

Registered number: 10445759

**Stowe Valley Multi Academy Trust**

Trustees Report and Financial Statements

For the Period Ended 31 August 2017

 **DAINS**  
ACCOUNTANTS

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Contents**

---

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 13
<b>Governance statement</b>	14 - 16
<b>Statement on regularity, propriety and compliance</b>	17
<b>Statement of Trustees' responsibilities</b>	18
<b>Independent auditors' report on the financial statements</b>	19 - 21
<b>Independent reporting accountant's assurance report on regularity</b>	22 - 23
<b>Statement of financial activities incorporating income and expenditure account</b>	24
<b>Balance sheet</b>	25
<b>Statement of cash flows</b>	26
<b>Notes to the financial statements</b>	27 - 48

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details**  
**For the Period Ended 31 August 2017**

---

<b>Members</b>	D G Hazeldine (appointed 25 October 2016) D W Turner (appointed 25 October 2016) R M Tweed (appointed 25 October 2016) B T Wallace (appointed 25 October 2016) L J Dennish (appointed 8 September 2017)
<b>Trustees</b>	K J Boucher (appointed 21 March 2017) C L Chevassut (appointed 30 November 2016) K I Cresswell (appointed 25 October 2016) S D Farrall (appointed 25 October 2016) L E Jones (appointed 30 November 2016) R S Samra, Executive Principal (appointed 1 March 2017) R C M Smart MBE, Vice Chair of Trustees (appointed 25 October 2016) B T Wallace, Chair of Trustees (appointed 25 October 2016)
<b>Senior management team</b>	R S Samra, Executive Principal and Head of Southam College M Mason, Head of Bilton School D Hibbert, Head of Byfield School S Miller, Chief Financial Officer
<b>Company registered number</b>	10445759
<b>Company name</b>	Stowe Valley Multi Academy Trust
<b>Principal and registered office</b>	Southam College Welsh Road West Southam Warwickshire CV47 0JW
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank 73 Parade Leamington Spa Warwickshire CV32 4BB
<b>Solicitors</b>	Warwickshire Legal Services Resources Group Warwickshire County Council Warwickshire CV34 4RR

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Period Ended 31 August 2017**

---

The trustees present their inaugural annual report together with the financial statements and auditor's report of the charitable company for the period 25th October 2016 to 31 August 2017. Academy conversion orders were issued by the Secretary of State for Education and Stowe Valley Multi Academy Trust, comprising of the schools shown below, was incorporated with Southam College and Byfield School formally converting from Local Authority maintained schools and Bilton School, an existing academy, transferring into the multi academy trust on 1st April 2017.

The multi academy trust comprises of 3 academy schools:

<b>Academy School</b>	<b>Capacity as listed in Funding Agreement</b>	<b>Pupils on Roll (October 2016)</b>
Southam College	1,650	1,645
Bilton School	1,425	1,012
Byfield Primary School	120	69
<b>Total</b>	<b>3,195</b>	<b>2,726</b>

This inaugural report refers to the constitution, activities, policies and structures in operation during the period covered by this report. However, our Governance structures, leadership teams and many activities during this inaugural period may need to be revised to accommodate the requirements of an expanded academy during 2017/18.

The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

Stowe Valley Multi Academy Trust ("Academy Trust") is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of Stowe Valley Multi Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Stowe Valley Multi Academy Trust.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

**b. 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.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2017**

---

**c. 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.

**d. Method of recruitment and appointment or election of Trustees**

For the period of this report, the Board of Trustees comprised 8 appointments:

- 3 – Chairperson from each of the 3 Local Governing Bodies (LGB)
- 1 – Executive Principal (Head Teacher from Southam College)
- 4 – Trustees appointed by Members.

Members may appoint up to 5 trustees and the term of office for any trustee shall be four years but any trustee may be re-appointed or re-elected.

The trustees may appoint co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the company as a co-opted trustee if the number of trustees who are employed by the company (including the Head Teachers) would thereby exceed one third of the total number of trustees.

Trustees are appointed in accordance with the Articles of Association which became applicable on conversion. When a new trustee is required the following process is followed:

- In the first instance, the Academy Trust will advertise through the academy local governing bodies.
- Additionally, the Academy Trust will approach specialist bodies to find replacement with specific professional skills that we are unable to recruit from the community.

As a vacancy becomes available the trustees review existing experience and thereafter seek to review a new appointee with the appropriate competency for the role.

