



Vale Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

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

Period of account: 1 September 2017 – 31 August 2018

Vale Academy Trust

Contents

Item	Page
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	21
Statement on Regularity, Propriety and Compliance	25
Statement of Trustees' Responsibilities	26
Independent Auditor's Report on the Financial Statements	27
Independent Reporting Accountant's Report on Regularity	30
Statement of Financial Activities including Income & Expenditure Account	32
Balance Sheet	33
Statement of Cash Flows	34
Notes to the Financial Statements, incorporating:	35
Statement of Accounting Policies	
Other Notes to the Financial Statements	

Vale Academy Trust

Reference and Administrative Details

Members

Joseph Pillman
Stephen Quinton
Richard Peters
The Diocese of Oxford (represented by Gordon Joyner)

Trustees

Jennifer de la Coze (resigned 18/10/2018)
Christopher Ferguson (Chair of Finance & Operations Committee)
Philip Harrison
Wendy Hart (appointed 13/09/2018)
Gina Hocking
Susan Hunter (resigned 18/10/2018)
Iain Littlejohn
Jeffery Penfold
Joseph Pillman (Chair of Board of Trustees)
Kirsteen Roberts
Simon Spiers (Accounting Officer)
Beth Taylor (appointed 18/10/2018)
Christopher Williams

Company Secretary

Victoria Roberts

Trust Leadership Team

Chief Executive Officer	Simon Spiers
Finance Director & COO	David Pearce (until 30/09/2017)
Interim Finance Director	Gill Evans (30/09/2017 to 01/02/2018)
Finance Director	Richard Quayle (from 01/02/2018)
Human Resources Director	Jean Creagh

Company Name & Number Vale Academy Trust (7674473)

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

Independent Auditor **Critchleys Audit LLP**
Beaver House, 23-38 Hythe Bridge Street
Oxford OX1 2EP

Bankers

Natwest Bank
11 Market Place, Abingdon, Oxon OX14 3HH
Lloyds Bank
8 Ock Street, Abingdon, Oxon OX14 5AP

Solicitors

Stone King LLP
Boundary House, 91 Charterhouse Street
London EC1M 6HR

Vale Academy Trust Trustees' Report

The Trustees present their Annual Report, together with the financial statements and Auditors' Report for the charitable company for the period 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of being both Trustees' Report, and 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 South 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 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.

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.

Details of the Trustees who served during the year, and to the date these accounts are approved, 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

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust 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 persons, including the Chief Executive (referred to as Executive Principal in the articles) on an ex-officio basis. The remaining eleven posts comprise: three appointed by the Diocese of Oxford; eight appointed by the Members, three of whom are appointed from amongst the chairs of the local governing bodies. More recently however Directors who are also Chairs of LGB's have been asked to hold only one of those posts. As such the intention is to move away from any Director holding the post of Chair of an LGB within the Trust.

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.

Vale Academy Trust Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees *(continued)*

Trustees continually monitor the Board's balance of skills and experience in order to identify areas where additional resource would be beneficial, with particular attention given to new challenges emerging from Trust growth and development. In support of this, the Trust operates an online skills audit tool, which is used by individual Trustees to self-assess their strengths and weaknesses. The results from these assessments are compiled into a skills matrix for the Board, and used to help determine person specifications for new Trustee appointments. 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.

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

Induction

Before their first formal governing body meeting, a new Trustee/Governor 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 inductee. 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

Governance Guides

Online guides for Trustees/Governors have been developed, which provide single-source references to key Trust and education sector information, best-practice guidance, and the tools and processes associated with governance in our Trust.

Skills Audit

The Trust has developed an online version of the National Governance Association's skills audit, and this is undertaken by every new Trustee and Governor and fed into the skills matrix of the appropriate governing committee. All trustees and governors are required to re-take the skills audit at least once every 18 months.

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
- School improvement and self-evaluation
- Understanding primary and secondary data
- Budgeting and Future Funding Cost Factors
- Strategy and vision for the Trust
- Understanding PUMA and PIRA
- HR workshops on staff absence and gender equality

Vale Academy Trust Trustees' Report (continued)

Organisational Structure

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

The 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 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 central team and is supported by the Executive Headteacher (for the Trust's Primary schools) and the School Improvement Lead (for the Trust's Secondary Schools).

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. Secondly, there is the team leading on monitoring who also challenge teaching and learning across the Trust – this includes specialists from Early Years education through to Secondary education.

We have seen some significant changes during the past year. After the departure of the Finance Director in September 2017, we appointed an interim Finance Director until we were able to appoint a new full time and permanent Finance Director in February 2018. There have been other staff changes within the finance team, making this another testing year for the central finance team, with the recruitment of both temporary and permanent team members proving to be challenging.

The Board delegates a range of responsibilities to the Chief Executive, to 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.

**Vale Academy Trust
Trustees' Report (continued)**

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Nil	Nil

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	Nil
1%-50%	Nil
51%-99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

Provide the total cost of facility time	Nil
Provide the total pay bill	Nil
Provide the percentage of the total pay bill spent on facility time	Nil

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	Nil
---	-----

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. Up until June 2018 King Alfred's Academy was one of the Lead Teaching Schools in OTSA, and the Vale Academy Trust continues to manage the finances of OTSA. OTSA is funded in several ways. Each lead Teaching School receives annual grant funding as a contribution towards the costs of delivering Teaching School Activities, 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 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. However, with the change in status at King Alfred's it has been decided that the OTSA funds will be transferred to the River Learning Trust as of January 2019.

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

Vale Academy Trust Trustees' Report (continued)

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.

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 across all the Trust's academies for all pupils and students
- Improving Teaching and Learning
- Improving attendance across academies, with a particular focus on those pupils and students who are classed as Persistent Absentees (PAs)
- Supporting schools with the recruitment and retention of high quality staff

Each objective is supported by detailed targets, plans, and success criteria.

Vale Academy Trust Trustees' Report (continued)

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, as it fosters many collaborative links with community and other stakeholder groups.

Strategic Report

Achievements and Performance

Charlton Primary School

Charlton Primary School continues to be firm in its vision to become a top performing school and our values (Be Happy, Be Responsible and Be Kind) remain strong throughout. We continue to offer a rich and diverse curriculum that pupils enjoy and leaves them well prepared for the next stage of their development. Strong attendance and positive feedback from all stakeholders show much parents and pupils value the education they receive.

We are pleased to offer a broad range of extra-curricular activities such as numerous sports clubs, foreign languages, the arts, around the world club, problem solving, and maintenance club. We are very proud of our ever-increasing percentage of children who take part in a range of sports and competitive events. In recognition of our commitment to PE and healthy lifestyles last year saw the school receive the Sports 'Gold' award for the third year running.

Statutory outcomes at the end of Foundation, Year 2 and in phonics remain good or better. A high proportion of pupils achieved the greater depth standard at KS1 with reading a particular strength. Overall combined attainment at KS2 was lower than the previous year. However, outcomes in writing were significantly above national and the percentage of those achieving greater depth across subjects, like KS1, was above the national average.

Last year saw a renewed focus on pupil and staff well-being. Following the reduction in outside support services and the noticeable effect it was having on some families, the school felt that this was an important area to develop and clearly for some pupils is a key factor in their future success. Our work around anti-bullying through the 'All Together' programme was recognised and celebrated through the achievement of 'Gold' status. Our goal for the forthcoming year is to build on this success.

The school is well-supported by the Vale Academy Trust and Local Governing body.

King Alfred's Academy

The 'year of unprecedented change' described in last year's annual report was again a feature of 2017/18, although the significant events which occurred as part of that period of change brought opportunities as well as challenges for the academy, and those opportunities for improvement and change have been grasped by staff at all levels of the academy.

The strategic move from three sites to two, (the '3 to 2' project) progressed well in 2017 and the final move from East site took place in January 2018, under the excellent strategic oversight of Deputy Headteacher Chris Boyle. The significant refurbishments on West Site were completed in good time for the start of the new academic year, and the Sports Hall will be completed by Christmas. The new Centre Site Science block was also completed on time, along with the refurbishments to all of the existing facilities. Work to complete landscaping of the new student social area will also be completed by Christmas.

Work is already underway on the final phase of the 3 to 2 project, which is the refurbishment of the Sixth Form Centre on Portway. This will be completed by the end of the current academic year. Credit is due to Chris Boyle and the team involved in managing what has been an extremely complex and challenging logistical project. Consequently, students and staff are now able to enjoy the benefit of the project, working in facilities truly fit for purpose for learning in the twenty first century.

Vale Academy Trust Trustees' Report (continued)

King Alfred's Academy *(continued)*

Headteacher Jo Halliday left King Alfred's in April of 2017, after 17 years of loyal service to the school, including 3.5 years as Headteacher. Following a rigorous and robust selection process, governors appointed Rick Holroyd as the new, substantive Headteacher, to take up post in September 2018. This will be a second Headship for Rick, who led Langtree School in the south of the county for the last thirteen years and who brings considerable experience of school leadership and improvement to the new role.

