

Vale Academy Trust

(A Company Limited by Guarantee)

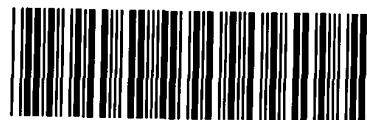
Annual Report and Financial Statements

Year ended 31 August 2017

Company Registration Number:
07674473 (England and Wales)

Period of account: 1 September 2016 – 31 August 2017

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Vale Academy Trust

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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
Kirsteen Roberts (appointed 1st January 2017)
Jeffrey Penfold
Robin Sharples (resigned 31st December 2016)
Iain Littlejohn (appointed 22nd February 2017)
Joseph Pillman (appointed Chair on 19th October 2016)
Christopher Williams

Company Secretary

Victoria Roberts

Vale Academy Trust
Reference and Administrative Details (continued)

Trust Leadership Team

Simon Spiers
Peter Thompson
David Pearce

Gill Evans
Allison Ascroft
Jean Creagh

Chief Executive
Finance Director (until 31st August 2016)
Finance Director (from 27th September 2016
until 30th September 2017)
Chief Operating Officer (from 16th June 2017 until
30th September 2017)
Interim Finance Director (from 4th September 2017)
Operations Director (until 16th June 2017)
HR Director

Company Name

Vale Academy Trust

Principal and Registered Office

The Studio
St Mary's Convent
Denchworth Road
Wantage OX12 9AU

Company Registration Number

07674473 (England and Wales)

Independent Auditor

Critchleys LLP
Beaver House
23 – 38 Hythe Bridge Street
Oxford
OX1 2EP

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 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Vale Academy Trust 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. Since then one more secondary school and four more primary schools have joined the Trust bringing the total to eight.

All eight schools are located in the south of Oxfordshire and together form a contiguous catchment area that includes some of the UK's leading centres for science, engineering and education.

Our aim is to ensure that every child in the Trust has access to high quality and exciting education from 2-18, with our staff being able to focus on the really important aspects of teaching and learning, progress and attainment, behaviour and leadership, while leaving the non-teaching aspects of the Trust to a dedicated specialist 'back office' team.

Academy School	Joined	Capacity (including nursery provision where applicable)	Pupils on Roll (Oct 17 census)
Charlton Primary School	01/10/13	420	403
King Alfred's Academy (secondary & sixth form)	01/10/13	2205	1795
Larkmead School (secondary & sixth form)	01/01/17	1060	736
Millbrook Primary School	01/12/14	480	427
St James Church of England Primary School	01/03/16	210	128
St Nicholas Church of England Primary School	01/10/14	105	93
Thameside Primary	01/08/17	240	196
Wantage Church of England Primary School	01/10/13	480	416
Totals		5200	4194

Structure, Governance and Management

Constitution

The Vale 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 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.

Vale Academy Trust Trustees' Report

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

Members' Liability

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

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

For the year under review, the Board of Trustees/Directors comprised twelve positions, 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 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. In support of this, in May of 2017 we ran the first of what will become a regular skills audit, with participation from all Trustees and circa 50 members of the Trust's local governing bodies; the results have helped identify potential new candidates for succession to Trustee positions. The Trust also sources Trustee candidates through a number of other channels, including national governance recruitment agencies and local business networking.

Diversity is taken into account when considering Board composition, as we seek to reflect as wide a range as possible of gender, ethnicity, background, opinions, skills and experiences. 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.

Vale Academy Trust Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

Governance Guides

During the year under review the Trust developed and published two online, interactive governance guides: the Governor's Guide and the Director's Guide. Each guide provides a single-source reference to key Trust and education sector information, best-practice guidance, and the tools and processes associated with governance in our Trust.

Induction

One of the prime functions of the governance guides is to give new Governors and Trustees a roadmap for induction, complete with signposts to the most appropriate information and tools. The new Governor/Trustee follows a step-by-step path, enabling them to easily navigate the induction formalities and quickly turn to acquiring a solid understanding of the Trust, its schools and their own particular role in governance.

Before their first formal governing body meeting, an inductee will attend a two to three-hour meeting with the Trust's Head of Governance, who provides them with a Trust-wide view of governance and policy and describes the composition, responsibilities and relationships of the Trust's governance bodies. In addition, at this meeting an induction plan is devised, tailored to suit the background, experience, role and interests of the new governor/trustee. Typical induction plans include elements such as:

- Meetings with appropriate Chairs, Trustees, Governors and central team members
- Attendance at training sessions on specific topics of interest/need
- Follow-up and ongoing support from the central governance team

Skills Audit

During this reporting period the Trust developed an online version of the National Governance Association's skills audit, and ran its first trust-wide audit with the participation of all Trustees and Governors. The results from the audit were analysed and discussed at a workshop evening attended by all participants, which led to a greater understanding of strengths and areas for improvement across the Trust. In turn, this has helped inform the choice of subject matter and content for our governance development programme.

Governance Development

The Trust runs a governance development programme throughout the academic year, comprising a series of presentations and workshops on a wide range of governance-related subjects. All Governors and Trustees are strongly encouraged to attend all events. In the reporting period, topics included:

- Inspecting Governance
- IT Policy and E-Safety
- Skills Audit and Governance Support
- Understanding Progress 8
- Budgeting and Future Funding Cost Factors
- Understanding PUMA and PIRA
- Growth Mindset in Schools and its Impact

Organisational Structure

The Board of Directors is made up of eleven individuals (plus one vacancy), 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 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.

Headteachers continue to be 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 and the Chair of the cluster of academies has supported Heads during the year. However, planning also took place for this temporary role to cease as of September 2017. As such part of the year has been taken up with developing the new structure ready for implementation in September 2017. This new structure will include a

Vale Academy Trust Trustees' Report

new Executive Headteacher for Primary and Transition but also a new Secondary School Improvement Leader. Both roles were advertised and filled during this period and both took up post in September 2017.

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 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. This team has increased in size during the year to reflect the steady growth of the Trust. New appointments have included another Assistant Headteacher for Primary and Transition focusing on Teaching & Learning and Curriculum, based at Millbrook Primary School for three days a week. Another post was that of the Data Officer to support the Teaching & Learning team with accurate and up to date pupil data, including attendance data.

With regards to the back office team we have seen some significant changes during the year in review. In January we made an appointment to the new role of Head of Governance and Policy, while later in the year saw the retirement of the Operations Director and the appointment of a new Operations Manager. The Finance Director also announced his departure at the end of the year so as we plan to enter 2017/18 we will have an interim Finance Director in post until we are able to make a permanent appointment. These changes have challenged our capacity during the last quarter of the year and we should thank the Finance team who have covered so well during this period.

However due to these changes the planned introduction of a Chief Operating Officer to support the CEO has been put on hold until the Finance Director post is filled and we have the opportunity to reflect on our current position.

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 ESFA 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 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. Recommendations are then forwarded to the Trust Pay Committee in November to review both process and recommendations to ensure consistency and fairness.

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 is a partnership of 10 Teaching Schools who work together to deliver Initial Teacher Training, Newly Qualified Teacher Induction, Professional Development and School to School Support to schools in Oxfordshire. King Alfred's Academy is one of the Lead Teaching Schools in OTSA, and the Vale Academy Trust manage the finances of OTSA. OTSA is funded in a number of ways. Each lead Teaching School receives annual grant funding as a contribution towards the costs of delivering Teaching School Activity, beginning at £60,000 in the first year, £50,000 in the second and £40,000 in the third year and beyond. In addition, grant funding may be awarded to OTSA in respect of particular projects, usually focussed on school improvement. Teaching Schools are also expected to generate their own income to ensure their long-term financial sustainability by charging for the services provided. OTSA generates income from its leadership of NQT Induction, professional development and school support. This income is used to cover the central staffing costs of the OTSA

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Director, OTSA Administrator and other shared costs such as finance and external audit. It is understood and written into the OTSA constitution that any surplus income will be spent on activities which aim to benefit all schools in Oxfordshire, with no Lead School benefitting directly from revenue raised. The finances in relation to Initial Teacher Training are managed separately through the Cherwell School, Oxford.

