

Company Registration No. 07695505 (England and Wales)

VALLEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

VALLEY PRIMARY SCHOOL

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VALLEY PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

W Mitchell (Chair) *
J Brown (Accounting officer) *
R Girling *
Cllr M Turner
H Randell
P Sullens *
K Scott
G Mussard
T Reid *
A King (Resigned 1 September 2014)
S Crowley (Appointed 1 September 2014)
E Cotter (Appointed 1 November 2014)

* members of the Finance and Personnel Committee

Members

W Mitchell
J Brown
H Randall

Senior leadership team

J Brown	- Headteacher
S Jackson	- Deputy Headteacher
K Bradley	- Assistant Head
R Coulson	- Assistant Head
Y Mulla	- Senior Teacher
C Marchant	- Bursar

Company registration number

07695505 (England and Wales)

Registered office

Valley Primary School
Beckenham Lane
Bromley
Kent
BR2 0DA

Independent auditor

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

HSBC
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

VALLEY PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Veale Wasbrough Vizards
Barnards Inn
86 Fetter Lane
London
EC4A 1AD

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 It has a pupil capacity of 480 and had a roll of 478 in the school census in January 2015.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee with no share capital (registration no. 07695505) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of Valley Primary School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Valley Primary School was incorporated on 6 July 2011 and obtained Academy status from 1 August 2011

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.

Method of recruitment and appointment or election of governors

The members of the Academy Trust shall comprise the signatories to the Memorandum, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have up to 11 Governors; 2 Staff Governors, 1 LA Governor; 4 parent Governors; the Head Teacher, any Additional Governors if appointed under Article 62,62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to 3 Co-opted Governors, a person who is appointed to be a governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Head Teacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of governors

During the period under review the Governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. Each new Governor receives induction training through the Bromley Governor training package. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The structure consists of four levels: the Governors, Headteacher, Senior Leadership Team and Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for setting general policy, adopting an annual School Development Plan and budget, monitoring the Academy by the use of key objective budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Headteacher, Deputy Headteachers, Assistant Headteacher and School Business Manager. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts contain at least one Governor. Some spending control is devolved to Middle Leaders, with limits above which the Head Teacher must countersign.

Related parties and other connected charities and organisations

The Trust works closely with Bromley Collegiate and the University of Greenwich in training the next generation of teachers. We work with BYMT, Bromley Sports Partnership. We are a named partner in The Darrick Wood Teaching School Alliance and the EYELA Teaching School Alliance

The Academy Trust became a member of the Academy Learning Collaborative, an Umbrella Trust comprising nine academies all within the London Borough of Bromley and having similar or complementary aims and ethos. The Academy joined the Collaborative in September 2014 and the School's Articles reflect this change. The Academy Learning Collaborative was established with the purpose of enabling member schools to benefit from focused school improvement, mutual support, shared ideas and experience, and potentially some financial economies of scale.

Objectives and activities

Objects and aims

Vision

Valley Primary School is a caring community with learning at its heart. The Academy is a primary school for pupils aged 4 to 11. School staff encourage children to aim high, be honest and work together. Senior leaders and Governors work with colleagues and other partners to promote high standards and teamwork. There is a sense of purpose, fun and enjoyment in the School which is nurtured and sustained. The School has long record of success and leaders work to ensure that we keep the best of what we have while continually striving to improve and build on strong foundations.

This can be summarised as:-

Care – Learn - Aim high
Be honest - Work together - Enjoy what we do
Look after what we have - Improve on our previous best

Learning is at the heart of what we do at Valley Primary School.

Our core business is - **to ensure that children learn as effectively as possible**

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

We are opening doors for each child, allowing them to practice important skills for life such as being responsible, learning to read, write, spell, be numerate, make informed choices and to love learning across a wide curriculum that includes science, art, music, sport, languages and humanities.

