provided training on how to use it.

The Trust also runs a scheduled Governor/Director Development Programme throughout the academic year, comprising a series of presentations and workshops, and expects all governors and directors to attend. In this reporting period, topics included: Assessment in primary and secondary schools, Extremism in schools, Safeguarding, Budget, Pupil premium and SEND.

Organisational Structure

The Board of Directors is made up of twelve individuals, some of whom have a direct link to academies within the Trust. More recently, appointed Directors have come from diverse business backgrounds with no specific links to any member academy.

The Board changed the post of Executive Headteacher into that of a Chief Executive during this period. The Chief Executive reports directly to the Board on the performance and strategic position of the Trust, along with providing regular updates on the ever-changing national landscape associated with academies. The Chief Executive is the Accounting Officer and is now responsible for all operational matters across the Trust. All staff ultimately report to the Chief Executive who, in turn, reports to the Board.

Due to the change in role of the Chief Executive various other structural changes have taken place. The current situation is that Headteachers are now line-managed by their Local Governing Bodies, whilst being supported and challenged by the Chief Executive. The Chief Executive continues to lead the growing central team but a new Chair of the current cluster of academies has been appointed on a temporary basis. The central team can be divided into two clear strands; firstly the 'back office' team concerned with operational matters such as finance, operations and premises, including capital development, human resources, governance, marketing and media and, finally, digital technology. Secondly, there is the team leading monitoring and also challenging teaching and learning across the Trust – this includes specialists from Early Years education through to Secondary education.

The Board delegates a range of responsibilities to the Chief Executive, the Board committees and to the Local Governing Bodies. However, it is the Board that continues to be accountable to the EFA and the Secretary of State for Education regarding all matters.

Arrangements for setting pay and remuneration of key management personnel

The Trust continues to follow the National Pay and Conditions for both teaching and non-teaching staff. This brings some reassurance to schools thinking of joining the Trust and during the conversion and transition period. As such, the senior staff of the Trust, including the Chief Executive, follow the current pay scales and applicable policies.

All senior staff of the Trust undergo annual appraisal meetings with the Chief Executive and objectives for the

Vale Academy Trust

Trustees' Report (continued)

year are discussed and set, and then reviewed throughout the year. The Chief Executive himself is also set performance objectives by a committee and, again, progress is measured during the year. Success criteria are measured against these objectives when reviewing pay awards within national pay and conditions.

Headteachers' performance (and, therefore, pay and conditions) are also governed in the same way with objectives being set by an appraisal committee made up of the Chair of the Local Governing Body, the Chief Executive and an external consultant.

Related Parties and other Connected Charities and Organisations

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. Further details can be found in note 32 to the financial statements.

Objectives and Activities

Objects and Aims

The principal object and activity of the academy trust is to advance education in the area, for the benefit of the local public, by establishing, leading and developing schools offering a broad and balanced curriculum for students of different abilities and ages, whilst recognising the individual ethos of member academies, including its Church of England schools.

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

- to continue to support local academies through challenging times
- to continue to raise the standard of educational attainment and achievement of all students across our academies
- to continue to provide a broad and balanced curriculum, including extra-curricular and enrichment activities
- to develop students as effective and independent learners
- to continue to develop staff, and identify future leaders which will support the retention and recruitment of high quality staff across the Trust
- 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 National Teaching School
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with the community, local industry and commerce
- to consolidate and develop the Trust's capacity to manage change
- to grow the Trust by attracting other local schools who wish to convert to academies and join the Trust
- 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 help develop their positive social and moral values.

Vale Academy Trust

Trustees' Report (continued)

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
- Embedding a new assessment framework across primary academies and understanding the new KS4 progress and assessment measures
- Developing the physical learning environment

Each objective 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 academies, 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.

Strategic Report

Achievements and Performance

Charlton Primary School

Last year was another significant and exciting period for Charlton Primary School as young learners received the best possible education in a caring and nurturing environment. The school's values, reviewed by the school council during the year, remain central to the school's ethos. Charlton Primary School values achievement and encourages independence for all learners.

The pupils and staff at Charlton continued to make it a fantastic place to work. Charlton's students are friendly and confident and the staff strive to ensure that they achieve the success that they deserve. Together, they continue to grow into a very successful school where pupils learn the skills for success.

Continued academic success year on year is a given, but not at the expense of the development of a wider curriculum over the past year, which has been crucial to the school's journey to 'Outstanding'. Through the hard work of its Parent and Teacher Association they were excited to open a new Art and Design studio, along with a revamped playground and further develop of the Forest School Programme which now takes place daily. The quality of the school's PE and Sport provision was recognised with the award of the GOLD mark for excellence. The pupil's ECO club has undertaken significant work towards the ECO Award. The disappointment of the Oxfordshire County Council's mobile library van closure was overcome through the extension of Charlton's own library and the appointment of a librarian. The engagement in reading amongst pupils is now higher than ever and is reflected in high attainment in this area. It was a pleasure to see pupils from Charlton compete in and win the Summerfield's Annual Maths Challenge.

Charlton Primary School believes in developing the whole child and 2015-16 was no different. Academic success is important and makes a difference to the lives of young people. Alongside this the school appreciates the importance of recognising, supporting and developing the wider achievements of its students. The annual 'Junior Bake Off' event, Pottery Club, Bright Sparks Science Club, stage productions, residential and outward bound trips, constructions club, lunch time Origami, Junior Citizenship and our 'Outstanding' before and after school club are examples of the wider enrichment offer to pupils. The school is recognised in the community as an excellent school, where students enjoy all the experiences it is able to offer.

Vale Academy Trust

Trustees' Report (continued)

King Alfred's Academy

"Achieving Excellence Together" has remained at the forefront of King Alfred's Academy this last year. From its brand new website, to student outcomes, reporting progress to parents, developing communication and engagement with parents, to ensuring that improving Teaching and Learning has remained at the heart of all that is done, it has been a year to be immensely proud of at all levels. Student outcomes this year demonstrated good progress for all students, as well as improved attainment across the majority of subjects at GCSE. Disadvantaged students achieved more than ever before, against a backdrop of improved results across the board; an impressively high number of students achieved the Department for Education's EBacc qualification (a third of all students) and the value added score showed that students at King Alfred's Academy make significantly positive progress at Key Stage 4. In the Sixth Form, the academy was delighted to achieve an overall score of ALPS 3, indicating an excellent overall performance against the top 25% in the benchmark, with more than the national average number of students achieving places at Russell Group universities.

All at King Alfred's, and particularly its older students and staff, experienced very sad loss in the autumn term, but as a community showed immense courage and conviction in supporting each other to move resolutely forward at a very difficult time.

Parent surveys highlighted the desire to better understand e-safety, anti-bullying and how to interpret their child's progress. All three of these areas have been subsequently planned into the 2016-17 parent programme. A new weekly bulletin and diary has also been well received by parents and King Alfred's is grateful to the parents who supported the development of the new website over the course of the year.

A significant focus was placed on strategic leadership of both the Pupil Premium plan, and the Special Educational Needs and Disabilities (SEND) Department. Senior leadership commissioned external reviews of both areas which proved to be exceptionally valuable, and robust plans demonstrated significant improvements before the end of the year.