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

Objectives and Activities

Objects and Aims

The principal object and activity of the 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.

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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.

Charlton's pupils 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 is central to the school vision, but not at the expense of the development of a wider curriculum, which is crucial to the school's journey to 'Outstanding'. The academic year 2016-17 saw further development of the Forest School Programme which now takes place daily. Through the development of the school library engagement in reading amongst pupils is now higher than ever and is reflected in high attainment and very good progress being made in this subject. The quality of the school's PE and Sport provision was again recognised with the award of the GOLD mark for excellence.

Charlton Primary School believes in developing the whole child and 2016-17 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 Cultural Club, Pottery Club, Bright Sparks Science Club, productions, residential and outward bound trips, constructions club, Origami, Junior Citizenship and our 'Outstanding' before and after school club are examples of the wider enrichment offered to pupils. The school is recognised in the community as an excellent school, a school where students are happy, kind and responsible.

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King Alfred's Academy

During a year of unprecedented change on many levels, the focus of King Alfred's has been to maintain its continued progress towards excellence in the classroom. Teaching and Learning has remained a priority above all others.

The curriculum changes at all key stages (Life After Levels KS3, new GCSEs/BTEC KS4 and the new linear A Levels KS5) have presented exciting (albeit challenging) opportunities for leadership at all levels across the Academy; combined with the planning for the closure of the KS3 site and the opening of new buildings for January 2018 alongside the daily running of the three site Academy has again demonstrated the strength, creativity and resilience of the staffing community at King Alfred's. Staff retention and development has also remained a key priority and the year ended being fully staffed with qualified teachers for September 2017.

We have continued to improve how we use technology for parents with the introduction of Parent Pay, electronic systems for Parents' Evening and nearly all parents now engaged with My Child At School (MCAS). This will lead to development next year of texting services and biometric systems for school lunches, as well as the launch of a social media presence. This year saw unprecedented parental engagement in several events ranging from consultations, to drugs education, promoting positive mental health events, education about risky behaviours and parent forums. This included a Saturday morning event relating to the move to two sites where over 100 parents attended for the morning. Both the drug and mental health event attracted in the order of 150 parents each.

Equally there has been significant progress seen in our PSHE programme relating to British Values and personal safety. Child Sexual Exploitation, drugs, alcohol, internet safety and mental health have all been embedded strongly within the curriculum, with visitors to KAA making a considerable impact on our students.

In a climate of financial austerity, root and branch staffing restructures have taken place for both teaching and support staff. Through managing vacancies and implementing a shadow two site structure in September 17, every effort has been made to ensure that financial planning for next year is robust.

Again this year our Sixth Form performance was truly excellent with a strong three-year trend of results under our belt. We can safely say that KAA Sixth Form is in the top 25% of all Sixth Forms nationally and we were delighted that four students achieved Oxbridge success, whilst others left for Durham, Bristol, Imperial and many other Russell Group universities. However, equally strong was our BTEC L3 performance and many students pursuing BTEC or combined A Level/BTEC qualifications left for university and apprenticeships. At GCSE we met the challenge of the new English and Mathematics qualifications. Both subjects showed strength in certain aspects of the GCSE and have learned lessons for the second year of the new qualification. Many GCSE subjects demonstrated excellent progress and outcomes for students; Science had a disappointing year after an excellent performance the year before, and specific actions will address the issues in the School Improvement Plan (17/18). Again the KAA EBacc measure resulted in nearly one third of the cohort achieving the EBacc, and is a measure of the robustness of the curriculum on offer at KAA.

All at King Alfred's, and particularly 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. KAA worked very closely with many external agencies to tackle the issue of promoting positive mental health in the community; this was supported exceptionally well by both agencies, the community and specialists. The resulting work has been shared amongst other Oxfordshire schools.

Enrichment has retained its priority status both within and outside of the curriculum through travel, sport and the King Alfred's Academic Enrichment Programme. The inaugural Sir Christopher Ricks Lecture made considerable impact on the community as part of the KAAEP and as ever, the Duke of Edinburgh Award has attracted significant numbers of students to participate at Gold, Silver and Bronze. We were delighted to see both students and staff attend St James' Palace in the autumn to receive Gold Awards.

The three to two site project made incredible and rapid progress over the course of the year. By the end of the year the two site timetable and staffing structure was in place, the four storey block was ready to be opened in September and the new Science block, as well as many changes to West were all well underway. This is a transformational and historic time for the community, and the challenge for the year ahead will be to focus on the highest quality teaching and learning for all students, maintenance of high aspirations for all and well-being of students and staff, whilst adapting to exciting and immense external change.

Vale Academy Trust Trustees' Report

Larkmead School

Larkmead School joined the Vale Academy Trust on 1st January 2017. This move followed extensive consultation with staff parents and the local community. The school's student created strap-line, "One Community| Individual Minds | Creating Futures encapsulates the nature of our school. Larkmead has now extended its community to be part of this wider trust and we believe that we have much to gain and equally much to contribute.

This year has been marked by significant academic success with a higher than average percentage of students moving on to Russell Group Universities and to Oxbridge. A-Level results in terms of raw figures were significantly above national average and progress was in the top 25% of the country. These results were our best ever at A-Level and were complemented by our best ever GCSE results again equalling and surpassing the national average and once again having a better than average progress score.

It was pleasing to see that all our groups made ground on the previous year with most able, special educational needs and low prior attainment students performing on or above national average. Disadvantaged students made significant progress over the previous year but remain a clear target for the school.

The school has continued to excel beyond the classroom with confirmation of the coveted Arts Mark Gold recognising the breadth of the Arts curriculum and a determination to achieve the very rare platinum status this year. The school also achieved the Silver School Games Award from Youth Sports Trust and the almost unprecedented occurrence of four school athletes representing the country nationally and internationally at, tennis, football, gymnastics and cross country running.

Larkmead is a small school with large connections and this connectivity has been deepened this year by close associations with the Cornerstone Theatre in Didcot with the support of the BBC Arts Editor Will Gompertz facilitating masterclasses for our talented performing artists and through a growing collaboration with our near independent school neighbours. In addition to the work we do with Ricardo PLC, who provide clear advice and guidance on the STEM workplace, we have agreed the siting of the local community music centre on campus at Larkmead. This represents a long held vision of making the school a significant hub within the community

Millbrook Primary

2016/17 was a successful year in terms of continuously improving outcomes for pupils – at the end of KS2 outcomes were better than at the end of the previous year. We were particularly pleased with the progress in maths as this was our main focus for the year. In addition, the children have benefited from a focus on 'growth mindset' which was highly visible throughout school in terms of effort and enthusiasm for learning.

The high standard of provision in Early Years has resulted in continuing good achievement in the Early Years. Staff changes and inexperience in year 1 saw a dip in phonics – we are confident that this will be reversed this year.

2016/17 saw 5 new teachers welcomed to Millbrook following the departure of some very experienced staff. The recruitment of 5 teachers was difficult and we struggled to attract and recruit candidates of the very highest calibre. To add to the situation one new teacher left at Christmas (unable to cope with the demands of class teaching), which created a significant disruption for the year group when we were unable to fill the vacancy. All these staff changes meant that the year was focused on creating consistency and on ensuring that the 'Millbrook Way' was well understood by all staff. 2 maternities at the end of the year mean that this pattern is repeated to a smaller extent this year.