Valley Primary School is proud to date originally from 1889 and yet provide enhanced facilities, buildings and generous outdoor green space to deliver today's modern, demanding and creative curriculum.

Valley Primary School is a School where everyone works hard to ensure that the children are safe, secure, and part of a friendly caring community. We want children to be happy and excited about coming to School. We encourage them to learn, achieve and make progress and to develop knowledge, skills and understanding across a wide curriculum. We aim for pupils to thrive and develop the skills they need for life-long learning.

The School had an Ofsted Inspection in October 2014. The outcome was 'Good' in all areas. Ofsted noted the following:-

Valley Primary School is a happy, hard-working and inclusive school

Pupils behave well and feel safe. There is a strong culture of mutual respect between pupils and their teachers

Pupils learn a broad range of subjects, including a wide range of sporting, creative and musical opportunities, which contribute well to their enjoyment of school

The school's key values are widely promoted and understood. Relationships in the school are strong

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with our community
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Valley Primary School community values diversity and seeks to give everyone in the School an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Valley Primary School.

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at School. They will be developing as independent learner in an age appropriate ways, developing how to learn and the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers and support staff will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognizing their role in the student - school – parent partnership to ensure that their child realizes his/her potential.

Governors will contribute to the life of the School on a wider scale, acting as critical friends to support the School in becoming a centre of excellence.

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The criteria used to admit pupils to Valley Primary School is:-

- Looked after children
- Siblings
- Proximity to the School

In September 2015 the furthest offer made was 0.17 miles from the School. The School follows the London Borough of Bromley Admission Procedures (see LBB website).

Strategic report

Achievements and performance

The Academy continues to achieve the forecast numbers of students. Total students in the year ended 31st August 2015 numbered 478 and the Academy published pupil admission number for 14/15 was 480.

The Academy is a two form entry primary School (3 form for 2011/12 and 2012/13) with many strengths. The School is successful, popular and oversubscribed.

Pupils enter the School from a very wide range of social, cultural and economic backgrounds. The Academy prides itself on being an inclusive School.

KS2 data for Summer 2015 shows Valley is well above the national average across reported curriculum areas.

Percentage of Pupils Reaching Each Level in Reading, Writing and Maths	Level 4	Level 5	Level 6
Reading			
Valley 2015	95%	60%	3%
Valley 2014	100%	60%	0%
National 2015	89%	48%	0%
Writing			
Valley 2015	93%	33%	3%
Valley 2014	87%	42%	5%
National 2015	87%	36%	2%
Maths			
Valley 2015	97%	47%	21%
Valley 2014	98%	62%	20%
National 2015	87%	41%	9%
Eng. Gr, Sp & Punc.			
Valley 2015	95%	71%	7%
Valley 2014	90%	70%	12%
National 2015	80%	55%	4%

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The percentage of pupils eligible for free school meals is 21.8% close to the national average (26%). The percentage of pupils from ethnic minority backgrounds is above average at 44.8% (Source 2015 Raiseonline Data). There are 12.1% of pupils on the Special Educational Needs register and approximately 10% of pupils are identified as more able.

Key performance indicators

The main KPI is the Ofsted Framework for Inspection:

- Inspectors must judge the quality of education provided in the School. This is the overarching judgement.
- In order to make a judgement about the quality of education provided in the School, inspectors must first make four key judgements. These are:
 - the achievement of pupils at the School
 - the quality of teaching in the School
 - the behaviour and safety of pupils at the School
 - the quality of leadership in and management of the School.
- In addition, inspectors must also consider:
 - the spiritual, moral, social and cultural development of pupils at the School
 - the extent to which the education provided by the School meets the needs of the range of pupils at the School, and in particular the needs of:
 - pupils who have a disability for the purposes of the Equality Act 2010
 - pupils who have special educational needs.

Against the Ofsted criteria Senior Leaders have through self evaluation procedures judged that Valley is a good school.