The number of students taking part in the Duke of Edinburgh programme at all three levels, Bronze, Silver and Gold, has grown again significantly. The academy is very grateful to all the teaching and support staff who give up their nights and weekends away from home to support the many and extensive expeditions. Allied with the continuing enrichment programme of electives and travel, in the UK and abroad, student leadership remains a high priority. In addition, the Highly Able Programme has grown under new and passionate leadership.

Finally, great steps forward have been taken towards King Alfred's vision to become a two site academy; as a result there will be a very busy year ahead planning for what is now an imminent and exciting reality.

Wantage CE Primary School

Children at the school are safe, happy and greatly enjoy their learning at school. It is well-supported by the local church, its parents and the wider school community, including the Vale Academy Trust. This combined support enables the school to offer its pupils a rich and diverse education.

Academic results for Foundation Stage and KS 1 are good and KS 2 results have significantly improved for the second consecutive year. KS 2 attainment is above the national average in all areas and the progress made by pupils in reading and writing puts the school in the top 20% of schools nationally. Five of the school's most able writers were selected to progress to the second round of the Radio 2 "500 Words Story Competition" from over 123,000 entries – two recently refurbished Libraries, now used weekly by every child, has no doubt also had an impact. In Maths, pupils are receiving innovative teaching through the 'Glow Maths' and 'Growth Mindsets' projects.

The school's excellent SEND team ensure that children are well-supported, whatever their need, and has been commended by the Local Authority for the quality of its provision.

Changes made to the provision for nursery children have resulted in the nursery being full and over-subscribed. Sport continues to be a real strength at Wantage and the school has maintained its "Gold" Sainsbury's Award. Pupils are Oxfordshire County Champions in Athletics and Cross Country running. These events are open to over 500 Oxfordshire schools, including independent ones, so there is considerable pride in this achievement.

Vale Academy Trust

Trustees' Report (continued)

Regarding staff development, Wantage CE Primary School is now accredited to train its own teachers 'in house' as part of the Oxfordshire Teaching Schools Alliance; two teachers are currently in training this year.

Wantage pupils shone in a community production of 'Noyye's Fludde' back in March when they performed with soloists and a full orchestra. The production was put together in a day and the children gave two magical performances to a delighted audience.

St Nicholas CE Primary School

St Nicholas continued to grow. The October census reported 96 pupils on roll in comparison to 65 pupils three years' ago.

Results were mixed at the end of the academic year. Early Years and KS 1 achieved a strong set of results whereas KS 2 results have been better in previous years.

81% of pupils achieved a good level of development in Early Years, an excellent achievement. 86% of pupils in Year 1 passed the phonics check, evidence of the effectiveness of the Read Write Inc system used at St Nicholas and the expertise of the staff who teach phonics. In Year 2, 70% of pupils achieved the expected standard in the Key Stage 1 national curriculum tests (out of a cohort of 10 pupils where three pupils have SEN).

In Year 6, 11 pupils took the SATs test. Every pupil who had been at St Nicholas for the entirety of their primary education achieved the expected standard in reading, writing, and grammar, but not all pupils achieved the expected standard in maths.

The curriculum at St Nicholas continues to be rich, and deep learning has taken place as a result of the many trips and visits that form an integral part of each topic. Over 30 trips/visits have taken place in the last 12 months, including trips to Stonehenge and Portsmouth Aquarium and children's author Korky Paul visiting the school.

In sport, the sport premium grant has been used to pay for an experienced primary PE specialist to coach teams for competitions, develop gross motor skills with KS1 SEND pupils and develop class teachers' practice through team teaching, resulting in competitions against other schools in cross-country, badminton, tennis, tag rugby, quad-kids athletics, football and netball.

As a Church of England school, the distinctive Christian ethos of St Nicholas is extremely important. The school community, including pupils, parents, staff, governors, and members of the parish, worked together to create six core values for the school. The values for each term are: community, respect, hope, forgiveness, courage and friendship. They are Christian values, rooted in scripture, and complementary to our British values.

This year, the school supported St Nicholas Village Church, East Challow, with the refurbishment and re-dedication of their war memorial, marking the centenary of the First World War. Children from St Nicholas created a display of research they had completed about soldiers from East Challow named on the war memorial and its choir sang at the service of re-dedication.

Millbrook Primary

2015-16 was a very positive year of consolidation and progress for Millbrook. All the work completed with staff on pedagogy and practice was put into place by an increasingly skilled team of teachers. Appraisal and staff performance were a significant strand of school improvement during the year, and the rigorous use of appraisal resulted in the creation of good and committed teaching and team. Leadership recruitment was a challenge for the school but the VAT central team ably supported in the interim. By the end of the year a secure, if inexperienced, team was in place ready for this academic year.

Attendance is good with attendance consistently above 96%. The school is working hard to engage families who demonstrate low attendance and has seen some real successes with focus families. In one instance, one family moved from attendance below 60% to attendance well above 90%.

The ongoing high standard of provision in Early Years and KS1 has resulted in good achievement in the Early Years and in Key Stage 1 which shows the focus on staff development and pedagogy is effective. Across Key Stage 2 it is very positive that many children are working at the higher levels of attainment as required by the

Vale Academy Trust

Trustees' Report (continued)

new National Curriculum; the school is confident that this will be reflected in improving Key Stage 2 results. Attainment in Year 6 was impacted by the departure of a skilled teacher whom we were unable to replace.

Staff recruitment remains an issue as the school is unlikely to receive high numbers of quality applications for any post. The recent Assistant Head recruitment process attracted just 4 applicants in total.

Millbrook is very happy with the impact of the Storytelling approach to the teaching of writing, as evidenced in improved progress across the school. This was a major project last year, and its success means that it will continue to be used and developed this year. Maths has not shown the rapid improvements hoped for, and remains a priority this year. However, a skilled co-ordinator is now in place (who was selected to be part of the Glow Maths Hub team of mastery specialists) whose work on maths pedagogy is praised by the central team.

Millbrook's many vulnerable children in Year 6 have transferred successfully to King Alfred's. For some, it was doubtful that they would be able to complete their primary education. This is down to the commitment of the staff team in ensuring that every child feels valued and supported. These children were also helped by the arrival of a (part time) school dog; Frank easily became the most popular member of the school and supports children who struggle with behaviour or self-esteem!

Several reviews took place during the year, including an ex HMI and a peer review. They have been overwhelmingly positive about the journey the school is on and praised the impact of leadership on raising standards and improving the quality of teaching and learning.

St James C of E Primary

St James became a part of the Vale Academy Trust on 1st March 2016. During this time the school has undergone significant changes, both in terms of the physical building and also in staffing. An extensive programme of redecoration has led to a far more inviting environment for everyone to work in and this has had a significant impact on the behaviour of the children.

An exciting range of trips and visits have also taken place. These began in March with a whole school trip to @Bristol to kick off Science Week. This was the first time the whole school had been on a trip together and was a great opportunity for everyone to share this amazing museum and then recall their adventures to parents upon return. A residential to Kilve Court in Somerset with Year 5 and 6 also took place, along with a visit to the Davis Cup and river dipping in Letcombe Brook. Trips and visits are an integral part of the exciting curriculum planned at the school.

Sporting events and successes also abound. As winners of the Small Schools netball tournament St James went on to the Vale finals, also reaching the finals of the football competition and the Cricket. Participation in sporting clubs and events was at an all-time high, with 74% of the school taking part in an after-school sporting club and nearly 50% of the school having represented St James at an interschool competition. The school also achieved the Gold school games award, an improvement on the silver from the year before.