We also trained a SCITT trainee who has started with us this September as an NQT. The training programme is rigorous but takes a great deal of leadership time to support the trainee effectively. With a completely new leadership team in place this year, this was a challenge and we decided not to recruit another trainee this year. However, leadership is developing rapidly as the new senior team embed into their roles and responsibilities. There is a very strong sense of shared purpose and a commitment to continuing to raise standards for all pupils.

Vale Academy Trust Trustees' Report

Attendance is good and consistently above 96%. The school continues to work hard with families who demonstrate low attendance and as a result we have low rates of persistent absenteeism. The behaviour of the children is good and has improved further following a review of the behaviour procedures. Children feel safe at Millbrook and we are confident that our safeguarding procedures are effective.

St James CE Primary

Four new members of teaching staff began work in September and quickly became integral parts of the team at St James. Waiting for the four new classrooms to be built has become a source of great frustration as the months have gone by and we still have no start date. The school continues to grow and we are accommodating children in a temporary classroom and the old library.

In December we had a successful outcome to a SIAMS visit where the school was graded as a GOOD school. The inspector made particular note of the fact that we are a 'rapidly improving school where Christian values influence positively' and also that staff and governors are constantly working to raise standards in pupil achievement. His report also recognises the significant impact of the VAT on improving pupil progress and the standards attained at St. James.

An extensive range of trips and visits continues to be a large part of life at St James. From a week long residential for year 6 to Yenworthy to an overnight stay for years 4 and 5 at Hill End, from a trip to RAL for year 5 and 6 to a day at Wittenham Clumps for Foundation and Yr 1. All the pupils at school benefit from the programme of visits that are planned throughout the year and financially supported by the Parents Association.

Sport is also an important aspect of life at St James. Last year 75% of the school took part in a range of after school clubs and 67% of the school competed in an event against other schools in the area. For the first time a group of children won the local Tri-golf competition to secure a place at the Oxfordshire School Games at Tilsley Park. We also achieved the gold School Sports Mark for the first time.

The high level of provision for children the early years and KS1 continues to have a positive effect on outcomes for students in this area. In KS2 provision is strong but as yet this has not impacted on KS2 results.

Parental engagement is improving with attendance at school events at an all-time high. This was clearly evident at the end of term open morning, where with the help of the music specialist from the VAT the children displayed some amazing drumming and rhythm work from around the world. So many parents and carers wanted to be a part of this morning that we had to move outside to marquees on the school field.

Finally, community involvement in school is also at an all-time high. We have active links with the Church, Open the Book, Hanney Tennis Club, Hanney Youth Football and the Gardening Club, as well as being regular contributors to the Hanney News.

St Nicholas CE Primary School

St Nicholas had a good year 2016-2017. Pupil numbers have remained above 90. We were full in Reception, Year 1, and Year 4 with only one space left in both Year 2 and Year 5.

Our results improved at the end of the academic year. Early Years and Key Stage 1 achieved a good set of results and attainment in Key Stage 2 improved significantly compared to 2015-2016.

73% of pupils achieved a good level of development in Early Years and 100% of pupils in Year 1 passed the phonics check.

In Year 2, 62% of pupils achieved the expected standard in the Key Stage 1 national curriculum tests. An element of why there was a shortfall was the high level of SEND in the Year 2 class. Three of the 13 pupils ended Year 2 with Education Health Care Plans (EHCP), two for Autistic Spectrum Disorder. An application for an EHCP for an additional pupil is now in progress for a fourth pupil. Disadvantaged pupils performed relatively well at Key Stage 1, with 60% achieving the expected standard in Reading and Writing and 80% in Maths; giving a RWM score of 60%. Also, 23% of pupils achieved a greater depth in Maths at KS1, which is above the national average of 21%.

Vale Academy Trust Trustees' Report

In Year 6, 10 pupils took the SATs tests. 70% of pupils achieved the expected standard in Reading, and 60% achieved the expected standard in Writing and Maths, resulting in an overall score of 50% of pupils achieving the expected standard in RWM. It is unfortunate that one pupil achieved expected in Reading and Writing but not in Maths. If this pupil had achieved expected in Maths, the overall figure would have been 60% taking the school much closer to the national figure of 61%.

The curriculum at St Nicholas continued to be rich, and deep learning took place as a result of the many trips and visits that form an integral part of each topic. Over 30 trips/visits took place in the last 12 months, including trips to the Winchester Science Centre, the Swindon STEAM museum, and a WW2 spy-training centre at Colleshill.

We introduced Growth Mindset to pupils at St Nicholas in September. Pupils learned about their brains being like muscles, and how they can grow their brains by challenging themselves. We encouraged pupils to take risks with their learning and to learn from their mistakes. As a result, pupils at St Nicholas ended the year with a more positive attitude to learning, keen to challenge themselves and secure in the knowledge that if they can't do something, it just means that they can't do it 'yet'.

In sport, the sport premium grant was used to fund 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. In the summer, St Nicholas won the local Vale Schools rounders tournament.

As a Church of England school, the distinctive Christian ethos of St Nicholas is extremely important to us. In July, St Nicholas experienced a SIAMS inspection and we were delighted to achieve an overall rating of 'Good' that included 'Outstanding' for Leadership and Management. This is an improvement from our previous rating of 'Satisfactory'. The inspector commented: The vision, passion and drive of the headteacher, supported by staff, governors and the Vale Academy Trust promotes an inclusive Christian ethos and a nurturing school community where everyone feels valued and respected.

Thameside Primary School

Thameside converted to an academy and joined the Vale Academy Trust on 1st August 2017. The Staff and Governors feel very positive about the opportunities this will give the school. Our key reasons for choosing to join the VAT were the provision of high quality, ongoing training for staff and governors and the opportunity to work closely with a group of supportive schools. We were very well supported by the VAT throughout the conversion process.

The school continues to work closely with Larkmead School, our feeder secondary school and three other South Abingdon primary schools. 2017 was the third year this group of schools has worked together to create a shared vision for developing learning skills across the schools. This is now well embedded at Thameside and the children talk openly about their responsibility, resilience and resourcefulness as learners.

In 2017 we introduced Philosophy for Children (P4C) to our curriculum and all children from Nursery to Year 6 take part in a weekly session that gives them the opportunity to pose questions which are then discussed and debated as a class. This complements our 'Beginning with a Book' curriculum, where carefully chosen, high quality texts are the backbone of the English curriculum and these are used to generate links with the other subjects such as science, history, geography and art.

Overall academic outcomes at the end of 2017 showed an improvement on the previous year. We were particularly pleased with our KS2 maths results which were in line with national results and our Year 1 Phonics test results which were above national.

Attendance last year saw a significant improvement across the school and included all groups. This was down to a whole school effort and the hard work of our Home School Link workers.

Wantage CE Primary School

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

Vale Academy Trust Trustees' Report

We are pleased to offer a wide range of extra-curricular activities including sports clubs such as judo, frisbee, water-polo, tri golf and quad kids athletics. We are very proud of our sporting successes and the ever increasing percentage of children who take part in a range of sports. As runner up for the Oxfordshire Primary Sporting school of the year we were also delighted that the Vale Academy Trust 'Team of the Year' came from Wantage. For the first time our school swimmers participated in competition at a national level.

Our church links are very important to us and our Year 5 children enjoy the dedicated support of the nuns from St Mary's Convent Wantage in helping them to understand the deeper meaning and significance of the Passion play which the children write, produce and perform.