There has been success in narrowing gaps between those on Free School Meals (Ever 6) and the rest of the pupils.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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 life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £2,618k (2014: £2,384k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £103k (2013: £74k income over expenditure).

At 31 August 2015 the net book value of fixed assets was £4,881k (2014: £4,956k). Movements in tangible fixed assets are shown in Note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Bromley Pension Fund, in which the Academy participates, showed a deficit of £253k (2014: £227k) at 31 August 2015.

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial position

The Academy held fund balances at 31 August 2015 of £4,839k (2014: £5,053k) comprising £4,628k (2014: £4,729k) of restricted funds and £211k (2014: £324k) of unrestricted general funds. Of the restricted funds, £4,881k (2014: £4,956k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £253k (2014: £227k) in deficit.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £190k (2014: £190k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves of £211k (2014: £324k) (total funds less the amount held in fixed assets and restricted funds). The Governors expect the excess of general unrestricted funds to reduce in the coming years.

Investment policy and powers

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The principle risks and uncertainties that Valley Primary School faces are mitigated by the risk management process that Academy Trust has in place.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and School trips) and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 14.

Financial and risk Management objectives and policies

The main financial risks to which Valley Primary School is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £253k (2014: £227k).

Annual Review 2014-15

Ofsted

The most significant event in the academic year was our Ofsted inspection in October 2014. With less than 24 hours' notice, a full inspection of our school under the new, tougher Ofsted framework was conducted over two days. Our rating was 'Good', which reflected the hard work by management and staff under the higher demands of the new assessment framework. We were pleased with the result and that the areas Ofsted thought needed working on were the areas we were already working on.

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Arising from the Ofsted recommendations we put particular attention on the following actions:

- Improved the way in which our teachers learn from outstanding teaching practice;
- Set the right level of difficulty for pupils' work.
- Improved marking across all subjects to be consistent with the core subjects.
- Strengthened pupils' understanding about the risks of using the internet.

Delivery of our 2014-15 Development Plan

The school sets its development plan every year. This also reflected this year, the outcome and improvement areas identified in the 2014 Ofsted inspection. The key developments in 2014-15 were the following:

- We became part of the Academy Learning Collaborative, joining eight other local schools. The ALC is an umbrella academy trust to enable us to share expertise and strengthen our learning and academic achievement. Headteachers, governors and senior leaders meet regularly to share best practice and provides regular independent assessment of the individual schools' performance with the use of an education expert. The ALC's role going forward is to share staff resources and work closer together. Each School has three focussed reviews in the year.
- We completely revamped our IT, with the installation of a new network and up to date Wi-Fi capability. We created a new role of technology learning officer, to support the new infrastructure and develop our learning using IT. We also modernised our hardware including new laptops for classrooms and iPads. This has been a significant investment, which was partly offset by reduced maintenance costs we were incurring for the old equipment.
- We have worked at embedding the lessons under the International Primary Curriculum.
- There has been a great deal of effort in improving the way books are marked and pupils are assessed.
- There was a significant increase in sports provision at the school, aided by a specific government grant, which we intend to sustain in future years, making use of the amazing range of skills of our staff, parents and specialist coaches.
- The enhancing of e-safety arrangements, including oversight by a special committee made up of parents, staff, governors and pupils, past and present.
- Continuing to improving monitoring of pupil performance and offering appropriate support to those that need a little more help or challenge.
- Continue to develop the role of the family worker.
- There has been a real focus on narrowing the gaps for our Pupil Premium pupils.

Plans for 2015-16

In June 2015, governors and senior leaders worked on key improvement criteria together which form the basis of a new School Development Plan with 4 key priorities:-

- Priority 1 : To raise pupil attainment further and accelerate progress for key groups of pupils
- Priority 2: Improve effectiveness further of all Leaders and Managers
- Priority 3: To strengthen further the support for whole life development of pupils
- Priority 4: Ensure pupils are exceptionally well prepared for the next stage in their education.