Good use was made of the music specialist from the VAT throughout the summer term for the Rio topic with samba drumming. The culmination of this was Carnival Day when parents and carers were invited into school to view children's work, listen to the drumming and samba rhythms and watch the parade of carnival costumes.

From September, St James has four new highly enthusiastic teachers starting and will be fully staffed; many exciting opportunities are being offered to staff keen to become fully involved in life at St James.

Vale Academy Trust

Trustees' Report (continued)

Key Performance Indicators

Current Ofsted ratings for each Academy (correct as of December 2016) and overall attendance for 2015-2016:

Name of Academy	Current Ofsted Rating	Overall Attendance 2015 - 2016 %
King Alfred's	Outstanding	94.03
Charlton Primary	Good	96.62
Wantage C of E Primary	Good (Also latest SIAMS Inspection rating is Good)	96.36
St Nicholas C of E Primary	Good	93.82
Millbrook Primary	Awaiting first Inspection since converting	96.09
St James C of E Primary	Good	96.48

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.

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 adjusted 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. Material cash 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.

As a large Multi-Academy Trust, the Trust now receives School Condition Allocation (SCA) and Devolved Formula Capital (DFC) capital funding with which the Trust maintains, renews and develops the Trust's capital estate for all of its partner schools. 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 the notes to the Financial Statements, the Trust is responsible for meeting the employers' contributions for employees who are members of the Teachers' Pension Scheme (TPS) or the Local

Vale Academy Trust

Trustees' Report (continued)

Government Pension Scheme (LGPS). Both schemes are defined-benefit schemes, and the latter scheme is a funded scheme, with the assets held in separate trustee-administered funds.

The LGPS scheme actuary has calculated a notional fund deficit at the date of these financial statements of £8.4m (2015: £4.7m) with the majority of deficit increase due to a reduction in bond yields as a result of Brexit. The triennial valuation of the LGPS as at 31 March 2016 is due to be completed and announced on 18 January 2017, the results of which may result in changes to the employer pension contributions from 1 April 2017 (currently 13.2% plus a fixed annual lump sum of £112,000).

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 18th July 2013.

The Trust holds numerous Freehold and Long-Leasehold Land and Buildings which, on a depreciated basis, exceed £32.5m in value. These assets ensure the Trust has no ongoing solvency concerns from the pensions.

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 continue to be required over the coming years in order to minimise turbulence during a period of funding uncertainty.

The total fund balances of the Trust at 31st August 2016, as detailed in Note 17 to the financial statements, amounted to £27,941k (2015: £29,038k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £32,759k (2015: £31,349k) and the pension deficit fund of £8,381k (2015: £4,696k), the operational fund balances amounted to £3,563k (2015: £2,385k) and are summarised as follows:

	2016	2015
	£000s	£000s
GAG funds	616	558
Other restricted income funds	263	188
EFA capital project funding	1,389	92
Other restricted capital funds	118	418
Unrestricted funds	1,177	1,129
	<u>3,563</u>	<u>2,385</u>

As set out in the notes to the Financial Statements, at the Balance Sheet date the Trust had contracted for the sum of £99k in respect of costs of the construction of infrastructure, buildings enhancement and a new science block on the King Alfred's Centre Site, which is funded from reserves held at the Balance Sheet date.

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.

Vale Academy Trust

Trustees' Report (continued)

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.

The Trust invests surplus funds in high credit rating, mainstream UK based banks to minimise risk, whilst taking steps to maximise returns on deposits made with those institutions. Main cash inflows are on a monthly basis from UK Government grants, and are hence reliable and spending is co-ordinated with that income to minimise cashflow risk.

As mentioned in the main Financial Review, the Trust is part of a funded Local Government Pension Scheme and has a notional deficit of £8.4m on that scheme. There is limited risk of being required to fund that deficit to a level materially in excess of current contribution levels without Government support to do so. The Government has backed the deficits on this and other LGPS schemes, and the trust holds long-term assets in the form of land and buildings to a value materially in excess of that deficit.

Plans for Future Periods

The Vale Academy Trust is expecting to grow over the coming year. However, we remain determined to exist as a local trust focusing on local schools and local children. The trust has no desire to expand into areas which are geographically distant. We believe that we should be able to drive to our academies within 45 minutes so that we can continue to develop a deep understanding of the local issues facing each academy within the trust and that staff feel connected.

That said, within these parameters there is scope to expand and we expect one other secondary school to convert and join the trust this year; we also continue to talk with a number of primary schools about the benefits of converting and joining the trust. Any new schools wishing to join the trust must share our vision and ethos which is centred on collaboration, support and challenge and based on the understanding that the trust will not be successful until all academies are doing well.

As the trust grows, we will look to form our academies into hubs. The current members of the trust will form the Wantage and Grove hub. Any new academy within this local area wishing to convert would join that hub. However, following interest from schools in Abingdon, it is now expected that a new hub including Abingdon and its outskirts will be formed over the coming year.

The Vale Academy Trust has also applied to open a new Free School in Grove. This new school would be our first 'all through' academy with children from 2-16 eventually being educated there. This will cater for the demand linked to ongoing housing developments locally. This will be a major undertaking for the trust and, along with the expected growth in Abingdon, will mean that we will not be considering any further expansion over the next year or so.

The other major issue affecting academies in the trust over the coming period will be capital expansion. King Alfred's will make significant steps towards finally moving from three sites to two sites and this has generated a major building programme and the release of East Site to developers (on-going). This has required support from the Educational Funding Agency, the Department of Education, and the Secretary of State.

St James C of E will also expand from the current half-form entry to one-form entry over the coming year, requiring major capital expansion which is being funded by Oxfordshire County Council, due to rapid housing developments locally.

On top of these major capital expansion projects, exciting improvements and refurbishment is planned across all of our academies.

As the trust grows, we will need to consider the role of the central team which is led by the Chief Executive. We must ensure that each academy continues to improve upon this year's headline performance data for progress and attainment. The central team are vital in sustaining long term improvement linked to challenge and support.

Finally, as more local multi academy trusts come into being and those which are currently operating begin to consolidate, there is much scope for local multi academy trusts to begin to work more closely together to accelerate potential cost efficiencies and to support further challenge, including that of peer review and support.

Equal Opportunities and Employee Consultation

The Vale Academy Trust prides itself on being an equal opportunity employer and is committed to promoting equality and social inclusion for all. The Trust operates a policy whose aim is to ensure that unlawful or otherwise unjustifiable discrimination does not take place in any aspect of our operations, especially in the recruitment, training, career development and promotion opportunities for all staff.

The Vale Academy Trust engages through various mediums with all its staff throughout the year through regular bulletins, briefings, workshops and training. On a more formal basis, the Trust has not diverged from the core employment terms or conditions agreed with recognised unions for all schools in Oxfordshire and continues to engage with employees through those union channels wherever needed and appropriate as part of the wider Oxfordshire schools community which includes most other academy and local authority maintained schools in the county.

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;
- 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 December 2016 and signed on the board's behalf by:



Joseph Pillman

Chair of the Board 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 Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Vale Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board delegates certain responsibilities to the local governing bodies (LGBs) whose purpose is to provide support and challenge to the academy on behalf of the board. A comprehensive Scheme of Delegation and Terms of Reference is in place to ensure LGB consistency and accountability to the Board.