Although entering the Early Years (F2) on average, 6 months behind their age-related expectations children left the Foundation Stage (F1) with attainment for the cohort in line with the national average. 72% of the cohort achieved GLD and we are very pleased that, as a result of effective intervention, 75% of pupils in receipt of PP achieved GLD.

Year 1 children attained the school's best ever phonic results (87%) as a result of the new approach to the teaching of phonics. 100% of pupils in receipt of PP funding (without SEND) passed the phonic screen and 88% of all PP pupils passed the phonic screen.

At the end of KS1 results for reading and maths were broadly average but our poor writing standards reflect the high proportion of children with Special Educational Needs in the year group.

At the end of KS2 results were in line with national attainment for writing and above national for Reading, Maths and Grammar, punctuation and spelling. More able pupils did particularly well in reading. Again, pupils in receipt of PP funding did well, outperforming the cohort in some areas and demonstrating the impact of the work we have done to engage children and their families this year.

Our children are becoming increasingly confident learners, as demonstrated by some talented Year 6 pupils who won a VAT public speaking competition and then went on to host the VAT sporting awards ceremony without adult support and with great aplomb.

Wantage does 'Strictly Come Dancing' was organised and hosted by the school council and provided an afternoon of fun and fund-raising for children's charities. The school council and 'Friends' worked together to raise funds to re-furbish both our libraries and outdoor play areas, raising over £8,000.

Dilys, a twelve-week old labradoodle puppy, joined the school in September 2016 as the result of a survey which found that 97% of children wanted to have a school dog. The children enjoy having Dilys join them in lessons, particularly in singing assembly where she is an active participant! She enjoys listening to children read and being 'trained' by the children while she is on playground duty. Dilys serves as a calming influence for upset children and is a useful 'de-stressor' for our staff.

Our dedicated and talented staff continue to support other schools. This year, Wantage staff have been seconded to key posts in VAT schools and offering support to schools within the Diocese and Oxfordshire Teaching Schools Alliance. We continue to recruit and train our own teachers as an accredited teaching school and are pleased that one of our trainees has taken up post with us this year and another will graduate and continue with us in September 2017.

Vale Academy Trust Trustees' Report

Key Performance Indicators

Current Ofsted ratings for each Academy (correct as of December 2017) and overall attendance for 2016-2017 is listed below. Overall attendance improved in all academies during the academic year. So far the Trust has overseen five Ofsted inspections and all academies have either held their previous grading or have improved. This is also the case for SIAMS inspections of Church Schools where we have now had three visits.

Name of Academy	Current Ofsted Rating	Date of most recent inspection	Expected date of next inspection	Attendance 2016/17 % 2015/16 in brackets
Charlton Primary	Good	May 2015	Summer or autumn 2018	96.58 (96.42)
King Alfred's	Outstanding	September 2014	Unknown	(94.03)
Larkmead Joined 1 January 2017	Good	Awaiting first inspection as part of Trust	Spring 2020	94.1
Millbrook Primary	Previous grade – Special Measures Requires Improvement but Good for Leadership, behaviour, Early Years and Safeguarding	September 2017	Autumn 2019	96.24 (95.84)
St James CE Primary	Good (Also latest SIAMS Inspection Good)	Awaiting first inspection as part of Trust	Summer 2019	96.53 (96.45)
St Nicholas CE Primary	Good (Also latest SIAMS Inspection is Good with Outstanding Leadership)	September 2017	Autumn 2020	94.71 (93.82)
Thameside Primary Joined 1 August 2017	Good	Awaiting first inspection as part of Trust	Autumn 2020	95.51 (94.35)
Wantage CE Primary	Good (Also latest SIAMS Inspection rating is Good)	June 2015	Summer or autumn 2018	96.46 (96.45)

Vale Academy Trust Trustees' Report

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 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 £8.438m (2016: £8.381m).

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 £53m 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 2017, as detailed in Note 18 to the financial statements, amounted to £54,683k (2016: £27,941k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £53,220k (2016: £32,758k) and the pension deficit fund of £8,438k (2016: £8381k), the operational fund balances amounted to £9,901k (2016: £3,563k) and are summarised as follows:

Vale Academy Trust Trustees' Report

	2017	2016
	£000s	£000s
GAG funds	1,016	616
Other restricted income funds	875	263
EFA capital project funding	1,267	1,389
Other restricted capital funds	5,480	118
Unrestricted funds	1,263	1,177
	<u>9,901</u>	<u>3,563</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.

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 Trust has seen a continuous period of growth since 2013. During this reporting year two further academies have joined us, Larkmead Secondary and Thameside Primary, both of which are in Abingdon.

The Trust is now responsible for over 4200 students and over 600 members of staff. As such the Trust's influence locally has grown and it is accepted that we are a major employer in the south of Oxfordshire.

The Trust remains determined to exist as an organisation focused on local schools and local children. The

Vale Academy Trust Trustees' Report

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.

Within these parameters there is scope to expand and we expect to continue to talk with a number of primary schools about the benefits of converting and joining the Trust. However, we do not expect any new schools to join us during the 2017/2018 academic year. 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 need to think carefully about our capacity to deliver services to schools whilst supporting and challenging them.

The Trust also applied to open a new Free School in Grove which will be required as part of a significant housing development on the site of an old airfield. We were delighted when the Department for Education approved the Trust as the preferred sponsor of the new school which will be a 4-16 'all through school' with a large nursery for 2 and 3 year olds. The new school will also be a Church of England school, which will reflect the mixed nature of our Trust which already has three primary Church of England schools. However due to various delays with developers, the new school is not expected to open until 2020 at the earliest.

A 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, and this has generated a major building programme which includes 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. However, King Alfred's will finally move to a two site school from its current three site structure in January 2018. This will be an historic moment for the academy after ten years of very hard work.

St James CE Primary School 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 (OCC), due to rapid housing developments locally. However, this project has been delayed due to issues with OCC and contractors.

On top of these major capital expansion projects, exciting improvements and refurbishment continue across all of our academies. Towards the end of the reporting period the Trust's central team began to move into newly refurbished offices based in the grounds of St Mary's Convent in Wantage, and is expected to complete the move early in the new academic year. This will allow the whole team to come together for the first time since the Trust was formed.

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. We must ensure that more of our academies are performing at or above national averages at KS1/2/4 and 5. 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. We are already collaborating with other similar minded trusts in Oxfordshire and other stakeholder groups. This will accelerate over the coming year.

Equal Opportunities and Employee Consultation

The 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 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

Vale Academy Trust Trustees' Report

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

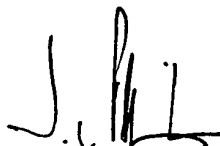
The Trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the Company Directors, on 4 December 2017 and signed on the Board's behalf by:



Joseph Pillman
Chair of the Board of Trustees

Vale Academy Trust Governance Statement (continued)

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that the 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 has formally met nine times during the year. Not all Trustees attended the full nine meetings as attendance is determined by when they were appointed/resigned – see table below.

Board of Trustees/Directors (Chair: Sara Ward until 19th October 2016. Joseph Pillman elected Chair on 19th October 2016 and re-elected on 19th October 2017.