As our headteacher announced his retirement and governors agreed to him working part time, we have been working to ensure the transition arrangements work effectively. That, and the recruitment of a new headteacher, has been a key focus for governors at the start of the year.

The trends in education mean that the way in which children are assessed at KS1 and KS2 are different from September 2015, moving away from the 'levels' which we have been used to over the last 15 years or so. We have been working with the other ALC members to reduce the burden of this change with common systems and a framework for 'life after levels'.

Another key area for us is the risk of reduced long-term budgets as public finances are being reduced. A key objective this coming year is to develop a longer term sustainable financial plan, ensuring that we can exceed our best, but in an economical way.

VALLEY PRIMARY SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

We also want to improve our communication with parents, particularly on what learning goes on in the classroom.

Overall, we want to maintain and build upon the school's existing areas of strength.

Plans for future periods

We as Governors feel that parents should have good information about what goes on at Valley and the work that the Governing Body and the staff are doing. We also want to celebrate the collective achievement of the whole school community, particularly the achievements of the children.

We thought parents would be interested in the many things happening and developments currently underway or being planned for commencement from September 2015. All of these activities will enhance the learning and well-being of our children at Valley. We also want to explain some of the upcoming changes in education, which will affect Valley and our children.

This is our second Annual Review and refers to the 2014-15 academic year. We hope you find it to be informative and useful. If you have any questions about developments at Valley we hope you will make use of the newly introduced Parent Forums to come and discuss them. Your opinions matter to us and face-to-face conversation is often the best way to ensure that everyone is happy that they have been understood.

Our success is, of course, achieved through the skill, professionalism, dedication and hard work of the staff at Valley School; alongside a commitment to ensure that Valley continues to be successful and will continue to go from strength to strength. It is to these individuals and the many supporters in the parent and local community that the Governors offer their thanks. As joint Chairman of Trustees and of the Governing Body, I also wish to acknowledge the support of the other Governors, who each provide their own wisdom, skills and support. Valley is very fortunate in having a highly skilled team of Governors who bring valuable expertise in areas such as education, finance, law and child protection.

The role of a school governor is to contribute to the work of the governing body in ensuring high standards of achievement for all children in the school by:

- Setting the school's vision, ethos and strategic direction;
- Holding the head teacher to account for the educational performance of the school and its pupils; and
- Overseeing the financial performance of the school and making sure its money is well spent.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 11 November 2015 and signed on its behalf by:

W Mitchell
Chair

VALLEY PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Valley Primary School 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 governors has delegated the day-to-day responsibility to the Headteacher, 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 Valley Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors Report and in the Statement of Governors Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
W Mitchell (Chair)	3	3
J Brown (Accounting officer)	3	3
R Girling	3	3
Cllr M Turner	2	3
H Randell	3	3
P Sullens	3	3
K Scott	3	3
G Mussard	1	3
T Reid	3	3
A King (Resigned 1 September 2014)		
S Crowley (Appointed 1 September 2014)	3	3
E Cotter (Appointed 1 November 2014)	3	3

Valley Primary School Trust members constantly review systems and procedures and have developed a sophisticated Risk Register.

The Governing Body intends to conduct its next self-evaluation external review in 2015/2016.

The Finance and Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to approve the annual budget, review expenditure and forecast against the budget and propose larger items of expenditure. It receives and considers the findings of reports from the Internal Auditor.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
W Mitchell (Chair)	4	4
J Brown (Accounting officer)	4	4
R Girling	4	4
P Sullens	4	4
T Reid	3	4

VALLEY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the academy 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors 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:

- The School has kept its Staffing Structure under review
- The Schools has focussed its core resources on 5 main areas:-
 - Writing
 - Quality of Teaching
 - Closing Gaps
 - Pupil Premium
 - Sports Funding

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 Valley Primary School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors 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 governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

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 governors;
- regular reviews by the Finance and Personnel 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint a Responsible Officer. However, the Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

VALLEY PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities

The role is carried out by a separate department at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

Wilkins Kennedy LLP has delivered their schedule of work as planned and no issues of significance were identified.