In the interim, Deputy Headteacher Jon Smart took up the post of Acting Headteacher and led the academy through a period of considerable challenge. Jon brought a considerable amount of experience and skill to the interim role, leading with courage, sensitivity and wisdom. It is appropriate to reiterate the thanks of all staff, governors and students which have been expressed to Jon for the hard work, skill and care which he brought to the role during the course of the summer terms.

In addition to Jon's appointment as Acting Headteacher, other temporary changes were put in place across the Leadership Team, partly to reflect changed accountabilities following the structural change from three sites to two, and also to ensure that the team had the capacity to lead the school pending the appointment of a substantive Headteacher. The current structure is under review and will be clarified during the current academic year.

By far and away the most significant challenge Jon faced in the interim role was the Ofsted inspection of May 2018. Following disappointing outcomes at KS4 in 2017, especially for disadvantaged students and those with Special Educational Needs, Ofsted judged the academy to be Requiring Improvement, category 3 in the Ofsted scale of judgements although the provision within the sixth form was judged to be Outstanding.

The outcome has been embraced by leaders at all levels of the academy as an opportunity to focus in on the core issues which the academy needs to improve to ensure future success.

It is to the credit of the staff at King Alfred's that they all responded with determination, resilience and professional commitment to make the changes which were highlighted in the report. These were to:

- Improve the quality of teaching by making the very best practice the standard
- Improve outcomes at KS4, especially for disadvantaged / SEN students
- Improve the use of assessment data
- Improve standards of behaviour and attendance, especially at KS3

The Headteacher elect joined the Leadership Team during the summer terms to plan new strategies to address these four key improvement points. In conjunction with the Heads of Faculty, the Leadership Team created three key documents – the 'Blueprints' – which set out new approaches to teaching and learning, behaviour and school values. These Blueprints formed the basis of staff training during the September INSET days, and will continue to inform the provision of CPD throughout the current academic year.

The initial impact of the Blueprints on the operation, culture and ethos of the academy is extremely encouraging. Staff have reported that September brought the most positive start to an academic year for a long time, and students reported through a series of student voice activities that they feel teaching and behaviour are significantly improved.

Improvements in Literacy and Reading have also been key drivers in the academy's teaching and learning strategy, and the creation of a new library on Centre Site, along with strategic improvements to support reading across the academy, are already having an extremely positive impact, especially on the progress of disadvantaged students.

The change in culture and ethos was signified to the community with the introduction of a new uniform in September 2018. This implementation followed a period of lengthy consultation with all stakeholders during the AY 2017/18, and the new uniform has been widely celebrated, bringing some extremely positive responses and feedback from parents and the community.

Vale Academy Trust Trustees' Report (continued)

King Alfred's Academy (continued)

In addition, a great deal of successful work was done in the summer terms to improve links with our community of feeder primary schools. Additional events were planned for the summer and for the autumn terms in 2017/18, including a community 'Open Morning' on the newly refurbished Centre Site, which was extremely well attended. Further strategic work continues in 2018, and all transition events were extremely well attended, with visitors giving very positive feedback, reflecting a significant change in public perception of the academy in the wider community.

Staff and governors were also buoyed over the summer with a set of GCSE results which indicated significant improvements across the curriculum, and this has added to the sense of purpose and optimism for further improvements in the current academic year. Progress 8 improved from -0.29 in 2017 to -0.05, Attainment 8 from 45.1 to 48.3. The Basics measure rose from 62% to 66% and 21% of students achieved the Ebacc measure.

The progress and attainment of disadvantaged students and those with SEND continues to be a focus, although the outcomes for both sub groups in 2018 indicated that outcomes were improving. The P8 score for disadvantaged students improved from -0.98 in 2017 to -0.57, and A8 from 31.3 to 34.2. Similarly, P8 for SEND students rose from -1.14 to -0.80, although A8 for the same group fell slightly from 21.8 to 21.2. There is still much to do to improve these outcomes for these key sub groups still further, and work is well underway to do so in 2018/19.

In the Sixth Form, teaching of reformed BTEC Level 3 courses and the final suite of reformed A levels began in September 2017. In September 2018 new Level 2 BTEC Technical qualifications were introduced to cater for students needing to re-sit English and Maths GCSE, improving our recruitment into Year 12.

Sixth Form students yet again maintained outstanding outcomes, with combined A level and BTEC results producing a Progress score of +0.22, which is the second highest in the county. Overall 30% of all A level grades were at A*/A, and 60% were at A*/B. For the second year running, four students from King Alfred's were successful in securing places at Oxbridge, and 31% entered Russell Group universities, against a national average of 23%. With regard to BTEC outcomes, 78% of all results were D*/D.

Throughout this period of challenge, staff have worked with great dedication and commitment to ensure that the core strengths of the academy continue to thrive. The Duke of Edinburgh programme remained extremely popular, with 319 students taking the award at all levels during the course of the year. The Academic Enrichment programme continued to thrive and students in all years continued to take advantage of a wide range of trips and visits to a wide range of venues. In 2017/18, students were offered opportunities to learn in the 'outdoor classroom' on the following trips: the Yowlbury Residential (Year7); Brecon Beacons (Year7); Barcelona (Year7); Normandy (Years 7&8); Ski trip (Years 8 -10); Ardeche (Year8); Alpine Adventures (Year9); Watersports (Years9&10); Morocco (Year10); Florence (Year12); Tanzania (Year 12&13); Malaga (Years 12&13); and a KS4 Spanish Exchange.

After a challenging year in many ways, the academy moves into 2018/19 with a sense of optimism for the future, as all staff and governors focus on embedding the improvements already put in place to move the academy back to Good and beyond and, in doing so, making King Alfred's a school at the heart of the local community of which our parent body can be truly proud.

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.

Vale Academy Trust Trustees' Report (continued)

Larkmead School *(continued)*

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 award, 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

2017/18 started with an Ofsted report that moved us from our previous designation of Special Measures, and graded us as Good in leadership, behaviour and Early Years. The year was also characterised by some significant staff turnover and meant that a great deal of time was spent supporting staff in new roles. However, the year also saw a Head of School appointed to support the Head as she developed in her Trust role. The Head of School led on teaching and learning and was effective in raising standards in T&L and in accelerating rates of progress across the school.

The year included a review of Teaching Assistant (TA) deployment at lunchtimes to promote positive behaviour. This ensured that all TAs work over lunchtime to increase ratios and improve supervision and support. This also meant that we were able to open the library as a resource every break and lunchtime.

The September Ofsted was followed by an extremely positive DfE visit in March 2018 which flagged no concerns and stated that the school should continue its current course. Moderation visits in EYFS, Y2 and Y6 were all highly successful and staff in all three were praised for the quality of provision and the range of assessment evidence. A Behaviour Management Consultancy (named "Pivotal") was commissioned to carry out a "behaviour health check" in June to review progress. The report was incredibly positive and, again, urged the school to keep up the good work, describing the whole atmosphere of the school as 'upbeat and positive'.

The School Development Plan focused on:

- Through increasing rates of progress, continue to raise standards across the school in Reading, Writing and Maths for all children
- Ensure that teaching is consistently effective in promoting high quality outcomes for all pupils
- Ensure that leadership at all levels is effective in raising standards in the curriculum and in pupil outcomes

Data, moderation visits and monitoring data evidence show that all these areas of focus were met or rapidly improving.

Vale Academy Trust Trustees' Report (continued)

St James CE Primary School

St James continued to grow this year; by the end of the year we had 128 pupils on roll, and the delay in the building continued to be a source of frustration. We were excited, therefore, when we finally saw the contractors Carters on site at the end of the summer term.

Academic provision is always at the forefront of our thinking and we were delighted with the KS2 results that were published in July, with 75% of pupils in Year 6 reaching the expected standard in reading, writing and maths. Results were equally strong in both foundation stage and KS1.

A monitoring visit by members of the central team in December left the school with several action points and increased support from the central team.

Sport continues to be a priority at St James and we have again achieved the Gold School Sports Mark. Pupils from across the school took part in 25 different sporting events against other schools, and many intra-school events.

Parents continue to be involved in life in school, supporting in classrooms, on trips and visits and at Forest School. Over the course of the year, every child in school has had the opportunity to attend Forest School at one of the three sites we have available to us.

This year saw the introduction of a new curriculum based around real texts and big questions. Pupil engagement has increased, and children are increasingly excited about their learning. Staff are able to plan exciting and stimulating opportunities to write, and also to include an increasingly wide range of trips and visits to enhance the learning further. The use of books as a starting point for topics has increased engagement in reading at a time when we do not have a library. Engagement in reading and subsequent results can be seen to be improving.

The school continues to be at the heart of the community, with involvement in several village clubs and also through its use of the village hall for the end of year production.

OFSTED Inspectors visited the school in early October 2018 – the school has been graded Good in all areas. We will report more fully in next year's Annual Report.