Trustee	Meetings attended	Out of a possible	Appointed	Resigned
Sara Ward	2	2		20 th Oct 2016
Simon Spiers	9	9		
Philip Harrison	9	9		
Gina Hocking	9	9		
Christopher Ferguson	9	9		
Jennifer de la Coze	7	9		
Jeffrey Penfold	8	9		
Robin Sharples	2	3		31 st December 2016
Susan Hunter	9	9		
Kirsteen Roberts	4	6	1 st January 2017	
Iain Littlejohn	4	4	22 nd February 2017	
Joseph Pillman	8	9		
Christopher Williams	9	9		

The Trust has faced a number of key challenges during the year. These have included managing continued growth with two new academies joining us along with constant discussions with others who have been considering their position locally. Directors who also hold key governor positions within individual academies have also had to juggle a growing number of activities and the Board has spent time discussing how we may address this issue over the coming year. Succession planning remains a high priority in terms of Director appointments but also supporting key central team appointments as they have occurred during the year. Striking the balance between challenging individual academies over student outcomes of financial sustainability whilst at the same time supporting heads and LGB's will always prove difficult. This year the Board has used its delegated authority sensibly to ensure that improvements across our academies are steady and sustainable.

Vale Academy Trust Governance Statement (continued)

Governance Reviews

During the reporting period, the Trust undertook a number of governance-related reviews, including:

- an analysis and update of the Scheme of Delegation to clarify and emphasise the responsibilities of Governors and Trustees
- a comparison of the current Trust governance structure with a number of possible alternatives
- a skills audit of all Governors and Trustees to identify areas for development and to help with succession planning
- the Head of Governance and Policy reviewed and replaced circa 30 trust-wide policies and procedures, in order to standardise best practice across the Trust and to allow schools to focus on policy implementation and monitoring, rather than the task of policy writing
- a review of secondary school LGB committees to assess whether the right models and compositions were in place

The results from these activities will be considered in a Board 'vision and strategy workshop', scheduled to take place in January 2018.

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 seven 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 17/18

Attendance at meetings in the year was as follows:

Finance & Operations Committee (Chair: Christopher Ferguson)

Trustee	Meetings attended	Out of a possible	Appointed	Resigned
Christopher Ferguson	7	7		
Simon Spiers	7	7		
Philip Harrison	6	7		
Gina Hocking	3	7		
Jenny de la Coze	2	7		
Jeffrey Penfold	2	7		
Susan Hunter	4	7		
Joseph Pillman	5	7		
Robin Sharples	1	2		31 st December 2016
Chris Williams	7	7		
Iain Littlejohn	3	3	22 nd February 2017	
Kirsteen Roberts	3	5	1 st January 2017	

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 three times during the year. Not all trustee/directors attend the meetings as the committee comprises a core membership of a minimum of three persons and a maximum of five, with others attending on an ad hoc basis – see table below.

Vale Academy Trust Governance Statement (continued)

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	3	3		
Ed Byrne (External Member)	3	3		
Ed Mitchell (External Member)	2	3		23 rd April 2017
Nigel Tipple (External Member)	1	3		31 st August 2017
Terry Bond (External Member)	2	3		31 st August 2017
Jane Bardell (External Member)	0	0	10 th July 2017	

During this reporting period a key task for the committee was to continue 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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 2016 to 31 August 2017

Vale Academy Trust Governance Statement (continued)

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.

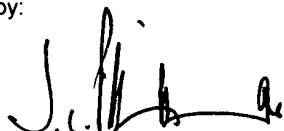
Review of Effectiveness

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 4th December 2017 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 2016.

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 2016.

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

4 December 2017

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 4th December 2017 and signed on its behalf by:



Joseph Pillman
Chair of the Board of Trustees

Vale Academy Trust

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

We have audited the financial statements of Vale Academy Trust ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 2016 to 2017 issued by the ESFA.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

Vale Academy Trust

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

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 24), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

Robert Kirtland (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford



Date:

15/12/17

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

Vale Academy Trust

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

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vale Academy Trust and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 15/12/17

Vale Academy Trust
Statement of Financial Activities
For the year ended 31 August 2017
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	26,069	-	1,714,842	1,740,911	2,685,292
Transfer from local authority on conversion	2,31	47,030	(918,217)	20,794,571	19,923,384	661,120
Charitable activities						
Funding for the academy trust's educational operations	3	-	17,730,658	-	17,730,658	14,674,630
Other income for educational operations	5	1,501,466	33,938	-	1,535,404	1,237,258
Teaching School		591,147	381,610	-	972,757	462,234
Other trading activities	6	169,871	-	-	169,871	129,321
Investments	7	7,779	-	-	7,779	6,984
Gain on disposal of property		-	-	5,633,669	5,633,669	84,557
Total		2,343,362	17,227,989	28,143,082	47,714,433	19,941,396
Expenditure on:						
Raising funds	8	91,699	-	-	91,699	97,714
Charitable activities:						
Academy trust educational operations	9	1,706,455	18,016,985	2,071,954	21,795,394	16,855,916
Teaching School	9	-	470,532	-	470,532	382,693
Total		1,798,154	18,487,517	2,071,954	22,357,625	17,336,323
Net income / (expenditure) before transfers		545,208	(1,259,528)	26,071,128	25,356,808	2,605,073
Transfers between funds	18	(412,227)	7,887	404,340	-	-
Net income / (expenditure) for the period		132,981	(1,251,641)	26,475,468	25,356,808	2,605,073
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,28	-	1,385,000	-	1,385,000	(3,702,000)
Net movement in funds		132,981	133,359	26,475,468	26,741,808	(1,096,927)
Reconciliation of Funds						
Funds brought forward at 1 September 2016		1,177,000	(7,502,779)	34,266,510	27,940,731	29,037,658
Funds carried forward at 31 August 2017		1,309,981	(7,369,420)	60,741,978	54,682,539	27,940,731

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

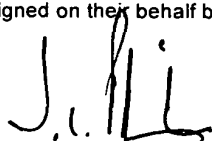
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Vale Academy Trust
Balance sheet
As at 31 August 2017

Company number:
07674473

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	14		53,219,684		32,758,808
Current assets					
Tangible fixed assets		60,000		-	
Debtors	15	12,287,396		1,203,372	
Cash at bank and in hand		<u>6,173,885</u>		<u>4,332,114</u>	
		<u>18,521,281</u>		<u>5,535,486</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(8,615,896)</u>		<u>(1,487,016)</u>	
Net current assets			<u>9,905,385</u>		<u>4,048,470</u>
Total assets less current liabilities			<u>63,125,069</u>		<u>36,807,278</u>
Creditors: Amounts falling due after more than one year	17		(4,530)		(485,547)
Net assets excluding pension liability			<u>63,120,539</u>		<u>36,321,731</u>
Defined benefit pension scheme liability	28		<u>(8,438,000)</u>		<u>(8,381,000)</u>
Total net assets			<u><u>54,682,539</u></u>		<u><u>27,940,731</u></u>
Funds of the academy trust:					
Restricted fixed asset funds	18		60,741,978		34,266,510
Restricted general funds					
Restricted funds excluding pension liability	18	1,068,580		878,221	
Pension reserve	18	<u>(8,438,000)</u>		<u>(8,381,000)</u>	
			<u>(7,369,420)</u>		<u>(7,502,779)</u>
Total restricted funds			<u><u>53,372,558</u></u>		<u><u>26,763,731</u></u>
Unrestricted funds	18		<u>1,309,981</u>		<u>1,177,000</u>
Total funds			<u><u>54,682,539</u></u>		<u><u>27,940,731</u></u>

The financial statements on pages 29 to 55 were approved by the trustees and authorised for issue on 4 December 2017 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 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	1,502,511	(50,801)
Cash flows from investing activities	24	(4,679,723)	180,278
Cash flows from financing activities	23	5,018,983	471,956
Change in cash and cash equivalents in the reporting period		<u>1,841,771</u>	<u>601,433</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2016		4,332,114	3,730,681
Cash and cash equivalents at 31 August 2017	25	<u>6,173,885</u>	<u>4,332,114</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 the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 14). 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 14 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 28, 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 28, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 28).