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal audit review;
- the work of the external auditor;
- the financial management and governance self-assessment process [if relevant];
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the [Finance and Personnel Committee/audit committee] and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 11 November 2015 and signed on its behalf by:

W Mitchell
Chair

J Brown
Accounting officer

VALLEY PRIMARY SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2015*

As accounting officer of Valley Primary School I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's board of governors 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.

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 governors and EFA.

Approved on 11 November 2015 and signed by:

J Brown
Accounting Officer

VALLEY PRIMARY SCHOOL

STATEMENT OF GOVERNORS RESPONSIBILITIES

The governors (who act as trustees for Valley Primary School and are also the directors of Valley Primary School for the purposes of company law) are responsible for preparing the Governors Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from the EFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 11 November 2015 and signed on its behalf by:

W Mitchell
Chair

VALLEY PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY PRIMARY SCHOOL

We have audited the accounts of Valley Primary School for the year ended 31 August 2015 set out on pages 20 to 39. 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) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors Responsibilities Statement set out on page 15, the governors, who are also the directors of Valley Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report for the financial year for which the accounts are prepared is consistent with the accounts.

VALLEY PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VALLEY PRIMARY SCHOOL

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent

BR6 0NZ

Dated: 30 November 2015

VALLEY PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VALLEY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Valley Primary School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Valley Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Valley Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Valley Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Valley Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Valley Primary School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

VALLEY PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VALLEY PRIMARY SCHOOL AND THE EDUCATION 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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 30 November 2015

VALLEY PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000	Total 2014 £
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	2	52	8	-	60	41
- Activities for generating funds	3	183	-	-	183	203
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	-	2,184	-	2,184	2,135
Total incoming resources		235	2,192	-	2,427	2,379
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	6	73	2,439	88	2,600	2,368
Governance costs	7	-	18	-	18	16
Total resources expended	5	73	2,457	88	2,618	2,384
Net incoming/(outgoing) resources before transfers		162	(265)	(88)	(191)	(5)
Gross transfers between funds		(275)	262	13	-	-
Net income/(expenditure) for the year		(113)	(3)	(75)	(191)	(5)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(23)	-	(23)	(1)
Net movement in funds		(113)	(26)	(75)	(214)	(6)
Fund balances at 1 September 2014		324	(227)	4,956	5,053	5,059
Fund balances at 31 August 2015		211	(253)	4,881	4,839	5,053

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

VALLEY PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £'000	2014 £
Fixed assets			
Tangible assets	10	4,881	4,956
Current assets			
Debtors	11	46	83
Cash at bank and in hand		222	333
		<u>268</u>	<u>416</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(57)	(92)
Net current assets		211	324
Net assets excluding pension liability		5,092	5,280
Defined benefit pension liability	16	(253)	(227)
Net assets		<u>4,839</u>	<u>5,053</u>
Funds of the academy trust:			
Restricted funds	14		
- Fixed asset funds		4,881	4,956
- General funds		-	(2)
- Pension reserve		(253)	(227)
Total restricted funds		<u>4,628</u>	<u>4,727</u>
Unrestricted income funds	14	211	326
Total funds		<u>4,839</u>	<u>5,053</u>

The accounts were approved by order of the board of governors and authorised for issue on 11 November 2015.

W Mitchell
Chair

Company Number 07695505

VALLEY PRIMARY SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £
Net cash inflow/(outflow) from operating activities	17	(98)	64
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(13)	(27)
Net cash flow from capital activities		(13)	(27)
Increase/(decrease) in cash	18	(111)	37

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006 (other than in respect of the disclosure of remunerations received by staff governors under employment contracts - see note 9 for details) . A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing less than £5,000 are to be written off in the period of acquisition. All others are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

The property has been included at the valuation provided by the EFA when completing their desktop valuation.