St Nicholas CE Primary School

St Nicholas underwent an Ofsted inspection in early September 2017. The result was Good with a key strength being noted as the excellent support from the Trust, which enabled the school to reverse the decline in standards in KS2 and Early Years provision. The teaching of phonics was also noted as very good, and for the second year in a row St Nicholas achieved one hundred per cent pass mark in the Year 1 phonics screening.

The school has continued to grow, and numbers have remained above 90, with most of the Reception intake coming from the village of East Challow.

The high level of provision for children in Early Years and KS1 continues to have a positive effect on outcomes for pupils. In KS2 provision is improving, but, as yet, this has not impacted on KS2 results. Staff changes in KS2 have not helped the matter. In 2017/18 we needed to recruit two teachers for both KS2 classes. It was challenging to recruit for both roles and meant that half of the teaching staff were new. The appointment of a teaching SENDCo at the school has improved SEND provision greatly and has been a great support for parents and staff.

KS1 results were strong this year, particularly reading. Reading and writing were above the national average. The high standard of provision in Early Years continues to ensure that all children have the best possible start and standards continue to rise.

Children at St Nicholas continue to experience an extensive range of trips and visits. These included a week long residential for Years 5 and 6 to Woodlands, a visit from a theatre company, and a trip to the Discovery Centre at Bracknell with the Reception children, amongst other activities. All the pupils at school benefit from the programme of visits that are planned throughout the year and financially supported by the Friends Association.

Parental engagement is gradually improving with attendance at school events. This was evident at the Reception and KS1 Maths Evening, when the hall was packed with parents waiting to find out how they could support their children in Maths. The classrooms were also busy as the children returned in their pyjamas to listen to stories.

Vale Academy Trust Trustees' Report (continued)

St Nicholas CE Primary School (continued)

Community links continue to grow. The links with the Church are developing on a yearly basis. The children continue to enjoy and be involved with the Open the Book assemblies, led by an enthusiastic and dedicated group from the Church.

Finally, the school welcomed a new Headteacher in September 2018. Elise Keymer was promoted from within the school during the spring term in 2018

Thameside Primary School

Thameside has enjoyed its first year as part of the Vale Academy Trust. We have made full use of the CPD on offer. Teachers have appreciated the opportunity to take part in joint moderation with colleagues from other trust schools and subject co-ordinators have welcomed the opportunity to share ideas and have a network of people to work with. The school has been very well supported by members of the central team. We are still working on embedding the VAT assessment systems and are becoming more familiar with using the EYEs.

The children at Thameside continue to be the key reason why we all enjoy coming to work. The school has a calm, purposeful atmosphere and the children know they come to school to learn. We continue to work with Larkmead and three other South Abingdon schools to develop a bank of transferable learning skills. Each half term the school focuses on a different learning strand and we have an event to help the children make links. The highlights last year were the karate day focusing on 'managing distractions and watching chicks hatch as part of 'noticing', which caused great excitement for both children and staff.

Children from the school really enjoyed taking part in the VAT Mini Speaks competition and Primary Sports Award evening. Children from KS1 and 2 took part in an increased number of local competitions and other sporting events. We were all delighted when our Year 5 team won Abingdon School's mini Olympics competition.

There was an improvement in the number of children in Year 6 achieving age related expectations in reading, writing and maths. Progress scores were also higher in 2018. In Year 2 there was an increase in the number of children achieving ARE in all three areas. Phonics results dropped in Year 1, provision for phonics teaching remained the same as the previous year and the fall was due to the increased number of children with SEND. Overall, outcomes for pupil premium remain lower than those for non-PP children and this remains a key focus for the school. The number of children in Reception achieving GLD was low due to the very low starting points of children entering the school. Progress in Reception was better than expected for all areas and for all groups.

Wantage CE Primary School

In April 2018, Mrs Clare Morgan, Headteacher, left Wantage CE Primary School to take up headship of Hanborough Manor Primary School. During the summer term, Mrs Evy Boehm, deputy headteacher, stepped up as acting headteacher. Following a competitive recruitment process, Mr Andrew Browne was appointed as headteacher and he has been in post since September 2018.

Attainment at Wantage CE Primary school remains strong in the Early Years Foundation Stage and it has improved at Key Stage 1 and Key Stage 2. In 2018, 70% of Reception pupils achieved a good level of development; 88% of Year 1 pupils passed the phonics check; and Year 2 pupils achieved well in statutory assessments: 75% expected or above in reading, 70% expected or above in writing, and 80% expected or above in maths.

At KS2 in 2018, Year 6 pupils attained above national averages for expected or above in reading, writing and maths, 86%, 81% and 78% respectively, with a combined RWM figure of 71%. Our school priorities for 2018-2019 are to improve pupil progress between KS1 and KS2, and to close the gap for disadvantaged pupils.

Pupils at Wantage CE Primary School are safe, happy and enjoy their learning. We are well-supported by the Vale Academy Trust, the local church, parents, and the wider community. This enables us to offer our pupils a broad and balanced curriculum that enables pupils to flourish and to live life to the full. Last year, pupils from Wantage CE Primary school attended trips to the Vale and Downland Museum, Kilvrough Outdoor Education Centre, Court Hill Outdoor Centre, Oxford Castle, Wantage Library, The Bristol Sea Life Centre, Roves Farm, Hill End Outdoor Centre, Millets Farm, Winchester Science Museum and The Planetarium.

Vale Academy Trust Trustees' Report (continued)

Wantage CE Primary School (*continued*)

We are pleased to offer a wide range of extra-curricular activities including sports clubs such as judo, rugby, netball, tennis, 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 wide range of sports. We achieved the Schools Sports Mark Platinum Award this year, an accolade which we are proud of. We also competed in several local maths competitions and ran popular computing and robotics clubs.

We have a rich tradition of music at Wantage CE. Every year, Year 3 learn either the violin or cello; and individual instrument lessons take place in all years including flute, keyboard, piano, drums and guitar. Gordon Campbell, VAT music specialist, teaches one day a week, leading Key Stage choirs and whole-school singing.

Our church links are very important to us. A team from church present a weekly Open the Book assembly and Father Orazio regularly joins us for collective worship. We attend church each term and we look forward to the Prayer Space team who visit us twice a year. Our Year 5 pupils 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 pupils write, produce and perform every Easter.

Wantage does 'Strictly Come Dancing' is organised and hosted by the school council, and this annual event provides an afternoon of fun and fund-raising for children's charities. In 2017-2018, The school council and 'Friends' worked together to raise funds to re-furbish our outside play areas raising over £8,000 for a new climbing wall for KS1 and trim trail for KS2.

Staff development continues to remain at the heart of Wantage CE Primary School. We have two staff who have completed their teacher training and are now teaching full time with us, we employed the first apprentice TA in the trust (he is performing extremely well), and this year we have a TA who has progressed to train as a SCITT with us.

Since September 2018, school staff, parents and governors have been working together to formulate a distinctive Christian vision for the school: excellence for all in an environment of love, respect, forgiveness, courage and hope.

**Vale Academy Trust
Trustees' Report (continued)**

Key Performance Indicators

Current Ofsted ratings for each Academy (correct as of November 2018) and overall attendance for 2017-2018 is listed below. So far, the Trust has overseen seven Ofsted Inspections and the support and challenge provided by the Trust to individual schools has been highlighted each time. Please see Ofsted comments from each report below. This is also the case for SIAMS inspections of Church Schools where we have now had three visits.

Name of Academy	Date joined	Capacity	Pupils on Role (Oct 2018 census)	Current Ofsted Rating	Date of most recent inspection	Expected date of next Inspection	Overall pupil attendance 2017/18
Charlton Primary	1/10/13	420	419	Good	May 2015	Spring or summer 2019	96.51
King Alfred's Secondary	1/10/13	2205	1699	Requires Improvement	May 2018	Summer 2020	93.30
Larkmead Secondary	1/1/2017	1060	762	Good	Awaiting first inspection as part of Trust	Spring 2019-2020	94.28
Millbrook Primary	1/12/14	480	428	Requires Improvement but Good for Leadership, behaviour, Early Years and Safeguarding	September 2017	Autumn 2019	95.66
St James CE Primary	1/3/16	210	136	Good (Also latest SIAMS Inspection Good)	Oct 2018	Oct 2022	96.45
St Nicholas CE Primary	1/10/14	105	85	Good (Also latest SIAMS Inspection is Good with Outstanding Leadership)	September 2017	Autumn 2021	94.83
Thameside Primary	1/8/17	240	196	Good	Awaiting first inspection as part of Trust	Autumn 2020	95.09
Wantage CE Primary	1/10/13	480	414	Good (Also latest SIAMS Inspection rating is Good)	June 2015	Spring or summer 2019	95.90
		Total 5200	Total 4139				Average 95.3%

Vale Academy Trust Trustees' Report (continued)

References to the Trust's support and challenge for Trust schools and the impact of these as evidenced in Ofsted Reports following Inspections between 2015-2018, as well as other external evidence

St James CE Primary School – Ofsted Inspection October 2018 - Graded 'Good' in all areas

Leaders and the Trust provide highly effective support and professional development, which have improved teaching, the curriculum and pupils' outcomes well.