The board of trustees has formally met six times during the year. Not all trustees attended the full six meetings as attendance is determined by when they were appointed/resigned – see table below.

Board of Trustees/Directors (Chair: Sara Ward)

Trustee	Meetings attended	Out of a possible	Appointed	Resigned
Sara Ward	5	6		20 th Oct 2016
Simon Spiers	6	6		
Philip Harrison	6	6		
Gina Hocking	6	6		
Christopher Ferguson	5	6		
Jennifer de la Coze	5	6		
Matthew Donaldson	0	0		13 th Sept 2015
Robin Sharples	6	6		
Karen Leigh	0	6		31 st Aug 2016
Jeffrey Penfold	6	6		
Susan Hunter	4	5	31 st Oct 2015	
Joseph Pillman	4	4	17 th Dec 2015 - Elected chair	19 th Oct 2016
Christopher Williams	0	0	19 th July 2016	

A key challenge faced by the Board during the reporting period was to appoint a number of new trustees and, following significant recruitment activity, three new trustees were appointed. Two trustee vacancies remain open and it is anticipated these will be filled early 2017. The Board faced a further challenge in the need to appoint a new chair. A working group was set up in May 2016 with specific responsibility for this and a new Chair was elected in October 2016.

Vale Academy Trust Governance Statement (continued)

Governance Reviews

During the second half of the year the trust carried out a full governance review. This was done for a number of reasons, which included:

- The trust was expecting to grow and, as such, needed to consider what the implications would be on the current structures
- With expansion of the trust possibly necessitating the formation of a new hub, current structures might not support the scope of work that would be needed
- We were about to welcome our first new secondary academy since the trust was formed
- We had recently completed a skills audit of the current board and identified some gaps

Outcomes of the review

Following the review, we actively recruited new directors with particular skills. We also agreed that the governor development programme would be expanded and strengthened after very positive feedback from local governors and directors. This has allowed the trust committees to focus more on holding the Chief Executive and the central team to account, rather than updating and briefing local governors, as this can now take place in development sessions.

It is expected that further self-evaluation will take place in autumn 2017 to review the changes implemented to-date.

Committees

The Finance and Operations Committee is a sub-committee of the Board of Trustees. 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 attended the full six meetings as the committee comprises a core membership, with others attending on an ad hoc basis – see table below.

During this reporting period some of the key tasks for the committee were:

- Oversight of the 3:2 Capital Project
- Oversight of the effectiveness of the payroll provider
- Approval of Academy budget for AY 16/17

Attendance at meetings in the year was as follows:

Finance & Operations Committee (Chair: Christopher Ferguson)

Trustee	Meetings attended	Out of a possible	Appointed	Resigned
Sara Ward	1	6		20 th Oct 2016
Simon Spiers	6	6		
Philip Harrison	6	6		
Gina Hocking	2	6		
Christopher Ferguson	6	6		
Jeffrey Penfold	1	6		
Susan Hunter	2	5	31 st Oct 2015	
Joseph Pillman	3	4	17 th Dec 2015	

The Audit & Risk Committee is a sub-committee of the Board of Trustees. It was established to provide assurance over the suitability of, and compliance with, the Trust's financial systems and operational controls. Its terms of reference include responsibility for agreeing that an effective audit process is in place. The committee has met four times during the year. Not all trustee/directors attend the meetings as the committee

Vale Academy Trust Governance Statement (continued)

comprises a core membership of a minimum of three persons and a maximum of five, with others attending on an ad hoc basis – see table below.

Attendance at meetings in the year was as follows:

Audit & Risk Committee (Chair: Philip Harrison)

Trustee	Meetings attended	Out of a possible	Appointed	Resigned
Philip Harrison	4	4		
Ed Byrne (External Member)	4	4		
Ed Mitchell (External Member)	3	4		
Nigel Tipple (External Member)	3	4		
Terry Bond (External Member)	2	4	22 nd Oct 2015	

During this reporting period a key task for the committee was to review the 3:2 project and its management of risk.

Review of Value for Money

As Accounting Officer, the Chief Executive 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
- Continuing to innovate teaching approaches, personnel organisation and sharing of best practices in order to maximise the impact of teaching staff spend.

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 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Vale Academy Trust Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 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 & Risk 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 & Risk Committee supplements that carried out by the external auditors, who conduct field work testing during visits twice a year. The Trustees can confirm that the programme of work of the Audit & Risk Committee has been dealt with as planned and that there have been no material control issues arising requiring remedial action.

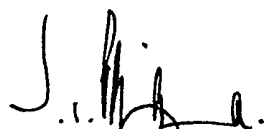
Review of Effectiveness

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

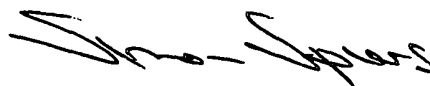
- the work of the Audit & Risk Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior teams within the Trust who have responsibility for the development and maintenance of the internal control framework.

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 15 December 2016 and signed on its behalf by:



Joseph Pillman
Chair of the Board of Trustees



Simon Spiers
Accounting Officer

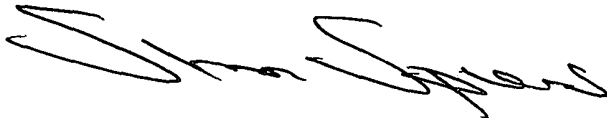
Vale Academy Trust

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 and the Education Funding Agency of 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 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Simon Spiers
Accounting Officer

15 December 2016

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:

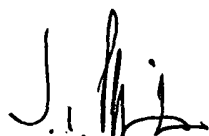
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 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 15 December 2016 and signed on its behalf by:



Joseph Pillman
Chair of the Board of Trustees

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 2016 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the EFA.

This report is made solely to the 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 company and the company's 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 trust's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the EFA's Academies Accounts Direction 2015 to 2016.

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.



Caroline Webster (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date: 16/12/16

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 2015 to 2016, 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 2015 to 31 August 2016 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 15 February 2016 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 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 2015 to 31 August 2016 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: 16/12/16

Vale Academy Trust
Statement of Financial Activities
For the year ended 31 August 2016
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	73,756	15,000	2,601,960	2,690,716	5,192,815
Transfer from local authority on conversion	2,31	9,423	(67,000)	718,697	661,120	2,174,112
Charitable activities						
Funding for the academy trust's educational operations	3	-	14,742,630	-	14,742,630	13,662,686
Other income for educational operations	4	1,626,068	-	-	1,626,068	1,235,870
Other trading activities	5	129,321	-	-	129,321	153,846
Investments	6	6,984	-	-	6,984	6,815
Gain on disposal of property		-	-	84,557	84,557	-
Total		1,845,552	14,690,630	3,405,214	19,941,396	22,426,144
Expenditure on:						
Raising funds	7	97,714	-	-	97,714	124,054
Charitable activities:						
Academy trust educational operations	8	1,595,360	14,634,158	1,009,091	17,238,609	16,575,260
Total		1,693,074	14,634,158	1,009,091	17,336,323	16,699,314
Net income / (expenditure) before transfers		152,478	56,472	2,396,123	2,605,073	5,726,830
Transfers between funds	17	(104,464)	92,431	12,033	-	-
Net income / (expenditure) for the period		48,014	148,903	2,408,156	2,605,073	5,726,830
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,27	-	(3,702,000)	-	(3,702,000)	-
Net movement in funds		48,014	(3,553,097)	2,408,156	(1,096,927)	5,726,830
Reconciliation of Funds						
Funds brought forward at 1 September 2015		1,128,986	(3,949,682)	31,858,354	29,037,658	23,310,828
Funds carried forward at 31 August 2016		1,177,000	(7,502,779)	34,266,510	27,940,731	29,037,658

All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period (see note 31).