The academy has a 125 year lease on the land and buildings with the London Borough of Bromley.

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

Land and buildings	Buildings 2%; Land is not depreciated
Fixtures, fittings & equipment	25%

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.

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.6 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 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 chapter 3 part 11 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.

1.8 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 and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 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 governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £
Other donations	52	8	60	41
	=====	=====	=====	=====

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £
Hire of facilities	4	-	4	2
Catering income	57	-	57	90
Other income	122	-	122	111
	-----	-----	-----	-----
	183	-	183	203
	=====	=====	=====	=====

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	1,835	1,835	1,888
Other DfE / EFA grants	-	257	257	169
	-----	-----	-----	-----
	-	2,092	2,092	2,057
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	92	92	77
	-----	-----	-----	-----
Other funds				
Other incoming resources	-	-	-	1
	-----	-----	-----	-----
Total funding	-	2,184	2,184	2,135
	=====	=====	=====	=====

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Resources expended	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £
Academy's educational operations					
- Direct costs	1,598	64	187	1,849	1,662
- Allocated support costs	250	101	400	751	706
	<u>1,848</u>	<u>165</u>	<u>587</u>	<u>2,600</u>	<u>2,368</u>
Other expenditure					
Governance costs	-	-	18	18	16
	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>16</u>
Total expenditure	<u>1,848</u>	<u>165</u>	<u>605</u>	<u>2,618</u>	<u>2,384</u>
Net income/(expenditure) for the year includes:				2015	2014
				£'000	£
Operating leases					
- Plant and machinery				4	2
Fees payable to auditor					
- Audit				6	7
- Other services				2	4
				<u>6</u>	<u>7</u>

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	1,585	1,585	1,379
Depreciation	-	64	64	64
Educational supplies and services	-	131	131	167
Staff development	-	13	13	11
Educational consultancy	-	56	56	32
Other direct costs	-	-	-	9
	-	1,849	1,849	1,662
Allocated support costs				
Support staff costs	17	233	250	257
Depreciation	-	24	24	15
Technology costs	-	39	39	66
Recruitment and support	-	5	5	-
Maintenance of premises and equipment	-	77	77	64
Cleaning	-	42	42	38
Energy costs	-	34	34	39
Rent and rates	-	15	15	18
Insurance	-	24	24	20
Catering	56	93	149	123
Interest and finance costs	-	10	10	3
Other support costs	-	82	82	63
	73	678	751	706
Total costs	73	2,527	2,600	2,368

7 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £
Legal and professional fees	-	10	10	5
Auditor's remuneration				
- Audit of financial statements	-	6	6	7
- Other audit costs	-	2	2	4
	-	18	18	16

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

8 Staff costs

	2015	2014
	£'000	£'000
Wages and salaries	1,483	1,327
Social security costs	98	93
Other pension costs	239	199
	<u>1,820</u>	<u>1,619</u>
Supply teacher costs	15	17
Staff development and other staff costs	13	11
	<u>1,848</u>	<u>1,647</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015	2014
	Number	Number
Teachers	18	23
Administration and support	36	39
Management	4	1
	<u>58</u>	<u>63</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015	2014
	Number	Number
£70,001 - £80,000	1	1

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£'000	11	10,533
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Governors remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year, no travel and subsistence payments (2014: £638) were reimbursed to governors (2014: 3 governors).

The value of governors remuneration was as follows:

John Brown (Headteacher)

Remuneration £75,000 - £80,000(2014: £70,000 - £75,000)

Employers Pension Contributions £10,000 - £15,000(2014: £10,000 - £15,000)

Emily Cotter (10 months) & Soraya Cowley (2014: Andrea King, Hilary Oppong) (staff)

Remuneration £57,725(2014: £53,526)

Employers Pension Contributions £9,661(2014: £3,863)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

Other related party transactions involving the governors are set out within the related parties note.