Vale Academy Trust
Notes to the financial statements
For the year ended 31 August 2017

2 Donations and capital grants

		Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Transfer on conversion	Note 31	47,030	19,876,354	19,923,384	661,120
DfE/ESFA capital grants					
Devolved formula capital grant		-	90,517	90,517	72,704
School condition allocation		-	1,619,089	1,619,089	1,460,621
ESFA capital project funding - ACMF/CIF		-	-	-	484,679
		-	1,709,606	1,709,606	2,018,004
Donated fixed assets		-	-	-	574,351
Other donations		26,069	5,236	31,305	92,937
		<u>73,099</u>	<u>21,591,196</u>	<u>21,664,295</u>	<u>3,346,412</u>

The income from donations and capital grants was £21,664,295 (2016: £3,346,412) of which £73,099 was unrestricted (2016: £83,179), £-918,217 restricted (2016: £-52,000) and £22,509,413 restricted fixed assets (2016: £3,320,657).

3 Funding for Academy's educational operations

		Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants					
General Annual Grant (GAG)		-	16,273,307	16,273,307	13,436,081
Pupil Premium		-	592,129	592,129	503,167
Other ESFA grants		-	424,036	424,036	408,509
		-	17,289,472	17,289,472	14,347,757
Other Government grants					
Early Years funding		-	227,247	227,247	162,687
Local authority revenue funding		-	213,939	213,939	164,186
		-	441,186	441,186	326,873
		-	17,730,658	17,730,658	14,674,630

The funding for the academy's educational operations was £17,730,658 (2016: £14,674,630) of which £Nil was unrestricted (2016: £Nil), £17,730,658 restricted (2016: £14,742,630) and £Nil restricted fixed assets (2016: £Nil).

4 Teaching school income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
National College grants	-	130,700	130,700	68,000
OTSA SCITT	591,147	250,910	842,057	394,234
	<u>591,147</u>	<u>381,610</u>	<u>972,757</u>	<u>462,234</u>

Vale Academy Trust
Notes to the financial statements
For the year ended 31 August 2017

5 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Trip and activity income	651,972	-	651,972	480,622
Transport charges	79,160	-	79,160	100,255
Catering income	397,477	-	397,477	308,478
Other income	372,857	33,938	406,795	347,903
	<u>1,501,466</u>	<u>33,938</u>	<u>1,535,404</u>	<u>1,237,258</u>

The other income for educational operations was £1,535,404 (2016: £1,237,258) of which £1,501,466 was unrestricted (2016: £1,626,068), £33,938 restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

6 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Hire of facilities	67,845	-	67,845	31,624
Catering income from other schools	102,026	-	102,026	97,697
	<u>169,871</u>	<u>-</u>	<u>169,871</u>	<u>129,321</u>

The other trading activities income was £169,871 (2016: £129,321) of which £169,871 was unrestricted (2016: £129,321), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

7 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Short term deposits	7,779	-	7,779	6,984
	<u>7,779</u>	<u>-</u>	<u>7,779</u>	<u>6,984</u>

The investment income was £7,779 (2016: £6,984) of which £7,779 was unrestricted (2016: £6,984), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

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8 Expenditure

	Staff Costs £	Non Pay Premises Costs £	Expenditure Other Costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	43,592	-	48,107	91,699	97,714
Academy's educational operations					
Direct costs (note 9)	13,548,711	-	1,896,260	15,444,971	11,946,108
Allocated support costs (note 9)	2,771,916	1,212,763	2,365,744	6,350,423	4,909,808
Teaching School					
Direct costs (note 9)	78,153	-	311,003	389,156	345,346
Allocated support costs (note 9)	39,044	4,025	38,307	81,376	37,347
	16,437,824	1,216,788	4,611,314	22,265,926	17,238,609
	16,481,416	1,216,788	4,659,421	22,357,625	17,336,323

The expenditure on raising funds was £91,699 (2016: £97,714) of which £91,699 was unrestricted (2016: £97,714), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

The expenditure on academy's educational operations was £22,265,926 (2016: £17,238,609) of which £1,706,455 was unrestricted (2016: £1,164,097), £18,487,517 restricted (2016: £14,430,571) and £2,071,954 restricted fixed assets (2016: £980,592).

Net income/(expenditure) for the period includes:

	2017 £	2016 £
Operating lease rentals	13,349	12,265
Depreciation	1,443,592	994,499
(Gain)/loss on disposal of fixed assets	(5,633,669)	(84,557)
Fees payable to auditor for:		
Audit	16,800	14,600
Audit related assurance	2,000	1,250
Other assurance	1,775	850
Other services	10,950	16,795
Non-governance advisory services	-	21,800

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9 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	15,444,971	11,946,108
Support costs - educational operations	6,350,423	4,909,808
	<u>21,795,394</u>	<u>16,855,916</u>
Direct costs - teaching School	389,156	345,346
Support costs - teaching school	81,376	37,347
	<u>470,532</u>	<u>382,693</u>
	<u>22,265,926</u>	<u>17,238,609</u>

Analysis of support costs

	Teaching School	Educational operations £	Total 2017 £	Total 2016 £
Support staff costs	39,044	2,546,916	2,585,960	2,072,517
Depreciation	-	1,443,592	1,443,592	994,499
Technology costs	1,725	34,176	35,901	27,586
Premises costs	4,025	1,212,763	1,216,788	1,018,426
Other support costs	36,582	852,399	888,981	862,367
Governance costs	-	35,577	35,577	55,760
Other pension costs	-	821,000	821,000	289,000
Other finance costs (FRS102 pension)	-	(596,000)	(596,000)	(373,000)
Total support costs	<u>81,376</u>	<u>6,350,423</u>	<u>6,431,799</u>	<u>4,947,155</u>

Vale Academy Trust
Notes to the financial statements
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10 Staff Costs

	2017	2016
	£	£
Staff costs during the period were:		
Wages and salaries	12,955,688	10,091,113
Social security costs	1,136,741	755,773
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	2,086,892	1,631,813
FRS102 Other pension and finance costs	225,000	(84,000)
	<u>16,404,321</u>	<u>12,394,699</u>
Agency supply staff costs	43,048	80,890
Staff restructuring costs	34,047	7,132
	<u>16,481,416</u>	<u>12,482,721</u>
 Staff restructuring costs comprise:		
Redundancy payments	34,047	4,280
Severance payments	-	-
Other restructuring costs	-	-
	<u>34,047</u>	<u>4,280</u>

There are no non-statutory/non-contractual severance payments included in staff restructuring costs for either 2016 or 2017.

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

	2017	2016
	No.	No.
Teachers	178	201
Administration and support	352	266
Management	11	10
	<u>541</u>	<u>477</u>

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

	2017	2016
	No.	No.
£60,001 - £70,000	4	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	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 £354,861 (2016: £335,717).

11 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:

	2017	2016
	£	£
King Alfred's School	301,510	453,442
Wantage CoE Primary School	81,160	84,609
Charlton Primary School	66,780	66,322
Larkmead School	64,696	-
Thameside Primary School	10,178	-
Millbrook Primary School	77,520	79,689
St James CoE Primary School	28,560	11,915
St Nicholas CoE Primary School	24,180	22,656
	<u>654,584</u>	<u>718,633</u>

12 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.