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 2016

Company number:
07674473

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	13		32,758,808		31,349,036
Current assets					
Debtors	14	1,203,372		973,091	
Cash at bank and in hand		<u>4,332,114</u>		<u>3,730,681</u>	
		5,535,486		4,703,772	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,487,016)</u>		<u>(2,305,559)</u>	
Net current assets			4,048,470		2,398,213
Total assets less current liabilities			36,807,278		33,747,249
Creditors: Amounts falling due after more than one year	16		(485,547)		(13,591)
Net assets excluding pension liability			<u>36,321,731</u>		<u>33,733,658</u>
Defined benefit pension scheme liability	27		<u>(8,381,000)</u>		<u>(4,696,000)</u>
Total net assets			<u>27,940,731</u>		<u>29,037,658</u>
Funds of the academy trust:					
Restricted fixed asset funds	17		34,266,510		31,858,354
Restricted general funds					
Restricted funds excluding pension liability	17	878,221		746,318	
Pension reserve	17	<u>(8,381,000)</u>		<u>(4,696,000)</u>	
			(7,502,779)		(3,949,682)
Total restricted funds			<u>26,763,731</u>		<u>27,908,672</u>
Unrestricted funds	17		1,177,000		1,128,986
Total funds			<u>27,940,731</u>		<u>29,037,658</u>

The financial statements on pages 25 to 51 were approved by the trustees and authorised for issue on 15 December 2016 and are signed on their behalf by



Joseph Pillman
Chair of Board of Trustees

Vale Academy Trust
Statement of Cash Flows
For the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(50,801)	135,809
Cash flows from investing activities	23	180,278	53,894
Cash flows from financing activities	22	471,956	(4,530)
Change in cash and cash equivalents in the reporting period		<u>601,433</u>	<u>185,173</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an academy trust	31	-	160,334
Cash and cash equivalents at 1 September 2015		3,730,681	3,385,174
Cash and cash equivalents at 31 August 2016	24	<u>4,332,114</u>	<u>3,730,681</u>

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period (see note 31).

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of Vale Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Vale Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 33.

Paragraph 17.6 of FRS102 requires the Directors to apply component accounting to all material elements of property, plant and equipment.

The Trust has applied these provisions for all assets acquired after the conversion of a school to an academy and joining the Trust.

The Trust cannot reliably apply these provisions to assets at conversion. The Directors have assessed the impact of this potential divergence and, as described more fully in the Tangible Fixed Assets policy, consider that the Trust's approach continues to deliver a true and fair view to the users of the accounts, in line with the intention of FRS102 paragraph 17.6.

Additions to the Academy Trust

The conversion from a state maintained school to join the academy trust involved the transfer of identifiable assets and liabilities and the operation of St James C of E Primary School for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St James C of E Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Property has been valued on a depreciated replacement cost basis (see note 13). Further details of the transaction are set out in note 31.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Statement of Accounting Policies (continued)

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other Income

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

1 Statement of Accounting Policies (continued)

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 13 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

In accordance with FRS102, the Trust applies the obligations of paragraph 17.6 on component accounting. Component accounting requires the splitting out of any item of property, plant and equipment into differing elements where those elements have materially different remaining useful economic lives. Refurbishment or replacement expenditure that adds significant useful economic value is therefore capitalised and the component being replaced or refurbished, is written out of the accounts.

The Trust applies these obligations to all expenditure following the initial conversion to an academy by an individual school for all refurbishment and replacement expenditure that exceeds £5,000.

For the overall school buildings value at conversion, the Trust does not apply the provisions of FRS102 paragraph 17.6 because there is no reasonable approach that can be used to reliably split the value of the buildings coming to the Trust into their component parts (such as IT infrastructure, electricals, boilers, roofs, walls, plumbing, etc.). The unique nature of school buildings and equipment mean they have no readily available or reliable market value for other usage. Overall value at conversion is materially estimated using the depreciated replacement cost method.

The Directors have assessed that this diversion from FRS102 still enables a true and fair view of the net book value and periodic depreciation charges as:

- The depreciated replacement cost of the overall buildings and equipment reflects a materially reasonable average estimate of value, taking into account age, obsolescence, wear and modern replacement costs; and
- The depreciation on those buildings materially reflects the continuing usage of economic value of those assets over time, such that older components being replaced/refurbished are reaching zero remaining net book value at the point that new refurbishment/replacement assets on a component accounting basis are added.

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

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

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.

1 Statement of Accounting Policies (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in the settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other 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.

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 30.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 27).

2 Donations and capital grants

		Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Transfer on conversion	Note 31	9,423	651,697	661,120	2,174,112
DfE/EFA capital grants					
Devolved formula capital grant		-	72,704	72,704	66,002
School condition allocation		-	1,460,621	1,460,621	-
EFA capital project funding - ACMF/CIF		-	484,679	484,679	2,920,391
Other Government grants					
Local authority capital funding		-	-	-	538,668
		-	2,018,004	2,018,004	3,525,061
Donated fixed assets		-	574,351	574,351	1,582,192
Other donations		73,756	24,605	98,361	85,562
		<u>83,179</u>	<u>3,268,657</u>	<u>3,351,836</u>	<u>7,366,927</u>

The income from donations and capital grants was £3,351,836 (2015: £7,366,927) of which £83,179 was unrestricted (2015: £182,431), £-52,000 restricted (2015: £-704,535) and £3,320,657 restricted fixed assets (2015: £7,889,031).

3 Funding for Academy's educational operations

		Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants					
General Annual Grant (GAG)		-	13,436,081	13,436,081	12,468,768
Pupil Premium		-	503,167	503,167	459,711
Other EFA grants		-	408,509	408,509	266,826
Other DfE grants		-	68,000	68,000	69,103
		-	14,415,757	14,415,757	13,264,408
Other Government grants					
Early Years funding		-	162,687	162,687	148,231
Local authority revenue funding		-	164,186	164,186	250,047
		-	326,873	326,873	398,278
		-	14,742,630	14,742,630	13,662,686

The funding for the academy's educational operations was £14,742,630 (2015: £13,662,686) of which £Nil was unrestricted (2015: £Nil), £14,742,630 restricted (2015: £13,662,686) and £Nil restricted fixed assets (2015: £Nil).