Governors and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 & 2014 could not be ascertained as it was included with all insurance.

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

10 Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost			
At 1 September 2014	5,094	80	5,174
Additions	-	13	13
At 31 August 2015	5,094	93	5,187
Depreciation			
At 1 September 2014	195	23	218
Charge for the year	64	24	88
At 31 August 2015	259	47	306
Net book value			
At 31 August 2015	4,835	46	4,881
At 31 August 2014	4,899	57	4,956

Included in cost of land and buildings is land of £1,912,000 (2014: £1,912,000) which is not depreciated.

11 Debtors

	2015 £'000	2014 £
Trade debtors	5	6
VAT recoverable	21	46
Prepayments and accrued income	20	31
	46	83

12 Creditors: amounts falling due within one year

	2015 £'000	2014 £
Trade creditors	10	-
Accruals	8	46
Deferred income	39	46
	57	92

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

13 Deferred income	2015 £'000	2014 £
Deferred income is included within:		
Creditors due within one year	39	46
	<u> </u>	<u> </u>
Total deferred income at 1 September 2014	46	-
Amounts credited to the Statement of Financial Activities	(46)	-
Amounts deferred in the year	39	46
	<u> </u>	<u> </u>
Total deferred income at 31 August 2015	<u> </u>	<u> </u>

At the balance sheet date the Academy Trust was holding funds received in advance for free school meals for financial year 2015/16.

14 Funds	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General Annual Grant	-	1,835	(2,081)	246	-
Other DfE / EFA grants	-	257	(273)	16	-
Other government grants	-	92	(92)	-	-
Other restricted funds	-	8	(8)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds excluding pensions	-	2,192	(2,454)	262	-
Pension reserve	(227)	-	(3)	(23)	(253)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(227)	2,192	(2,457)	239	(253)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE / EFA capital grants	4,956	-	(88)	13	4,881
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	4,729	2,192	(2,545)	252	4,628
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	324	235	(73)	(275)	211
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,053	2,427	(2,618)	(23)	4,839
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DFE/EFA grants: This includes the pupil premium, sports funding income, universal infant free school meals, rate relief, insurance rebate and the devolved formula capital grant.

Other government grants: This includes SEN funding and pre school funding received from the Local Authority.

Other restricted funds; This related to amounts received from the PTA for various equipment and the school crossing.

The transfer of funds relate to the purchase of fixed assets during the period and to cover the additional costs over and above those covered by GAG funding.

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	4,881	4,881
Current assets	211	57	-	268
Creditors falling due within one year	-	(57)	-	(57)
Defined benefit pension liability	-	(253)	-	(253)
	<u>211</u>	<u>(253)</u>	<u>4,881</u>	<u>4,839</u>

16 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £212k (2014: £194k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £119k (2014: £93k).

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.

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

Contributions made	2015	2014
	£'000	£
Employer's contributions	121	91
Employees' contributions	31	25
	<hr/>	<hr/>
Total contributions	152	116
	<hr/> <hr/>	<hr/> <hr/>
Principal actuarial assumptions	2015	2014
	%	%
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions in payment	2.3	2.2
Discount rate for scheme liabilities	4.0	4.0
Inflation assumption (CPI)	2.3	2.2
	<hr/> <hr/>	<hr/> <hr/>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.
The assumed life expectations on retirement age 65 are:

	2015	2014
	Years	Years
Retiring today		
- Males	23.1	25.3
- Females	25.5	28.3
Retiring in 20 years		
- Males	25.4	23.0
- Females	28.4	25.4
	<hr/> <hr/>	<hr/> <hr/>

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £'000	2014 Expected return %	2014 Fair value £
Equities	6.5	505	7.0	373
Government bonds		-	2.9	-
Other bonds	3.6	111	3.8	87
Cash	0.5	4	0.5	4
Property		-	6.2	-
Other assets	6.5	72	7.0	58
		=====		=====
Total market value of assets		692		522
Present value of scheme liabilities - funded		(945)		(749)
		=====		=====
Net pension asset / (liability)		(253)		(227)
		=====		=====

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2015 is estimated to be 5.73% (2014: 6.15%). This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on scheme assets was £19k (2014: £56k).