	2017	2016
	£	£
S Spiers, Chief Executive and Trustee		
Remuneration	£130k-£135k	£120k-£125k
Employer's pension contributions paid	£20k-£25k	£20k-£25k
J De La Coze, Staff Trustee		
Remuneration	£0-£5k	-
Employer's pension contributions paid	£0-£5k	-

During the period ended 31 August 2017, expenses totalling £74 were reimbursed to one trustee for travel and subsistence expenditure incurred in their role as trustee (2016: £Nil).

13 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 (2016: £10m) on any one claim and the cost for the period ended 31 August 2017 was £3,864 (2016: £2,904).

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

14 Tangible fixed assets

	Freehold land and buildings £	Leasehold buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost						
As at 1 September 2016	13,881,879	21,869,807	379,214	686,060	47,895	36,864,855
Transfer on conversion	-	20,759,464	-	-	-	20,759,464
Additions	-	6,505,918	13,130	26,813	26,144	6,572,005
Disposals	(6,049,058)	-	-	-	-	(6,049,058)
As at 31 August 2017	7,832,821	49,135,189	392,344	712,873	74,039	58,147,266
Depreciation						
As at 1 September 2016	1,449,047	1,721,846	250,866	646,973	37,315	4,106,047
Charges in period	175,210	1,180,760	47,441	30,372	9,809	1,443,592
Disposals	(622,057)	-	-	-	-	(622,057)
As at 31 August 2017	1,002,200	2,902,606	298,307	677,345	47,124	4,927,582
Net book values						
As at 31 August 2017	6,830,621	46,232,583	94,037	35,528	26,915	53,219,684
As at 1 September 2016	12,432,832	20,147,961	128,348	39,087	10,580	32,758,808

Leasehold arrangements

The leasehold buildings column includes long leasehold interests for sites at King Alfred's School (East and West sites), Charlton Primary School, Larkmead School, Millbrook Primary School and Thameside Junior 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 2017 are assets under construction amounting to £5,318,648 (2016: £729,867).

Freehold additions and disposals

Freehold land at King Alfred's East Site, was sold during the year with ESFA permission 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 ESFA loan in note 16 is also for this project.

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15 Debtors

	2017	2016
	£	£
Trade debtors	216,902	54,739
VAT recoverable	713,625	128,540
Prepayments and accrued income	457,038	1,019,887
Other debtors	10,899,831	206
	<u>12,287,396</u>	<u>1,203,372</u>

Included in other debtors is £2,262,135 (2016: £Nil) falling due after one year.

16 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,272,602	423,073
Salix loan	4,530	4,530
ESFA Capital loan	5,543,102	-
Other taxation and social security	338,949	227,607
Other creditors	330,454	226,729
Accruals and deferred income	1,126,259	605,077
	<u>8,615,896</u>	<u>1,487,016</u>

Deferred income

	2017	2016
	£	£
Deferred income at 1 September	265,583	185,748
Released from previous years	(265,583)	(185,748)
Resources deferred in the period	323,947	265,583
Deferred income at 31 August	<u>323,947</u>	<u>265,583</u>

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

17 Creditors: amounts falling due in greater than one year

	2017	2016
	£	£
ESFA capital loan	-	476,486
Salix loan	4,530	9,061
	<u>4,530</u>	<u>485,547</u>

During the year to 31 August 2016, a loan was entered into with the ESFA 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 2017 reflect the total drawn down as at that date.

Vale Academy Trust
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18 Funds

	Balance at 1 Sept 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	616,336	16,273,307	(16,291,435)	(105,557)	492,651
Pupil Premium funding	-	592,129	(592,129)	-	-
Other DFE/ESFA funding	-	424,036	(424,036)	-	-
Local authority revenue funding	-	213,939	(213,939)	-	-
OTSA	216,519	381,610	(470,532)	412,227	539,824
Early Years funding	-	227,247	(227,247)	-	-
Sports related funding	27,439	-	-	-	27,439
Transfers on conversion	-	298,783	-	(298,783)	-
Sweatbox	17,927	33,938	(43,199)	-	8,666
Pension reserve (note 28)	(8,381,000)	(1,217,000)	(225,000)	1,385,000	(8,438,000)
	<u>(7,502,779)</u>	<u>17,227,989</u>	<u>(18,487,517)</u>	<u>1,392,887</u>	<u>(7,369,420)</u>
Restricted fixed asset funds					
School Condition Allocation	1,357,282	1,619,089	(465,341)	(1,275,356)	1,235,674
ACMF/CIF projects	31,980	-	-	(1,027)	30,953
Devolved Formula Capital	97,918	90,517	-	(134,409)	54,026
Other capital income	-	5,236	-	(5,236)	-
Capital funds transferred on conversion	-	35,107	-	(1,795)	33,312
ESFA capital loan	-	-	-	(5,543,102)	(5,543,102)
Net proceeds of property sale restricted for capital reinvestment	20,522	5,633,669	(163,021)	6,220,261	11,711,431
Fixed asset fund (note 14)	32,758,808	20,759,464	(1,443,592)	1,145,004	53,219,684
	<u>34,266,510</u>	<u>28,143,082</u>	<u>(2,071,954)</u>	<u>404,340</u>	<u>60,741,978</u>
Total restricted funds	<u>26,763,731</u>	<u>45,371,071</u>	<u>(20,559,471)</u>	<u>1,797,227</u>	<u>53,372,558</u>
Unrestricted funds					
Unrestricted funds	1,177,000	2,343,362	(1,798,154)	(412,227)	1,309,981
Total unrestricted funds	<u>1,177,000</u>	<u>2,343,362</u>	<u>(1,798,154)</u>	<u>(412,227)</u>	<u>1,309,981</u>
Total funds	<u>27,940,731</u>	<u>47,714,433</u>	<u>(22,357,625)</u>	<u>1,385,000</u>	<u>54,682,539</u>

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	2017 £	2016 £
Revenue reserves		
Charlton Primary School	40,968	99,690
King Alfred's School - general	915,775	1,157,859
King Alfred's School - OTSA	539,824	216,519
Larkmead School	179,341	-
Millbrook Primary School	165,053	125,383
St James CoE Primary School	22,496	22,810
St Nicholas CoE Primary School	33,442	38,250
Thameside Primary School	106,414	-
Wantage CoE Primary School	232,121	293,030
Central	143,127	101,680
Total before capital, fixed assets and pension reserve	<u>2,378,561</u>	<u>2,055,221</u>
Capital reserves - general	7,491,341	1,475,722
Capital reserves - project funding unspent at year end	30,953	31,980
Fixed asset fund (representing net book value of fixed assets)	53,219,684	32,758,808
Pension reserve	(8,438,000)	(8,381,000)
Total funds	<u>54,682,539</u>	<u>27,940,731</u>

Vale Academy Trust
Notes to the financial statements
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18 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	6,863,345	1,491,576	1,582,622	1,009,570	10,947,113
Wantage CoE Primary School	1,302,991	128,499	109,100	212,482	1,753,072
Charlton Primary School	1,097,234	107,582	57,960	214,214	1,476,990
St Nicholas CoE Primary School	358,788	28,635	30,452	85,307	503,182
Millbrook Primary School	1,216,195	132,441	79,844	207,565	1,636,045
St James CoE Primary School	418,958	45,709	37,504	90,680	592,851
Larkmead School	2,012,826	386,268	265,936	160,014	2,825,044
Thameside Primary School	62,722	9,300	2,000	8,439	82,461
Central	293,805	299,542	41,845	237,083	872,275
	13,626,864	2,629,552	2,207,263	2,225,354	20,689,033
				Depreciation	1,443,592
				Other finance costs and pension costs FRS102	225,000
				Note 8	22,357,625