4 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Contributions to salaries	35,846	-	35,846	37,667
Trip and activity income	475,198	-	475,198	418,758
Training school and OTSA income	347,385	-	347,385	200,979
Transport charges	100,255	-	100,255	59,655
Catering income	308,478	-	308,478	272,260
Other income	358,906	-	358,906	246,551
	<u>1,626,068</u>	<u>-</u>	<u>1,626,068</u>	<u>1,235,870</u>

The other income for educational operations was £1,626,068 (2015: £1,235,870) of which £1,626,068 was unrestricted (2015: £1,235,870), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

5 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Hire of facilities	31,624	-	31,624	29,792
Catering income from other schools	97,697	-	97,697	124,054
	<u>129,321</u>	<u>-</u>	<u>129,321</u>	<u>153,846</u>

The other trading activities income was £129,321 (2015: £153,846) of which £129,321 was unrestricted (2015: £153,846), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

6 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Short term deposits	6,984	-	6,984	6,815
	<u>6,984</u>	<u>-</u>	<u>6,984</u>	<u>6,815</u>

The investment income was £6,984 (2015: £6,815) of which £6,984 was unrestricted (2015: £6,815), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

7 Expenditure

	Staff Costs £	Non Pay Expenditure Premises Costs £	Other Costs £	Total 2016 £	Total 2015 £
<i>Expenditure on raising funds</i>	44,558	-	53,156	97,714	124,054
<i>Academy's educational operations</i>					
Direct costs (note 8)	10,449,641	-	1,841,813	12,291,454	11,447,585
Allocated support costs (note 8)	1,988,517	1,018,426	1,940,212	4,947,155	5,127,675
	<u>12,438,158</u>	<u>1,018,426</u>	<u>3,782,025</u>	<u>17,238,609</u>	<u>16,575,260</u>
	<u>12,482,716</u>	<u>1,018,426</u>	<u>3,835,181</u>	<u>17,336,323</u>	<u>16,699,314</u>

The expenditure on raising funds was £97,714 (2015: £124,054) of which £97,714 was unrestricted (2015: £124,054), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

The expenditure on academy's educational operations was £17,238,609 (2015: £16,575,260) of which £1,595,360 was unrestricted (2015: £1,164,097), £14,634,158 restricted (2015: £14,430,571) and £1,009,091 restricted fixed assets (2015: £980,592).

Net income/(expenditure) for the period includes:

	2016 £	2015 £
Operating lease rentals	12,265	8,862
Depreciation	994,499	980,592
(Gain)/loss on disposal of fixed assets	(84,557)	-
Fees payable to auditor for:		
Audit	14,600	14,300
Audit related assurance	1,250	1,250
Other assurance	850	-
Other services	16,795	12,745
Non-governance advisory services	<u>21,800</u>	<u>19,500</u>

8 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	12,291,454	11,447,585
Support costs - educational operations	4,947,155	5,127,675
	<u>17,238,609</u>	<u>16,575,260</u>

Analysis of support costs

	Educational operations £	Total 2016 £	Total 2015 £
Support staff costs	2,072,517	2,072,517	1,952,472
Depreciation	994,499	994,499	980,592
Technology costs	27,586	27,586	53,023
Premises costs	1,018,426	1,018,426	892,228
Other support costs	862,367	862,367	750,426
Governance costs	55,760	55,760	48,934
Other pension costs	289,000	289,000	264,000
Other finance costs (FRS102 pension)	(373,000)	(373,000)	186,000
Total support costs	<u>4,947,155</u>	<u>4,947,155</u>	<u>5,127,675</u>

9 Staff Costs

	2016 £	2015 £
Staff costs during the period were:		
Wages and salaries	10,091,108	9,755,933
Social security costs	755,773	643,586
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,631,813	1,399,942
FRS102 Other pension and finance costs	(84,000)	450,000
	<u>12,394,694</u>	<u>12,249,461</u>
Agency supply staff costs	80,890	13,585
Staff restructuring costs	7,132	4,280
	<u>12,482,716</u>	<u>12,267,326</u>
 Staff restructuring costs comprise:		
Redundancy payments	1,375	4,280
Severance payments	5,757	-
Other restructuring costs	-	-
	<u>7,132</u>	<u>4,280</u>

There are no non-statutory/non-contractual severance payments included in staff restructuring costs for either 2015 or 2016.

The average number of persons employed by the academy during the period was as follows:

	2016 No.	2015 No.
Teachers	201	199
Administration and support	266	262
Management	10	9
	<u>477</u>	<u>470</u>

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

	2016 No.	2015 No.
£60,001 - £70,000	3	5
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

The key management personnel of the academy trust comprise the trustees and the trust leadership team as listed on pages 1 to 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £335,717 (2015: £389,806).

10 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, as follows:

	2016 £	2015 £
King Alfred's School	453,442	454,631
Wantage CoE Primary School	84,609	80,449
Charlton Primary School	66,322	60,792
St Nicholas CoE Primary School	22,656	17,896
Millbrook Primary School	79,689	57,950
St James CoE Primary School	11,915	-
	<u>718,633</u>	<u>671,718</u>

11 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff members under their contracts of employment.

	2016 £	2015 £
S Spiers, Chief Executive and Trustee		
Remuneration	£120k-£125k	£115k-£120k
Employer's pension contributions paid	£20k-£25k	£15k-£20k
J De La Coze, Staff Trustee		
Remuneration	-	£60k-£65k
Employer's pension contributions paid	-	£5k-£10k
F Rose, Staff Trustee (resigned 6 October 2014)		
Remuneration	-	£0k-£5k
Employer's pension contributions paid	-	£0k-£5k

During the period ended 31 August 2016, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2015: £Nil).

12 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 (2015: £10m) on any one claim and the cost for the period ended 31 August 2016 was £2,904 (2015: £2,665).

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

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost						
As at 1 September 2015	13,296,672	20,213,539	265,130	657,298	47,895	34,480,534
Transfer on conversion	-	692,000	1,427	9,077	-	702,504
Additions	817,001	964,268	112,657	19,685	-	1,913,611
Disposals	(231,794)	-	-	-	-	(231,794)
As at 31 August 2016	13,881,879	21,869,807	379,214	686,060	47,895	36,864,855
Depreciation						
As at 1 September 2015	1,171,186	1,146,363	193,505	592,708	27,736	3,131,498
Charges in period	297,812	575,483	57,361	54,265	9,579	994,500
Disposals	(19,951)	-	-	-	-	(19,951)
As at 31 August 2016	1,449,047	1,721,846	250,866	646,973	37,315	4,106,047
Net book values						
As at 31 August 2016	12,432,832	20,147,961	128,348	39,087	10,580	32,758,808
As at 1 September 2015	12,125,486	19,067,176	71,625	64,590	20,159	31,349,036

Leasehold arrangements

The leasehold buildings column includes long leasehold interests for sites at King Alfred's School (East and West sites), Charlton Primary School and Millbrook Primary School, together with Supplemental Agreements with Church land trustees for the use of land and buildings at Wantage Church of England Primary School, St Nicholas Church of England Primary School and St James Church of England Primary School. Under the Supplemental Agreements, the Academy Trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. A desktop depreciated replacement cost value of the buildings is recognised on the balance sheet on the basis that the Academy Trust has the economic benefit arising from their use.

Due to restrictions in the leases on the use of the leasehold land, the Trustees consider that the land has no value and as such it is included in the financial statements at nil value.

Additions represent capital building works and improvements on existing sites. Included within leasehold buildings at 31 August 2016 are assets under construction amounting to £729,867.

Freehold additions and disposals

Freehold land at the Old Church School Site abutting King Alfred's Centre Site, was acquired during the year with EFA permission. This land was acquired as part of the project to build a new Science Block and other infrastructure at Centre Site to support an expansion of pupil numbers at that location. The EFA loan in note 16 is also for this project.

In addition, the Caretaker's House that was surplus to requirements at King Alfred's East Site, was disposed of during the year with EFA permission.