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	114	82
Past service cost	-	-
	=====	=====
Total operating charge	114	82
	=====	=====
Finance costs/(income)		
Expected return on pension scheme assets	(21)	(34)
Interest on pension liabilities	31	37
	=====	=====
Net finance costs/(income)	10	3
	=====	=====
Total charge/(income)	124	85
	=====	=====

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations	(Continued)	
Actuarial gains and losses recognised in the statement of financial activities		
	2015	2014
	£'000	£
Actuarial (gains)/losses on assets: actual return less expected	3	120
Experience (gains)/losses on liabilities	20	(119)
(Gains)/losses arising from changes in assumptions	-	-
	<u>23</u>	<u>1</u>
Total (gains)/losses	<u>23</u>	<u>1</u>
Cumulative (gains)/losses to date	<u>23</u>	<u>-</u>
Movements in the present value of defined benefit obligations		
	2015	2014
	£'000	£
Obligations at 1 September 2014	(749)	(724)
Current service cost	(114)	(82)
Interest cost	-	(37)
Contributions by employees	(31)	(25)
Actuarial gains/(losses)	(20)	119
Past service cost	(31)	-
	<u>(945)</u>	<u>(749)</u>
At 31 August 2015	<u>(945)</u>	<u>(749)</u>
Movements in the fair value of scheme assets		
	2015	2014
	£'000	£
Assets at 1 September 2014	522	492
Expected return on assets	21	34
Actuarial gains/(losses)	(3)	(120)
Contributions by employers	121	91
Contributions by employees	31	25
	<u>692</u>	<u>522</u>
At 31 August 2015	<u>692</u>	<u>522</u>

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations				(Continued)
History of experience gains and losses				
	2015	2014	2013	2012
	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(945)	(749)	(724)	(616)
Fair value of share of scheme assets	692	522	492	323
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Surplus / (deficit)	(253)	(227)	(232)	(293)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Experience adjustment on scheme assets	(3)	(120)	44	(85)
Experience adjustment on scheme liabilities	(20)	119	52	11
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
17 Reconciliation of net income to net cash inflow/(outflow) from operating activities			2015	2014
			£'000	£
Net income			(191)	(5)
Defined benefit pension costs less contributions payable			(7)	(9)
Defined benefit pension finance costs/(income)			10	3
Depreciation of tangible fixed assets			88	79
(Increase)/decrease in debtors			37	(69)
Increase/(decrease) in creditors			(35)	65
			<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities			(98)	64
			<u> </u>	<u> </u>
18 Reconciliation of net cash flow to movement in net funds			2015	2014
			£'000	£
Increase/(decrease) in cash			(111)	37
Net funds at 1 September 2014			333	296
			<u> </u>	<u> </u>
Net funds at 31 August 2015			222	333
			<u> </u>	<u> </u>
19 Analysis of net funds				
	At 1 September	Cash flows	Non-cash	At 31 August
	2014		changes	2015
	£'000	£'000	£'000	£'000
Cash at bank and in hand	333	(111)	-	222
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VALLEY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

20 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £
Expiry date:		
- Between two and five years	4	-
	<u>4</u>	<u>-</u>

22 Related parties

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Kent Design and Print Limited is a company controlled by Christine Marchant, the Finance Manager. During the year the Academy purchased printing services amounting to £1,250 (2014 £2,800), no amounts were due at the year end. The Academy made the purchase at arms' length and ensured the printing services were charged at cost, Christine Marchant had no influence over the decision to use her company. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

During the year the academy trust incurred support, intervention and procurement costs of £4,770 from the Academy Learning Collaborative. At the balance sheet date no amounts were outstanding.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.