Leaders have worked closely with advisers from the Trust and other Trust schools to develop teaching, learning and assessment well. Together, they have ensured that all staff have high-quality training alongside access to professional development networks that have been very effective. Support for both experienced colleagues and those new to the profession is strong. All staff who spoke with the inspector and responded to the online staff survey said that they valued this.

The Trust works closely and effectively with the local governing body to which it has delegated responsibility for the day-to-day governance of the school. It has provided effective training and support for local governors, and a representative from the Trust sits on the local governing body. This has ensured smooth communication.

Governors have used their wide range of skills alongside the support from the Trust to scrutinise the work of school leaders closely.

Governors and the Trust have supported leaders well with the extensive building work. They have shouldered much of the burden such a project brings so that leaders can focus on ensuring a high quality of education for pupils.

Wantage CE Primary School – Founding member of VAT in October 2013. Inspection June 2015

Since the school became an academy, and particularly over the past year, pupils have made good progress and standards are rising as a result.

The executive headteacher and the Vale Academy Trust have provided very effective support and challenge to the school on its journey of improvement.

The Vale Academy Trust has provided very good support for the school since the conversion to academy status. The executive headteacher has a detailed understanding of the school's performance and provides good support and challenge to leaders. The Trust has also helped the development of governance well, and training and the sharing of expertise across the Trust schools have been mutually beneficial.

Charlton Primary School – Founding member of VAT Oct 2013. Inspection May 2015

Leadership and management are good. The expertise and strong partnership of the headteacher and new senior leaders with the Academy Trust have effectively and quickly improved teaching. Governors, in partnership with the Academy Trust, have clear responsibilities and ways of working. As a result, they are better at holding the school's leaders to account for its performance.

Leaders make effective use of the expertise from all of the schools within the Academy Trust to ensure that improvements are secure and sustainable.

The Academy Trust has provided very effective support for teacher training and for checking assessments, which has resulted in the effective tracking of pupils' achievements and raising the quality of teaching.

St Nicholas CE Primary School – Joined October 2014. Inspection Sept 2017 – Good (formally Special Measures until supported by OCC and King Alfred's – Inspected June 2013 pre-conversion – Good)

The school has benefited from being part of the Academy Trust. This is enabling newly appointed middle leaders to work in partnership with other Trust leaders to develop their knowledge, skills and capacity. Leaders value the support and mentoring they receive and the opportunity to learn from other schools within the Trust. This support has ensured that, during a period of staffing change, stability has been maintained and the school has continued to be led well.

With the effective support of the Trust, leaders have made difficult decisions and tackled underperformance. This effective action, combined with a high level of support from the Trust, has reversed the decline. As a result, outcomes have improved significantly.

Trustees and governors hold leaders to account rigorously. Leaders and trustees have a good understanding of the strengths of the school, and where further improvements are needed.

Vale Academy Trust Trustees' Report (continued)

References to the Trust's support and challenge for Trust schools and the impact of these as evidenced in Ofsted Reports following Inspections between 2015-2018, as well as other external evidence (continued)

St Nicholas CE Primary School – Joined October 2014. Inspection Sept 2017 – Good (formally Special Measures until supported by OCC and King Alfred's – Inspected June 2013 pre-conversion – Good) (continued)

Good support from the Trust has enabled the school to reverse the decline in standards in key stage 2. Teaching has been strengthened and standards have risen considerably from the significant dip in 2016.

Sports leaders from the Trust have worked effectively with teachers to develop their skills and confidence in physical education. This has improved the quality of teaching in the school and many pupils also benefit from increased opportunities to take part in competitive sport.

The Trust's leader for special educational needs provides effective leadership and is currently acting as the school's special educational needs coordinator.

Initial steps to secure improvement were hampered by staffing issues. These have now been resolved and the quality of teaching has improved significantly. The Trust's assertive action and support has also brought stability to the school during this period of significant staffing change.

Millbrook Primary School – Joined December 2014 as a sponsored academy in special measures. Inspected September 2017 – Overall Requires Improvement with Good in Leadership and Management, Behaviour and EYFS

Governors hold leaders to account fully and, together with leaders and the Trust, have steered the school effectively through a period of significant change, to reach a point where improvements are increasing.

Good-quality training and bespoke support from the Trust have been pivotal in securing these positive developments to the school.

Skilled leaders and staff from across the Trust have been instrumental in helping the School to improve

King Alfred's Academy – Founding member October 2013 – Section 8 Inspection Sept 2014 (maintained its previous grade of Outstanding). Section 5 Inspection May 2018 – Requires Improvement

The Vale Academy Trust is providing additional, effective leadership support, including supporting the Acting Headteacher in his role. Experts in teaching and learning help staff to make the changes necessary to improve pupils' outcomes. Subject leaders especially value being able to check the quality of pupils' work and to share good practice with staff from other schools in the Trust.

This year, governors and Trust leaders have taken swift and effective action to address previous weaknesses in governance. They have made sure that the school's self-evaluation is more accurate and improvement planning more thorough, so that they can hold senior leaders more effectively to account for their actions. New ways of working are being implemented.

RSC Initiated School Review of Millbrook Primary School, March 2018 following Inspection

Trust-level support is robust. The school improvement central team are involved with this academy at both strategic and operational level. The notes from visits provide evidence of the challenge and support. On the day of the visit the Trust Inclusion Adviser was working with a group of children in class to establish need and monitor progress.

SIAMS Inspection Reports

St Nicholas CE Primary School - June 17 – Overall Good with Outstanding Leadership

Experts from within the VAT are well placed to support leaders in driving standards. The regular support and expertise of the inclusion manager from the Trust ensures that systems and interventions are in place so that no pupil is left behind, and all have the opportunity to blossom.

Vale Academy Trust Trustees' Report (continued)

St James CE Primary School - December 2016 – Overall Good

The support of the VAT is having a significant impact upon improving pupil progress and the standards attained at the school.

The VAT has amongst its establishing articles a commitment to supporting the church school distinctiveness. It does this well, primarily by helping the school staff and governors to excel through effective professional development. This is a key dimension of effective succession planning and a strength of the school and the VAT

Wantage CE Primary School – Jan 2015 – Overall Good

Wantage Primary Academy has seen very significant organisational changes since joining the Vale Academy Trust in early 2014. It has an almost completely new group of highly effective and committed governors and a further layer of management in the directors of the Academy Trust.

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 & Skills Funding Agency (ESFA), 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 ESFA 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 £7.322m (2017: £8.438m).

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.

Vale Academy Trust Trustees' Report (continued)

Reserves Policy

The Trust's Reserves Policy is to hold in reserves sufficient sums to enable educational provision and the ongoing 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 2018, as detailed in Note 18 to the financial statements, amounted to £55,244k (2017: £54,683k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £57,006k (2017: £53,220k) and the pension deficit fund of £7,322k (2017: £8,438k), the operational fund balances amounted to £5,559k (2017: £9,901k) and are summarised as follows:

	£000s	£000s
GAG funds	191	493
Other restricted income funds	679	576
ESFA capital project funding	734	1,267
Other restricted capital funds	2,423	6,255
Unrestricted funds	1,532	1,310
	<u>5,559</u>	<u>11,901</u>

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 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 £7.3m 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.

Vale Academy Trust Trustees' Report (continued)

Fundraising

The trusts main fundraising source comprises parent teacher associations (PTAs). These are made up of parent volunteers and are independent of the Trust. The PTAs hold school events throughout the year to raise additional funds to enhance curriculum provision. No complaints have been received relating to these activities

Each PTA has a close working relationship with the relevant schools head teacher and staff. No complaints have been received relating to these activities.

Plans for Future Periods

Between 2013 and 2017 the Trust has seen a continuous period of growth. However, during this reporting year the Trust has remained stable and, as such, no new academies have joined us.

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

The Trust remains determined to exist as an organisation focused on local schools and local children. The Trust has no desire to expand into areas which are geographically distant. We believe that we should be able to drive to our academies within 45 minutes so that we can continue to develop a deep understanding of the local issues facing each academy within the Trust and that staff feel connected.

Within these parameters there is scope to expand and we expect to continue talks with a number of primary schools about the benefits of converting and joining the Trust. Any new schools wishing to join the Trust must share our vision and ethos which is centred on collaboration, support and challenge, and is based on the understanding that the Trust will not be successful until all academies are doing well.

Last year the Trust also applied to open a new Free School in Grove 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, reflecting the mixed nature of our Trust which already has three primary Church of England schools. Development of the site has now finally started after numerous delays. The planned opening date for the new school is not expected until 2021. However, during the summer of 2018 the Trust also decided to apply to be the sponsor of another new local primary school which is due to be built as part of another local housing development near Charlton. The new two form entry primary school will be called Kingsgrove Primary School. At the time of writing this report the Trust has been shortlisted, but the outcome of our application will not be known until the spring of 2019. The planned opening date for this new school is September 2020.