14 Debtors

	2016	2015
	£	£
Trade debtors	54,739	8,499
VAT recoverable	128,540	283,925
Prepayments and accrued income	1,020,093	680,667
	<u>1,203,372</u>	<u>973,091</u>

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	423,073	550,479
Salix loan	4,530	4,530
Other taxation and social security	227,607	400,078
Other creditors	226,729	337,780
EFA creditor: SEN LACSEG adjustment	-	53,504
Accruals and deferred income	605,077	959,188
	<u>1,487,016</u>	<u>2,305,559</u>

Deferred income

	2016	2015
	£	£
Deferred income at 1 September	185,748	150,739
Released from previous years	(185,748)	(150,739)
Resources deferred in the period	265,583	185,748
Deferred income at 31 August	<u>265,583</u>	<u>185,748</u>

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

16 Creditors: amounts falling due in greater than one year

	2016	2015
	£	£
EFA capital loan	476,486	-
Salix loan	9,061	13,591
	<u>485,547</u>	<u>13,591</u>

During the year, a loan was entered into with the EFA repayable in February 2018. This is to support the ongoing project to dispose of King Alfred's East Site and construct modern expanded facilities at King Alfred's Centre Site. The amounts outstanding at 31 August 2016 reflect the total drawn down as at that date.

17 Funds

	Balance at 1 Sept 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	558,592	13,436,081	(13,391,227)	12,890	616,336
Pupil Premium funding	-	503,167	(503,167)	-	-
Other DFE/EFA funding	-	421,109	(421,109)	-	-
Local authority revenue funding	-	164,186	(164,186)	-	-
OTSA	136,978	55,400	(55,400)	79,541	216,519
Early Years funding	-	162,687	(162,687)	-	-
Sports related funding	27,439	-	-	-	27,439
Other restricted funds	23,309	15,000	(20,382)	-	17,927
Pension reserve (note 27)	(4,696,000)	(67,000)	84,000	(3,702,000)	(8,381,000)
	<u>(3,949,682)</u>	<u>14,690,630</u>	<u>(14,634,158)</u>	<u>(3,609,569)</u>	<u>(7,502,779)</u>
Restricted fixed asset funds					
School Condition Allocation	-	1,460,621	(14,510)	(88,829)	1,357,282
ACMF/CIF projects	91,685	484,679	-	(544,384)	31,980
Devolved Formula Capital	46,558	72,704	(81)	(21,263)	97,918
LA capital funding	6,456	-	-	(6,456)	-
Capital funds transferred on conversion	119,486	16,193	-	(135,679)	-
Donated fixed assets	-	574,351	-	(574,351)	-
Other capital grants	32,212	9,605	-	(41,817)	-
Proceeds of house sale restricted for capital reinvestment	212,922	84,557	-	(276,957)	20,522
Fixed asset fund (note 13)	31,349,035	702,504	(994,500)	1,701,769	32,758,808
	<u>31,858,354</u>	<u>3,405,214</u>	<u>(1,009,091)</u>	<u>12,033</u>	<u>34,266,510</u>
Total restricted funds	<u>27,908,672</u>	<u>18,095,844</u>	<u>(15,643,249)</u>	<u>(3,597,536)</u>	<u>26,763,731</u>
Unrestricted funds					
Unrestricted funds	1,128,986	1,845,552	(1,693,074)	(104,464)	1,177,000
Total unrestricted funds	<u>1,128,986</u>	<u>1,845,552</u>	<u>(1,693,074)</u>	<u>(104,464)</u>	<u>1,177,000</u>
Total funds	<u>29,037,658</u>	<u>19,941,396</u>	<u>(17,336,323)</u>	<u>(3,702,000)</u>	<u>27,940,731</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 2016.

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	2016 £	2015 £
Revenue reserves		
King Alfred's School - general	1,157,859	1,206,944
King Alfred's School - OTSA	216,519	136,978
Wantage CoE Primary School	293,030	274,357
Charlton Primary School	99,690	104,404
St Nicholas CoE Primary School	38,250	33,562
Millbrook Primary School	125,383	119,059
St James CoE Primary School	22,810	-
Central	101,680	-
Total before capital, fixed assets and pension reserve	<u>2,055,221</u>	<u>1,875,304</u>
Capital reserves - general	1,475,722	385,421
Capital reserves - project funding unspent at year end	31,980	123,897
Fixed asset fund (representing net book value of fixed assets)	32,758,808	31,349,036
Pension reserve	(8,381,000)	(4,696,000)
Total funds	<u>27,940,731</u>	<u>29,037,658</u>

17 Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation and FRS102 pension costs) £	Total £
King Alfred's School	6,246,353	1,532,360	1,443,543	1,085,043	10,307,299
Wantage CoE Primary School	1,223,525	110,900	129,969	221,489	1,685,883
Charlton Primary School	1,016,998	92,558	70,181	149,445	1,329,182
St Nicholas CoE Primary School	312,468	28,806	31,469	90,579	463,322
Millbrook Primary School	1,170,372	125,289	85,680	231,313	1,612,654
St James CoE Primary School	147,623	19,908	18,427	48,689	234,647
Central	332,302	207,254	62,544	190,737	792,837
	10,449,641	2,117,075	1,841,813	2,017,295	16,425,824
				Depreciation	994,499
				Other finance costs and pension costs FRS102	(84,000)
				Note 7	17,336,323

18 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	32,758,808	32,758,808
Current assets	1,177,000	2,365,237	1,993,249	5,535,486
Current liabilities	-	(1,487,016)	-	(1,487,016)
Non-current liabilities	-	-	(485,547)	(485,547)
Pension Scheme liability	-	(8,381,000)	-	(8,381,000)
Total net assets	1,177,000	(7,502,779)	34,266,510	27,940,731

19 Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	<u>98,927</u>	<u>489,724</u>

20 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	13,372	5,431
Amounts due between one and five years	5,502	2,959
Amounts due after five years	-	-
	<u>18,874</u>	<u>8,390</u>

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,605,073	5,726,830
Adjusted for:		
Cash transferred on conversion	-	(160,334)
Depreciation (note 13)	994,499	980,592
Gain on disposal of property	(84,557)	-
Capital income re fixed assets transferred on conversion	(702,504)	(2,781,778)
Capital grants from DfE and other capital income	(1,206,548)	(2,986,393)
Fixed asset donations	(574,351)	(1,582,192)
Other capital income	(9,605)	(538,668)
Interest receivable (note 6)	(6,984)	(6,815)
Defined benefit pension scheme obligation inherited	67,000	768,000
Defined benefit pension scheme cost less contributions payable (note 27)	289,000	264,000
Defined benefit pension scheme finance cost (note 27)	(373,000)	186,000
(Increase)/decrease in debtors	(230,281)	(685,686)
Increase/(decrease) in creditors	(818,543)	952,253
Net cash (used in)/provided by operating activities	<u>(50,801)</u>	<u>135,809</u>

22 Cash flows from financing activities

	2016 £	2015 £
Repayments of borrowing	(4,530)	(4,530)
Cash inflows from new borrowing	476,486	-
Net cash provided by/(used in) financing activities	471,956	(4,530)

23 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	6,984	6,815
Proceeds from sale of tangible fixed assets	296,400	-
Purchase of tangible fixed assets	(1,339,259)	(3,477,982)
Capital grants from DfE/EFA	1,206,548	2,986,393
Capital funding received from sponsors and others	9,605	538,668
Net cash provided by investing activities	180,278	53,894

24 Analysis of cash and cash equivalents

	At 1 September 2015 £	Cash flows £	At 31 August 2016 £
Cash at bank and in hand	3,730,681	601,433	4,332,114
	<u>3,730,681</u>	<u>601,433</u>	<u>4,332,114</u>

25 Contingent liabilities

There are no contingent liabilities that require disclosure.