19 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	53,219,684	53,219,684
Current assets	1,309,981	4,136,844	13,074,456	18,521,281
Current liabilities	-	(3,068,264)	(5,547,632)	(8,615,896)
Non-current liabilities	-	-	(4,530)	(4,530)
Pension Scheme liability	-	(8,438,000)	-	(8,438,000)
Total net assets	1,309,981	(7,369,420)	60,741,978	54,682,539

Vale Academy Trust
Notes to the financial statements
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20 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	-	98,927

21 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	5,502	13,372
Amounts due between one and five years	-	5,502
Amounts due after five years	-	-
	<u>5,502</u>	<u>18,874</u>

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	25,356,808	2,605,073
Adjusted for:		
Cash transferred on conversion	-	-
Depreciation (note 14)	1,443,592	994,499
Gain on disposal of property	(5,633,669)	(84,557)
Capital income re fixed assets transferred on conversion	(20,759,464)	(702,504)
Capital grants from DfE and other capital income	(1,709,606)	(1,206,548)
Fixed asset donations	-	(574,351)
Other capital income	(5,236)	(9,605)
Interest receivable (note 7)	(7,779)	(6,984)
Defined benefit pension scheme obligation inherited	1,217,000	67,000
Defined benefit pension scheme cost less contributions payable (note 28)	821,000	289,000
Defined benefit pension scheme finance cost (note 28)	(596,000)	(373,000)
(Increase)/decrease in tangible fixed assets held for sale	(60,000)	-
(Increase)/decrease in debtors	(193,014)	(230,281)
Increase/(decrease) in creditors	1,628,879	(818,543)
Net cash provided by/(used in) operating activities	<u>1,502,511</u>	<u>(50,801)</u>

Vale Academy Trust
Notes to the financial statements
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23 Cash flows from financing activities

	2017 £	2016 £
Repayments of borrowing	(4,531)	(4,530)
Cash inflows from new borrowing	5,023,514	476,486
Net cash provided by financing activities	5,018,983	471,956

24 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	7,779	6,984
Proceeds from sale of tangible fixed assets	169,660	296,400
Purchase of tangible fixed assets	(6,572,004)	(1,339,259)
Capital grants from DfE/ESFA	1,709,606	1,206,548
Capital funding received from sponsors and others	5,236	9,605
Net cash (used in)/provided by investing activities	(4,679,723)	180,278

25 Analysis of cash and cash equivalents

	At 1 September 2016 £	Cash flows £	At 31 August 2017 £
Cash at bank and in hand	4,332,114	1,841,771	6,173,885
	4,332,114	1,841,771	6,173,885

26 Contingent liabilities

There are no contingent liabilities that require disclosure.

27 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.

28 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £289,567 were payable to the schemes at 31 August 2017 (2016: £203,172) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay; and
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Scheme changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The pension costs paid to TPS in the period amounted to £1,373,922 (2016: £1,036,770).

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.

28 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 2017 was £915,000 (2016: £760,000), of which employer's contributions totalled £684,000 (2016: £570,000) and employees' contributions totalled £231,000 (2016: £190,000). The agreed contribution rates for future years are 16.7% for employers contributions and between 5.5-12.5% for employees until 31 March 2017. In addition, employer top-up contributions of £100,000 are due for the year to 31 March 2018 (2016: £112,000). The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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 2017	At 31 August 2016
Rate of increase in salaries	4.20%	4.10%
Rate of increase for pensions in payment / inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.10%
Inflation assumption (CPI)	2.70%	2.30%
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.

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.4	23.3
Females	25.5	25.8
<i>Retiring in 20 years</i>		
Males	25.7	25.6
Females	27.9	28.1

Sensitivity Analysis

	At 31 August 2017 £	At 31 August 2016 £
Present value of total obligation		
Discount rate +0.1%	16,814,000	16,814,000
Discount rate -0.1%	17,583,000	17,583,000
Mortality assumption - 1 year increase	17,756,000	14,859,000
Mortality assumption - 1 year decrease	16,650,000	14,111,000

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28 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 2017 £	Fair value at 31 August 2016 £
Equities	5,402,000	3,989,000
Gilts	1,303,000	770,000
Other bonds	423,000	218,000
Property	569,000	437,000
Cash	337,000	213,000
LLPs	284,000	222,000
Diversified growth fund	430,000	250,000
Alternative assets	8,000	-
Total market value of assets	8,756,000	6,099,000
Present value of scheme liabilities		
- Funded	(17,194,000)	(14,480,000)
Surplus/(deficit) in the scheme	(8,438,000)	(8,381,000)

The actual return on scheme assets was £929,000 (2016: £745,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	2,722,000	926,000
Net interest cost	184,000	173,000
Administration expenses	1,000	4,000
Total operating charge	2,907,000	1,103,000

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28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £	2016 £
At 1 September	14,480,000	9,347,000
Upon conversion	2,267,000	108,000
Current service cost	1,505,000	859,000
Interest cost	332,000	368,000
Employee contributions	231,000	190,000
Actuarial (gain)/loss	(1,494,000)	3,702,000
Benefits paid	(127,000)	(94,000)
At 31 August	17,194,000	14,480,000

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

	2017 £	2016 £
At 1 September	6,099,000	4,651,000
Upon conversion	1,050,000	41,000
Interest income	148,000	195,000
Return on plan assets (excluding net interest on the net defined pension liability)	781,000	550,000
Actuarial gain/(loss)	(109,000)	-
Employer contributions	684,000	570,000
Employee contributions	231,000	190,000
Benefits paid	(127,000)	(94,000)
Administration expenses	(1,000)	(4,000)
At 31 August	8,756,000	6,099,000

Reconciliation of opening and closing deficit				
	2017		2016	
	£	£	£	£
Pension deficit at 1 September		(8,381,000)		(4,696,000)
Current service cost	(1,505,000)		(859,000)	
Employer contributions	684,000		570,000	
Additional pension cost		(821,000)		(289,000)
Other finance costs		596,000		373,000
Deficits transferred on conversion of new schools		(1,217,000)		(67,000)
Actuarial gains/(losses)		1,385,000		(3,702,000)
Pension deficit at 31 August		(8,438,000)		(8,381,000)

29 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 (2016: £21,380) and employer pension contributions amounted to £3,354 (2016: £3,523).

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 £42,635 (2016: £42,224) and employer pension contributions amounted to £7,026 (2016: £6,959).

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 £357 (2016: £137) and employer's pension contributions £53 (2016: £21).

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 (2016: £13,382) for the year and employer's pension contributions amounted to £nil (2016: £130).

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 £32,378 (2016: £15,426) for the year and employer's pension contributions amounted to £5,336 (2016: £2,542).

The husband of Mrs Sue Hunter (Trustee/Director), Mr Alastair Hunter, is a Trustee of Community of St Mary the Virgin, Wantage & has been involved in the lease of property at the Convent.

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 £21,343 (2016: £16,642) and disbursed £19,417 (2016: £15,806) from the fund. An amount of £7,795 (2016: £5,869) is included in other creditors relating to undistributed funds that are repayable to EFA.

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31 Additions to the Academy Trust

On 1 January 2017 and 1 August 2017 respectively Larkmead School and Thameside Primary School (Local Authority maintained schools) 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 transfers have been accounted for as combinations that are in substance gifts. 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	-	-	20,759,464	20,759,464
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	47,030	298,783	35,107	380,920
	47,030	298,783	20,794,571	21,140,384
LGPS pension deficit	-	(1,217,000)	-	(1,217,000)
Net assets	47,030	(918,217)	20,794,571	19,923,384

The above net assets include £185,298 that was transferred as cash at bank in the year.