A major issue which has affected academies in the Trust over this period has been capital expansion. King Alfred's 3 to 2 project is almost complete after 8 years of continuous building and the school is now finally operating on two sites. After numerous delays (and the eventual collapse of Carillion) OCC allowed the Trust to undertake the capital expansion project for St James Primary School. That work has commenced and will be completed in May 2019, finally allowing the school to expand from a half form entry school to a one form entry school.

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, and 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 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 like-minded trusts in Oxfordshire and other stakeholder groups.

Vale Academy Trust Trustees' Report (continued)

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

Funds Held as Custodian Trustee on Behalf of Others

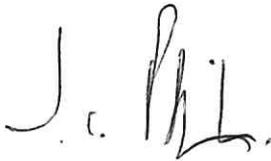
The Trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; 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 13 December 2018 and signed on the Board's behalf by:



Joseph Pillman
Chair of the Board of Trustees

Vale Academy Trust Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that 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 the 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 each 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, and attendance was as follows:

Trustee	Meetings attended	Out of a possible
Joseph Pillman	9	9
Simon Spiers	9	9
Philip Harrison	9	9
Gina Hocking	9	9
Christopher Ferguson	7	9
Jennifer de la Coze	7	9
Jeffrey Penfold	9	9
Susan Hunter	8	9
Kirsteen Roberts	8	9
Iain Littlejohn	9	9
Christopher Williams	8	9

During this period, the Board of Directors has remained stable. However, significant discussion has taken place about the role of Directors who are also Chairs of Local Governing Bodies and the potential for confusion or conflicts of interests to occur. As such, Directors have agreed that they should continue either with being a Director of the Board or as a Chair of Governors within a local academy, but not both. By October 2018 this separation of roles has been completed.

Committee work continued as planned but, again, after internal reviews it was decided that for 2018/19 the Pastoral and Teaching and Learning Committees would merge so as to reduce the risk of duplication. This will be monitored over the coming year. This is also linked to continued discussion and review regarding appropriate data and information which is required for each committee and produced by the central team.

As part of an ongoing discussion about the possibility of Voluntary Aided Schools joining the Trust, consultation began regarding necessary changes to the Articles of Association. These discussions continue.

After discussions linked to the vision for the Trust in January, Directors engaged with other local multi academy trusts on how we could work more closely together. This included possible merger discussions with other trusts. Whilst there is currently no plan to merge with any other trust, the Board is keen to continue to work closely with others locally.

Vale Academy Trust Governance Statement (continued)

Governance Reviews

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

- A review of the Scheme of Delegation and LGB Terms of Reference to clarify and emphasise the responsibilities of Governors and Trustees
- skills audits undertaken for all Governors and Trustees to identify areas for development and to help with succession planning
- a review of Board committees to ensure best composition and assignment of responsibilities and to avoid duplication
- Introduction of a rolling programme of school monitoring inspections (including governance) led by the Trust's central team with support from an external advisor

Committees

The Finance and Operations Committee is a sub-committee of the Board of Trustees. Its terms of reference include responsibility for agreeing the formal budget plans and the financial statements for each year, and for recommending their approval by the Board of Trustees. The committee also monitors financial activity during the year. Not all Trustees attended the full six meetings as the committee comprises a core membership, with others attending on an ad hoc basis – see table below.

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

- Oversight of Capital Projects
- Oversight of the centralisation of Trust-wide finance
- Approval of Trust budget for AY 18/19

Attendance at meetings in the year was as follows:

Finance & Operations Committee (Chair: Christopher Ferguson)

Trustee	Meetings attended	Out of a possible
Christopher Ferguson	6	6
Simon Spiers	6	6
Philip Harrison	4	6
Gina Hocking	2	6
Jennifer de la Coze	1	6
Jeffrey Penfold	2	6
Susan Hunter	3	6
Joseph Pillman	3	6
Christopher Williams	5	6
Iain Littlejohn	5	6
Kirsteen Roberts	2	6

The Audit & Risk Committee is a sub-committee of the Board of Trustees. It was established to provide assurance over the suitability of, and compliance with, the Trust's financial systems and operational controls. Its terms of reference include responsibility for agreeing that an effective audit process is in place. The committee has met four times during the year. Not all trustee/directors attend the meetings as the committee comprises a core membership of a minimum of three persons and a maximum of five, with others attending on an ad hoc basis – see table below.

Attendance at meetings in the year was as follows:

Vale Academy Trust Governance Statement (continued)

Committees (continued)

Audit & Risk Committee (Chair: Philip Harrison)

Trustee	Meetings attended	Out of a possible
Philip Harrison	3	4
Christopher Williams	3	4
Jeffrey Penfold	3	4
Jennifer de la Coze	1	4
Jane Bardell (External Member)	4	4
Ed Byrne (External Member)	3	4

During this reporting period key tasks for the committee included review of the Trust's Risk Register and oversight of the King Alfred's Academy 3:2 project.

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 1st September 2017 to 31st August 2018 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 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Vale Academy Trust Governance Statement (continued)

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 13 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, received by academy trust, 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 2017.

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 2017.

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 ESFA.



Simon Spiers
Accounting Officer

Date: 13 December 2018

Vale Academy Trust

Statement of Trustees' Responsibilities

The trustees (who 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 Academies Account Direction published by the Education & Skills 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/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 13 December 2018 and signed on its behalf by:



Joseph Pillman
Chair of the Board of Trustees

Opinion on financial statements

We have audited the financial statements of Vale Academy Trust ('the academy trust') for the year ended 31 August 2018 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 2017 to 2018 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 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 Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 academy trust 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 academy trust'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 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.

Vale Academy Trust

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

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

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 26), 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 academy trust'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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Vale Academy Trust

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

Use of our report

This report is made solely to the academy trust'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 academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date:

20/12/2018

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 dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.

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.

Vale Academy Trust

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

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to Vale Academy Trust 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.



Critchleys Audit LLP
Reporting Accountant
Oxford

Date:

20/12/2018

Vale Academy Trust
Statement of Financial Activities
For the year ended 31 August 2018
(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	-	64,509	1,884,734	1,949,243	1,740,911
Transfer from local authority on conversion		-	-	-	-	19,923,384
Charitable activities						
Funding for the academy trust's educational operations	3	-	20,078,871	-	20,078,871	17,730,658
Other income for educational operations	4	1,533,317	135,257	-	1,668,574	1,535,404
Teaching schools	5	-	724,510	-	724,510	972,757
Other trading activities	6	110,489	-	-	110,489	169,871
Investments	7	19,399	-	-	19,399	7,779
Gain on disposal of property	14	-	-	-	-	5,633,669
Total		1,663,205	21,003,147	1,884,734	24,551,086	47,714,433
Expenditure on:						
Raising funds	8	-	-	-	-	91,699
Charitable activities:						
Academy trust educational operations	8/9	1,533,317	21,975,438	2,309,313	25,818,068	22,576,394
Transfer from local authority on conversion		-	-	-	-	-
Teaching schools		-	565,876	-	565,876	470,532
Total		1,533,317	22,541,314	2,309,313	26,383,944	23,138,625
Net income / (expenditure) before transfers		129,888	(1,538,167)	(424,579)	(1,832,858)	24,575,808
Transfers between funds	18	92,127	61,441	(153,568)	-	-
Net income / (expenditure) for the period		222,015	(1,476,726)	(578,147)	(1,832,858)	24,575,808
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	28	-	2,394,000	-	2,394,000	2,166,000
Net movement in funds		222,015	917,274	(578,147)	561,142	26,741,808
Reconciliation of Funds						
Funds brought forward at 1 September 2017		1,309,981	(7,369,420)	60,741,978	54,682,539	27,940,731
Funds carried forward at 31 August 2018		1,531,996	(6,452,146)	60,163,831	55,243,681	54,682,539

All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period.

Vale Academy Trust
Balance sheet
as at 31 August 2018

Company number:
07674473

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	14		57,005,997		53,219,684
Current assets					
Tangible fixed assets		60,000		60,000	
Debtors	15	4,376,540		12,287,396	
Cash at bank and in hand		6,795,006		6,173,885	
		<u>11,231,546</u>		<u>18,521,281</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(5,671,862)</u>		<u>(8,615,896)</u>	
Net current assets			<u>5,559,684</u>		<u>9,905,385</u>
Total assets less current liabilities			<u>62,565,681</u>		<u>63,125,069</u>
Creditors: Amounts falling due after more than one year	17		-		(4,530)
Net assets excluding pension liability			<u>62,565,681</u>		<u>63,120,539</u>
Defined benefit pension scheme liability	28		<u>(7,322,000)</u>		<u>(8,438,000)</u>
Total net assets			<u>55,243,681</u>		<u>54,682,539</u>
Funds of the academy trust:					
Restricted fixed asset funds	18		60,163,831		60,741,978
Restricted funds					
Restricted funds excluding pension liability	18	869,854		1,068,580	
Pension reserve	18	<u>(7,322,000)</u>		<u>(8,438,000)</u>	
			(6,452,146)		(7,369,420)
Total restricted funds			<u>53,711,685</u>		<u>53,372,558</u>
Unrestricted funds	18		1,531,996		1,309,981
Total funds			<u>55,243,681</u>		<u>54,682,539</u>

The financial statements on pages 32 to 59 were approved by the trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:


Joseph Pillman
Trustee

Vale Academy Trust
Statement of Cash Flows
For the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	(1,057,440)	1,502,511
Cash flows from investing activities	24	(3,334,393)	(4,679,723)
Cash flows from financing activities	23	5,012,954	5,018,983
Change in cash and cash equivalents in the reporting period		<u>621,121</u>	<u>1,841,771</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2017		6,173,885	4,332,114
Cash and cash equivalents at 31 August 2018		<u><u>6,795,006</u></u>	<u><u>6,173,885</u></u>

All of the cash flows are derived from continuing operations.