26 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.

27 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.

As shown in note 31, the LGPS obligation related to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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 £203,172 were payable to the schemes at 31 August 2016 (2015: £185,429) 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 consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be 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 £1,036,770 (2015: £898,157).

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

Under the definitions set out in FRS 102, 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.

27 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 2016 was £760,000 (2015: £679,000), of which employer's contributions totalled £570,000 (2015: £501,000) and employees' contributions totalled £190,000 (2015: £178,000). The agreed contribution rates for future years are 13.2% for employers contributions and between 5.5-12.5% for employees until 31 March 2017. In addition, employer top-up contributions of £112,000 are due for the year ended 31 August 2017 (2016: £51,000). The next full triennial valuation will be carried out as at 31 March 2016 with new contribution rates set from 1 April 2017.

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 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.40%
Rate of increase for pensions in payment / inflation	2.30%	2.60%
Discount rate for scheme liabilities	2.10%	3.90%
Inflation assumption (CPI)	2.30%	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	14,195,000	14,480,000	14,771,000
Projected service cost	1,195,000	1,220,000	1,245,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	14,520,000	14,480,000	14,440,000
Projected service cost	1,221,000	1,220,000	1,219,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	14,730,000	14,480,000	14,235,000
Projected service cost	1,245,000	1,220,000	1,196,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	14,859,000	14,480,000	14,111,000
Projected service cost	1,251,000	1,220,000	1,190,000

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.3	23.3
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.6	25.5
Females	28.1	28.0

27 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:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	3,989,000	3,074,000
Gilts	770,000	571,000
Other bonds	218,000	161,000
Property	437,000	320,000
Cash	213,000	148,000
LLPs	222,000	163,000
Diversified growth fund	250,000	214,000
Total market value of assets	6,099,000	4,651,000
Present value of scheme liabilities		
- Funded	(14,480,000)	(9,347,000)
Surplus/(deficit) in the scheme	(8,381,000)	(4,696,000)

The actual return on scheme assets was £171,000 (2015: £171,000).

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	926,000	1,533,000
Net interest cost	173,000	164,000
Administration expenses	4,000	4,000
Total operating charge	1,103,000	1,701,000

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016 £	2015 £
At 1 September	9,347,000	6,925,000
Upon conversion	108,000	1,182,000
Current service cost	859,000	765,000
Interest cost	368,000	324,000
Employee contributions	190,000	178,000
Change in financial assumptions	3,702,000	-
Benefits paid	(94,000)	(27,000)
At 31 August	14,480,000	9,347,000

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

	2016 £	2015 £
At 1 September	4,651,000	3,447,000
Upon conversion	41,000	414,000
Interest income	195,000	160,000
Return on plan assets (excluding net interest on the net defined pension liability)	550,000	(18,000)
Employer contributions	570,000	501,000
Employee contributions	190,000	178,000
Benefits paid	(94,000)	(27,000)
Administration expenses	(4,000)	(4,000)
At 31 August	6,099,000	4,651,000

Reconciliation of opening and closing deficit				
	2016		2015	
	£	£	£	£
Pension deficit at 1 September		(4,696,000)		(3,478,000)
Current service cost	(859,000)		(765,000)	
Employer contributions	<u>570,000</u>		<u>501,000</u>	
Additional pension cost		(289,000)		(264,000)
Other finance costs		373,000		(186,000)
Deficits transferred on conversion of new schools		(67,000)		(768,000)
Actuarial losses		<u>(3,702,000)</u>		-
Pension deficit at 31 August		<u><u>(8,381,000)</u></u>		<u><u>(4,696,000)</u></u>

28 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, Chief Executive 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 £21,380 (2015: £23,216) and employer pension contributions amounted to £3,523 (2015: £3,337).

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 £42,224 (2015: £40,083) and employer pension contributions amounted to £6,959 (2015: £5,672).

Mr C Harrison (son of Philip Harrison, Trustee/Director) is employed by the Trust under the Peer Support Programme (see details below) and for Maths tutoring. Mr Harrison's remuneration during the year was £137 (2015: £Nil) and employer's pension contributions £21 (2015: £Nil).

Mr S Hocking (spouse of Gina Hocking, Trustee/Director) is employed by the Trust as a management coach. Mr Hocking's gross pay was £13,382 (2015: £16,350) for the year and employer's pension contributions amounted to £130 (2015: £nil).

Ms L Quinton Maryon (daughter of S Quinton, Member) has been employed by the Trust since 1 March 2016. Ms L Quinton Maryon's gross pay was £15,426 (2015: £Nil) for the year and employer's pension contributions amounted to £2,542 (2015: £Nil).

Prior year only transactions

Miss K Spiers and Miss J Harrison, daughters of Simon Spiers and Philip Harrison respectively, were Sixth Form students at King Alfred's. Both were 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 to 31 August 2015 for this work, and Miss Harrison £432, at rates consistent with those paid to other students.

29 Events after the balance sheet date

The Trust Board approved the acceptance of an offer from a Developer to purchase King Alfred's East Site on 15 December 2016. A deposit will be receivable upon exchange. Vacant possession of the site is to be handed to the Developers, and the sale is planned to complete, on or before 1 January 2018. The approved offer is for an amount materially in excess of the depreciated historic carrying value included within these financial statements.

On 15 December 2016, the Directors approved a motion to accept Larkmead School in Abingdon to join the Trust. Larkmead School will join the Trust with positive reserves.

30 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2016 the trust received £16,642 (2015: £18,704) and disbursed £15,806 (2015: £21,917) from the fund. An amount of £5,869 (2015: £5,033) is included in other creditors relating to undistributed funds that are repayable to EFA.

31 Additions to the Academy Trust

On 1 March 2016, St James Church of England Primary School, Hanney (Local Authority maintained school) converted to academy status under the Academies Act 2010 and 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 as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
Tangible fixed assets:				
Leasehold buildings	-	-	692,000	692,000
Other tangible fixed assets	-	-	10,504	10,504
Budget surplus on LA funds	9,423	-	16,193	25,616
	9,423	-	718,697	728,120
LGPS pension deficit	-	(67,000)	-	(67,000)
Net assets	9,423	(67,000)	718,697	661,120

The above net assets include £Nil that was transferred as cash at bank in the year.

32 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 2016 totalled £2,131, and balances held at that date totalled £16,169.

33 Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds

		1 September 2014	31 August 2015
	Notes	£	£
Total funds under previous UK GAAP		23,310,828	29,037,658
Total funds reported under FRS 102		<u>23,310,828</u>	<u>29,037,658</u>

Reconciliation of net income/(expenditure)

		31 August 2015
	Notes	£
Net income/(expenditure) previously reported under UK GAAP		5,829,830
Change in recognition of LGPS interest cost	A	(103,000)
Net income/(expenditure) reported under FRS 102		<u>5,726,830</u>

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £103,000 and decrease the debit in other recognised gains and losses in the SoFA by an equivalent amount.