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 2017 to 2018 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.

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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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.

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 and assets under construction, 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 and reclassified to freehold or leasehold land and buildings.

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 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.

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy 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.

1 Statement of Accounting Policies (continued)

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 an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.

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 Group.

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 2018. 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
Year ended 31 August 2018

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Transfer on conversion	-	-	-	19,923,384
DfE/ESFA capital grants				
Devolved formula capital grant	-	96,449	96,449	90,517
School condition allocation	-	1,643,257	1,643,257	1,619,089
Healthy pupil capital fund	-	64,426	64,426	-
	-	1,804,132	1,804,132	1,709,606
Donated fixed assets	-	80,602	80,602	-
Other donations	-	64,509	64,509	31,305
	-	1,949,243	1,949,243	21,664,295

The income from donations and capital grants was £1,949,243 (2017: £21,664,295) of which £Nil was unrestricted (2017: £73,099), £64,509 restricted (2017: £-918,217) and £1,884,734 restricted fixed assets (2017: £22,509,413).

3 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/EFSA revenue grants				
General Annual Grant (GAG)	-	18,089,203	18,089,203	16,273,307
Pupil premium	-	773,277	773,277	592,129
Other DfE Group grants	-	573,881	573,881	424,036
	-	19,436,361	19,436,361	17,289,472
Other Government grants				
Early Years funding	-	310,547	310,547	227,247
Local authority revenue funding	-	331,963	331,963	213,939
	-	642,510	642,510	441,186
	-	20,078,871	20,078,871	17,730,658

The funding for the academy's educational operations was £20,078,871 (2017: £17,730,658) of which £Nil was unrestricted (2017: £Nil), £20,078,871 restricted (2017: £17,730,658) and £Nil restricted fixed assets (2017: £Nil).

Vale Academy Trust
Notes to the financial statements
Year ended 31 August 2018

4 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Trip and activity income	429,297	-	429,297	651,972
Transport charges	85,351	-	85,351	79,160
Catering income	477,945	-	477,945	397,477
Other income	540,724	135,257	675,981	406,795
	<u>1,533,317</u>	<u>135,257</u>	<u>1,668,574</u>	<u>1,535,404</u>

The other income for educational operations was £1,668,574 (2017: £1,535,404) of which £1,533,317 was unrestricted (2017: £1,501,466), £135,257 restricted (2017: £33,938) and £Nil restricted fixed assets (2017: £Nil).

5 Teaching school income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
National College grants	-	40,900	40,900	130,700
OTSA SCITT	-	683,610	683,610	842,057
	<u>-</u>	<u>724,510</u>	<u>724,510</u>	<u>972,757</u>

6 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of facilities	106,895	-	106,895	67,845
Catering income from other schools	3,594	-	3,594	102,026
	<u>110,489</u>	<u>-</u>	<u>110,489</u>	<u>169,871</u>

The other trading activities income was £110,489 (2017: £169,871) of which £110,489 was unrestricted (2017: £169,871), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

7 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Short term deposits	19,399	-	19,399	7,779
	<u>19,399</u>	<u>-</u>	<u>19,399</u>	<u>7,779</u>

The investment income was £19,399 (2017: £7,779) of which £19,399 was unrestricted (2017: £7,779), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

8 Expenditure

	Staff Costs £	Non Pay Expenditure Premises Costs £	Other Costs £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Allocated support costs	-	-	-	-	91,699
	-	-	-	-	91,699
Academy's educational operations:					
Direct costs (note 9)	15,162,116	-	1,935,525	17,097,641	15,444,971
Allocated support costs (note 9)	4,091,540	1,751,765	2,877,122	8,720,427	7,131,423
	19,253,656	1,751,765	4,812,647	25,818,068	22,576,394
Teaching School					
Direct costs	81,046	-	392,649	473,695	389,156
Allocated support costs	48,864	962	42,355	92,181	81,376
	129,910	962	435,004	565,876	470,532
	19,383,566	1,752,727	5,247,651	26,383,944	23,138,625

The expenditure on raising funds was £Nil (2017: £91,699) of which £Nil was unrestricted (2017: £91,699), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

The expenditure on academy's educational operations was £25,818,068 (2017: £22,576,394) of which £1,533,317 was unrestricted (2017: £1,706,455), £21,975,438 restricted (2017: £18,797,985) and £2,309,313 restricted fixed assets (2017: £Nil).

The 2017 allocated support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

Net income/(expenditure) for the period includes:

	2018 £	2017 £
Operating lease rentals	5,502	13,349
Depreciation	1,733,741	1,443,592
(Gain)/loss on disposal of fixed assets	-	(5,633,669)
Fees payable to auditor for:		
Audit	15,860	16,800
Audit related assurance	3,000	2,000
Other assurance	2,000	1,775
Other services	15,175	10,950

9 Charitable activities

	Total 2018 £	Total 2017 £
Direct costs - educational operations	17,097,641	15,444,971
Direct costs - teaching school	473,695	389,156
Support costs - educational operations	8,720,427	7,131,423
Support costs - teaching school	92,181	81,376
	<u>26,383,944</u>	<u>23,046,926</u>

Analysis of support costs

	Teaching School £	Educational operations £	Total 2018 £	Total 2017 £
Support staff costs	48,864	2,804,726	2,853,590	2,585,960
Depreciation	-	1,733,741	1,733,741	1,443,592
Technology costs	-	49,585	49,585	35,901
Premises costs	962	1,751,765	1,752,727	1,216,788
Other support costs	42,355	1,057,256	1,099,611	888,981
Governance costs	-	45,354	45,354	35,577
Other pension costs	-	1,045,000	1,045,000	821,000
Other finance costs (FRS102 pension)	-	233,000	233,000	185,000
Total support costs	<u>92,181</u>	<u>8,720,427</u>	<u>8,812,608</u>	<u>7,212,799</u>

The 2017 support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

10 Staff Costs

	2018 £	2017 £
Staff costs during the period were:		
Wages and salaries	14,226,061	12,955,688
Social security costs	1,272,896	1,136,741
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	2,262,937	1,958,215
FRS102 Other pension and finance costs	1,278,000	1,006,000
LGPS deficit lump sum contributions	100,833	128,677
Apprenticeship levy	55,923	53,942
	<u>19,196,650</u>	<u>17,239,263</u>
Supply staff costs	186,916	43,048
Staff restructuring costs	-	34,047
	<u>19,383,566</u>	<u>17,316,358</u>
 Staff restructuring costs comprise:		
Redundancy payments	-	34,047
	<u>-</u>	<u>34,047</u>

The 2017 staff costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

10 Staff Costs (continued)

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

	2018 No.	2017 No.
Teachers	300	178
Administration and support	348	352
Management	11	11
	<u>659</u>	<u>541</u>

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

	2018 No.	2017 No.
£60,001 - £70,000	2	4
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the academy trust comprise the trustees and the senior management 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 £303,050 (2017: £354,861).

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 primary school contributed a sum equivalent to 5% of its government revenue funding, and each secondary school contributed a sum equivalent to 4% of its government revenue funding, as follows:

	2018 £	2017 £
King Alfred's School	370,818	301,510
Wantage CoE Primary School	79,745	81,160
Charlton Primary School	64,074	66,780
Larkmead School	158,112	64,696
Thameside Primary School	46,332	10,178
Millbrook Primary School	79,236	77,520
St James CoE Primary School	29,218	28,560
St Nicholas CoE Primary School	23,690	24,180
	<u>23,690</u>	<u>24,180</u>

12 Related Party Transactions - Trustees' remuneration and expenses

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

	2018 £	2017 £
S Spiers, Chief Executive and Trustee		
Remuneration	£135k-£140k	£130k-£135k
Employer's pension contributions paid	£20k-£25k	£20k-£25k
J De La Coze, Staff Trustee		
Remuneration	-	£0k-£5k
Employer's pension contributions paid	-	£0k-£5k

During the period ended 31 August 2018, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2017: £74 to 1 trustees).

13 Trustees and officers insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

14 Tangible fixed assets

	Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor vehicles £	Total £
Cost					
As at 1 September 2017	56,968,010	392,344	712,873	74,039	58,147,266
Additions	5,242,315	277,739	-	-	5,520,054
As at 31 August 2018	<u>62,210,325</u>	<u>670,083</u>	<u>712,873</u>	<u>74,039</u>	<u>63,667,320</u>
Depreciation					
As at 1 September 2017	3,904,806	298,307	677,345	47,124	4,927,582
Charged in year	1,622,569	90,798	12,145	8,229	1,733,741
As at 31 August 2018	<u>5,527,375</u>	<u>389,105</u>	<u>689,490</u>	<u>55,353</u>	<u>6,661,323</u>
Net book values					
As at 31 August 2018	<u>56,682,950</u>	<u>280,978</u>	<u>23,383</u>	<u>18,686</u>	<u>57,005,997</u>
As at 1 September 2017	<u>53,063,204</u>	<u>94,037</u>	<u>35,528</u>	<u>26,915</u>	<u>53,219,684</u>

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 2018 are assets under construction amounting to £2,174,916 (2017: £5,318,648).

Freehold additions and disposals

Freehold land at King Alfred's East Site, was sold in the year ended 31 August 2017 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.

15 Debtors

	2018 £	2017 £
Trade debtors	897,741	216,902
VAT recoverable	607,966	713,625
Prepayments and accrued income	605,528	457,038
Other debtors	<u>2,265,305</u>	<u>10,899,831</u>
	<u>4,376,540</u>	<u>12,287,396</u>

Included in other debtors is £nil (2017: £2,262,135) falling due after one year.

16 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	880,068	1,272,602
Other taxation and social security	323,259	338,949
Other creditors	300,840	330,454
Salix loan	4,530	4,530
Loans	2,213,239	5,543,102
Accruals and deferred income	1,949,926	1,126,259
	<u>5,671,862</u>	<u>8,615,896</u>

Deferred income

	2018	2017
	£	£
Deferred income at 1 September	323,947	265,583
Released from previous years	(323,947)	(265,583)
Resources deferred in the period	1,461,334	323,947
Deferred income at 31 August	<u>1,461,334</u>	<u>323,947</u>

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

The loan of £2,213,239 (2017: £5,543,102) derives from the ESFA. Interest is payable at 1.37% per annum and the repayment date is 31 January 2019. The loan 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.

17 Creditors: amounts falling due in greater than one year

	2018	2017
	£	£
Salix loan	-	4,530
	<u>-</u>	<u>4,530</u>

Vale Academy Trust
Notes to the financial statements
Year ended 31 August 2018

18 Funds	Balance at 1 Sept 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	492,651	18,089,203	(18,544,412)	153,568	191,010
16-19 bursary funding	-	-	-	-	-
Other DFE/ESFA funding	-	460,001	(460,001)	-	-
Local authority revenue funding	-	403,194	(403,194)	-	-
OTSA	539,824	724,510	(565,876)	(108,682)	589,776
Early Years funding	-	310,547	(310,547)	-	-
Sports related funding	27,439	113,880	(52,251)	-	89,068
Donations received	-	64,509	(64,509)	-	-
Sweatbox	8,666	64,026	(89,247)	16,555	-
Pension reserve (note)	(8,438,000)	-	(1,278,000)	2,394,000	(7,322,000)
	<u>(7,369,420)</u>	<u>21,003,147</u>	<u>(22,541,314)</u>	<u>2,455,441</u>	<u>(6,452,146)</u>
Restricted fixed asset funds					
School Condition Allocation	1,235,674	1,643,257	(575,572)	(1,570,159)	733,200
ACMF/CIF projects	30,953	-	-	(29,784)	1,169
Devolved Formula Capital	54,026	96,449	-	(45,112)	-
Healthy pupil capital fund	-	64,426	-	-	64,426
Other capital income	-	80,602	-	(80,602)	-
Capital funds transferred on conversion	33,312	-	-	-	33,312
ESFA capital loan	(5,543,102)	-	-	3,229,863	(2,313,239)
Net proceeds of property sale restricted for capital reinvestment	11,711,431	-	-	(7,177,828)	4,533,603
Fixed asset fund (note 14)	53,219,684	-	(1,733,741)	5,520,054	57,005,997
	<u>60,741,978</u>	<u>1,884,734</u>	<u>(2,309,313)</u>	<u>(153,568)</u>	<u>60,163,831</u>
Total restricted funds	<u>53,372,558</u>	<u>22,887,881</u>	<u>(24,850,627)</u>	<u>2,301,873</u>	<u>53,711,685</u>
Unrestricted funds					
Unrestricted funds	1,309,981	1,663,205	(1,533,317)	92,127	1,531,996
	<u>1,309,981</u>	<u>1,663,205</u>	<u>(1,533,317)</u>	<u>92,127</u>	<u></u>
Total funds	<u>54,682,539</u>	<u>24,551,086</u>	<u>(26,383,944)</u>	<u>2,394,000</u>	<u>55,243,681</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2018.

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018	2017
	£	£
Revenue reserves		
Charlton Primary School	67,467	40,968
King Alfred's School - general	845,517	915,775
King Alfred's School - OTSA	589,776	539,824
Larkmead School	226,174	179,341
Millbrook Primary School	230,761	165,053
St James CoE Primary School	38,346	22,496
St Nicholas CoE Primary School	23,367	33,442
Thameside Primary School	140,924	106,414
Wantage CoE Primary School	193,581	232,121
Central services	45,937	143,127
Total before fixed assets and pension reserve	2,401,850	2,378,561
Capital reserves - general	3,156,665	7,491,341
Capital reserves - project funding unspent at year end	1,169	30,953
Fixed asset fund (representing net book value of fixed assets - note 14)	57,005,997	53,219,684
Pension reserve	(7,322,000)	(8,438,000)
Total funds	55,243,681	54,682,539

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 depn)	Total 2018	Total 2017
	£	£	£	£	£	£
King Alfred's School	6,672,142	1,358,467	1,226,060	971,833	10,228,502	10,947,113
Wantage CoE Primary Sch	1,261,386	136,848	234,930	91,820	1,724,984	1,753,072
Charlton Primary School	1,127,821	101,350	207,919	124,398	1,561,488	1,476,990
St Nicholas CoE Primary S	412,348	14,607	94,067	40,058	561,080	503,182
Millbrook Primary School	1,284,090	85,812	214,410	84,418	1,668,730	1,636,045
St James CoE Primary Sch	453,423	43,327	90,448	36,931	624,129	592,851
Larkmead School	2,969,714	563,652	553,607	335,591	4,422,564	2,825,044
Thameside Primary School	701,838	132,584	133,255	37,359	1,005,036	82,461
Central services	360,400	425,757	74,984	714,549	1,575,690	872,275
	15,243,162	2,862,404	2,829,680	2,436,957	23,372,203	20,689,033
				Depreciation	1,733,741	1,443,592
				Other finance costs and pension costs	1,278,000	1,006,000
				Note 8	26,383,944	23,138,625

Comparative 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)	(1,006,000)	2,166,000	(8,438,000)
	<u>(7,502,779)</u>	<u>17,227,989</u>	<u>(19,268,517)</u>	<u>2,173,887</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>(21,340,471)</u>	<u>2,578,227</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>(23,138,625)</u>	<u>2,166,000</u>	<u>54,682,539</u>

The Comparative Funds Pension Reserve figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at			Gains, losses and transfers	Balance at
	1 Sept 2016	Income	Expenditure		31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	616,336	34,362,510	(34,835,847)	48,011	191,010
Pupil Premium funding	-	1,365,406	(1,365,406)	-	-
Other DfE/ESFA funding	-	424,036	(424,036)	-	-
Local authority revenue funding	-	617,133	(617,133)	-	-
OTSA	216,519	1,106,120	(1,036,408)	303,545	589,776
Early Years funding	-	537,794	(537,794)	-	-
Sports related funding	27,439	113,880	(52,251)	-	89,068
Transfers on conversion	-	298,783	-	(298,783)	-
Donations received	-	64,509	(64,509)	-	-
Sweatbox	17,927	97,964	(132,446)	16,555	-
Other restricted funds	-	-	-	-	-
Pension reserve (note 28)	(8,381,000)	(1,217,000)	(2,284,000)	4,560,000	(7,322,000)
	<u>(7,502,779)</u>	<u>37,771,135</u>	<u>(41,349,830)</u>	<u>4,629,328</u>	<u>(6,452,146)</u>
Restricted fixed asset funds					
School Condition Allocation	1,357,282	3,262,346	(1,040,913)	(2,845,515)	733,200
ACMF/CIF projects	31,980	-	-	(30,811)	1,169
Devolved Formula Capital	97,918	186,966	-	(179,521)	105,363
Healthy pupil capital fund	-	64,426	-	-	64,426
Other capital income	-	85,838	-	(85,838)	-
Capital funds transferred on conversion	-	35,107	-	(1,795)	33,312
ESFA capital loan	-	-	-	(2,313,239)	(2,313,239)
Net proceeds of property sale restricted for capital reinvestment	20,522	5,633,669	(163,021)	(957,567)	4,533,603
Fixed asset fund (note 14)	32,758,808	20,759,464	(3,177,333)	6,665,058	57,005,997
	<u>34,266,510</u>	<u>30,027,816</u>	<u>(4,381,267)</u>	<u>250,772</u>	<u>60,163,831</u>
Total restricted funds	<u>26,763,731</u>	<u>67,798,951</u>	<u>(45,731,097)</u>	<u>4,880,100</u>	<u>53,711,685</u>
Unrestricted funds					
Unrestricted funds	1,177,000	4,006,567	(3,331,471)	(320,100)	1,531,996
Total unrestricted funds	<u>1,177,000</u>	<u>4,006,567</u>	<u>(3,331,471)</u>	<u>(320,100)</u>	<u>1,531,996</u>
Total funds	<u>27,940,731</u>	<u>71,805,518</u>	<u>(49,062,568)</u>	<u>4,560,000</u>	<u>55,243,681</u>

19 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	57,005,997	57,005,997
Current assets	1,531,996	4,323,947	5,375,603	11,231,546
Current liabilities	-	(3,454,093)	(2,217,769)	(5,671,862)
Pension Scheme liability	-	(7,322,000)	-	(7,322,000)
Total net assets	1,531,996	(6,452,146)	60,163,831	55,243,681

Comparative 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 £
Intangible fixed assets	-	-	-	-
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

20 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	3,200,000	-

21 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	41,051	5,502
Amounts due between one and five years	123,972	-
Amounts due after five years	179,333	-
	344,356	5,502

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,832,858)	24,575,808
Adjusted for:		
Depreciation (note 14)	1,733,741	1,443,592
Gain on disposal of property	-	(5,633,669)
Capital income re fixed assets transferred on conversion	-	(20,759,464)
Capital grants from DfE and other capital income	(1,884,734)	(1,709,606)
Interest receivable (note 7)	(19,399)	(7,779)
Other capital income	-	(5,236)
Defined benefit pension scheme obligation inherited	-	1,217,000
Defined benefit pension scheme cost less contributions payable (note 28)	1,045,000	821,000
Defined benefit pension scheme finance cost (note 28)	233,000	185,000
(Increase)/decrease in tangible assets held for sale	-	(60,000)
(Increase)/decrease in debtors	(718,019)	(193,014)
Increase/(decrease) in creditors	385,829	1,628,879
Net cash (used in)/provided by operating activities	(1,057,440)	1,502,511

23 Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	(3,334,393)	(4,531)
Cash inflows from new borrowing	-	5,023,514
Net cash (used in)/provided by financing activities	(3,334,393)	5,018,983

24 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	19,399	7,779
Proceeds from sale of tangible fixed assets	8,628,875	169,660
Purchase of tangible fixed assets	(5,520,054)	(6,572,004)
Capital grants from DfE Group	1,804,132	1,709,606
Capital funding received from sponsors and others	80,602	5,236
Net cash provided by/(used in) investing activities	5,012,954	(4,679,723)

25 Analysis of cash and cash equivalents

	At Sept 2017 £	Cash flows £	At 31 August 2018 £
Cash at bank and in hand	6,173,885	621,121	6,795,006
	<u>6,173,885</u>	<u>621,121</u>	<u>6,795,006</u>

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.

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

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

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

Contributions amounting to £284,754 were payable to the schemes at 31 August 2018 (2017: £289,567) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £1,510,106 (2017: £1,373,922).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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 2018 was £1,098,000 (2017: £915,000), of which employer's contributions totalled £837,000 (2017: £684,000) and employees' contributions totalled £261,000 (2017: £231,000). 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 £102,000 are due for the year to 31 March 2019 (2017: £100,000) and £104,000 for the year ended 31 March 2020. 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 2018	At 31 August 2017
Rate of increase in salaries	3.40%	4.20%
Rate of increase for pensions in payment / inflation	2.40%	2.70%
Discount rate for scheme liabilities	2.80%	2.60%
Inflation assumption (CPI)	2.40%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.4	23.4
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	25.7	25.7
Females	27.9	27.9

28 Pension and similar obligations (continued)

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2018 £	At 31 August 2017 £
Present value of total obligation		
Discount rate +0.1%	17,316,000	16,814,000
Discount rate -0.1%	18,108,000	17,583,000
Mortality assumption - 1 year increase	N/A	17,756,000
Mortality assumption - 1 year decrease	N/A	16,650,000
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	7,273,000	5,402,000
Gilts	-	1,303,000
Other bonds	1,766,000	423,000
Property	831,000	569,000
Cash and other liquid assets	520,000	337,000
LLPs	-	284,000
Diversified growth fund	-	430,000
Alternative assets	-	8,000
Total market value of assets	10,390,000	8,756,000
Present value of scheme liabilities		
- Funded	(17,712,000)	(17,194,000)

The actual return on scheme assets was £717,000 (2017: £929,000).

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	1,882,000	2,722,000
Net interest on the defined liability (asset)	233,000	184,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Administration expenses	-	1,000
Total amount recognised in the SOFA	2,115,000	2,907,000

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2018 £	2017 £
At 1 September	17,194,000	14,480,000
Upon conversion	-	2,267,000
Current service cost	1,882,000	1,505,000
Interest cost	473,000	332,000
Employee contributions	261,000	231,000
Actuarial (gain)	(1,984,000)	(1,494,000)
Benefits paid	(114,000)	(127,000)
At 31 August	<u>17,712,000</u>	<u>17,194,000</u>

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

	2018 £	2017 £
At 1 September	8,756,000	6,099,000
Upon conversion	-	1,050,000
Interest income	240,000	148,000
Return on plan assets (excluding net interest on the net defined pension liability)	410,000	781,000
Actuarial gain/(loss)	-	(109,000)
Employer contributions	837,000	684,000
Employee contributions	261,000	231,000
Benefits paid	(114,000)	(127,000)
Administration expenses	-	(1,000)
	<u> </u>	<u> </u>

Reconciliation of opening and closing deficit	2018		2017	
	£	£	£	£
Pension deficit at 1 September		(8,438,000)		(8,381,000)
Current service cost	(1,882,000)		(1,505,000)	
Employer contributions	837,000		684,000	
Additional pension cost		(1,045,000)		(821,000)
Other finance costs		(233,000)		(185,000)
Deficits transferred on conversion of new schools		-		(1,217,000)
Actuarial gains		2,394,000		2,166,000
Pension deficit at 31 August		<u>(7,322,000)</u>		<u>(8,438,000)</u>

The 2017 pension figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

29 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. All transactions are conducted at arm's length 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 £22,380 (2017: £21,380) and employer pension contributions amounted to £3,818 (2017: £3,354).

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 £43,118 (2017: £42,635) and employer pension contributions amounted to £7,106 (2017: £7,026).

Mr C Harrison (son of Philip Harrison, Trustee/Director) is employed by the Trust under the Peer Support Programme and for Maths tutoring. Mr Harrison's remuneration during the year was £nil (2017: £357) and employer pension contributions amounted to £nil (2017: £53).

Mr S Hocking (spouse of Gina Hocking, Trustee/Director) is employed by the Trust as a management coach. Mr Hocking's remuneration during the year was £12,322 (2017: £13,382) and employer pension contributions amounted to £nil (2017: £nil).

Ms L Quinton Maryon (daughter of S Quinton, Member) has been employed by the Trust since 1 March 2016. Ms L Quinton Maryon's remuneration during the year was £30,741 (2017: £32,378) and employer pension contributions amounted to £5,363 (2017: £5,336).

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

Mrs L Littlejohn (spouse of Iain Littlejohn, Trustee/Director) is employed by the Trust as a Cover Teacher. Mrs Littlejohn's remuneration during the year was £3,275 (2017: £nil) and employer pension contributions amounted to £540 (2017: £nil).

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 2018 the trust received £12,401 (2017: £21,343) and disbursed £9,584 (2017: £19,417) from the fund. An amount of £10,612 (2017: £7,795) is included in other creditors relating to undistributed funds that are repayable to EFA.

Vale Academy Trust
Notes to the financial statements
Year ended 31 August 2018

31 Teaching School Trading Account	£	2018 £	£	2017 £
Income				
Direct Income				
Other income	724,510		381,610	
Total Income		724,510		381,610
Expenditure				
Direct costs				
Direct costs				
Direct staff costs	(81,046)		(78,153)	
Staff development				
Other direct costs	(392,649)		(311,003)	
Total direct costs		(473,695)		(389,156)
Other costs				
Support staff costs	(48,864)		(39,044)	
Depreciation				
Premises	(962)		(4,025)	
Recruitment and support				
Security and support				
Other support costs	(42,355)		(38,307)	
Share of governance costs				
Total indirect costs		(92,181)		(81,376)
Total Expenditure		(565,876)		(470,532)
Transfers between funds excluding depreciation		(108,682)		412,227
Surplus/(Deficit) from all sources		49,952		323,305
Teaching school balances at 1 September 2017		539,824		216,519
Teaching school balances at 31 August 2018		<u>589,776</u>		<u>539,824</u>