**e. Policies and procedures adopted for the induction and training of Trustees**

The Academy Trust continues to subscribe to Warwickshire County Council's Governor Services, which exists to provide support and training for Warwickshire's school governors.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2017**

---

**f. Organisational structure**

The multi academy trust has defined the responsibilities of each person involved in the administration of Trust finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff the financial reporting structure is illustrated below:

**The Board of Trustees**

The Board of Trustees has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Board of Trustees are prescribed in the Master Funding Agreement and respective Supplemental Funding Agreements between the Trust and the DfE and in the Trust's Scheme of Delegation. The main responsibilities include:

- Ensuring that the grant from the DfE is used only for the purposes intended.
- Approval of the annual budget for each academy.
- Appointment of the Accounting Officer,
- Appointment of the Chief Finance Officer, in conjunction with the Accounting Officer.

The Board of Trustees has wide discretion over its use of the Trust's funds, and is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance and accountability or propriety.

**Local Governing Bodies**

The Trust Board devolve responsibilities to the Local Governing Body of each academy under an approved Scheme of Delegation.

**The Executive Principal**

The Academy Trust appointed an Executive Principal on 11th January 2017. The Executive Principal is the appointed Trust Accounting Officer and has overall personal responsibility for:

- Probity and regularity compliance.
- Prudent and economical Trust administration.
- Keeping of proper Trust accounts.
- Ensuring value for money and avoiding waste and extravagance across the whole Trust.
- Efficient and effective use of available Academy resources.

Much of the responsibility is delegated to the Trust's Chief Finance Officer to manage on a day-to-day basis. Additionally, within the framework that comprises the trust vision, strategic objectives and trust academy improvement plans, approved by the Board of Trustees, each Head Teacher has responsibility for their individual Academy Development Plans including the setting of their academy's individual budget and financial activities. Individual academy budgets are approved by their respective Local Governing Body and are submitted to the Board of Trustees for approval annually or as required.

**Other Staff**

Other members of staff, primarily Academy Finance officers, Finance assistants and budget holders at each academy, will have some financial responsibilities and these are detailed in the Trust's Scheme of Delegation. All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Trust's financial procedures.

**g. Pay policy for key management personnel**

The pay level set for the key management personnel are based on the National Teachers Pay guidelines but, due to market forces, may have to be enhanced to ensure that the best staff are appointed. It is expected that any enhancements made can be met out of the trust / academy budgets.

At the start of each academic year the key management are set targets to meet that reflect the strategic aims of the Trust and the local academy. The performance against these targets is monitored and reviewed at regular intervals throughout the year to ascertain if the targets are being met and, if not, a plan of action is put in place to rectify the issues. An annual appraisal is held at the end of the year and a report is produced that assesses the overall performance of the staff member. This report is submitted to the Local Governing Body of the academy and the Local Governing Body will recommend a pay award that they feel they can afford within their budget. These recommendations will be ratified by the Trust if required under the Scheme of Delegation.

For staff employed centrally by the Trust, the same process is followed but the trustees will carry out the appraisal and will make the recommendation to the Board of Trustees for approval.

**h. Connected organisations, including related party relationships**

The Academy Trust is not part of a wider network such as a soft foundation.

**Objectives and Activities**

**a. Objects and aims**

The Objects and Aims are as described in the Articles of Association:

- a) to advance for the public education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum;
- b) to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy Trust's Vision statement approved by the Board of Trustees:

"Stowe Valley Multi Academy Trust will create a seamless educational experience for our students across all key stages to develop responsible, capable and confident young people who are active citizens in the 21st Century. We will achieve outstanding progression using our success to drive us to reach even higher standards in everything we do. We will maximise pupil achievement in all schools through a rich and motivating curriculum and encourage all to strive by living out motto "be the best you can be". The MAT will be recognised by our staff, parents and the local community as providers of a safe, creative and ethical environment reinforced by a vibrant Community Dimension. Overall, we will ensure that the MAT proactively adds value to each partner school so that the whole is always greater than the sum of the individual parts."

**b. Objectives, strategies and activities**

Based on the Trust's Articles of Association and Vision Statement, the Board of Trustees have identified the following strategic objectives:

**1. Our aim is to be the best multi academy trust in the area.**

Performance indicators:

- All Academy Schools to improve their Ofsted rating to ultimately achieve an "Outstanding" rating
- All Academy Schools to achieve educational improvements year on year
- Satisfaction survey with Stakeholders and, if possible, benchmark the results against other academies.

**2. We want to achieve seamless progression across all stages**

Performance indicators:

- Implement a "through-life" teaching and learning strategy
- Create a rich and motivating curriculum acknowledged through student and parental feedback and, where possible, independent feedback

**3. Maximise engagement with students, their families and the local community to achieve a vibrant community dimension**

Performance indicators:

- Produce a Trust Community Strategy document detailing development of all key partnerships and interactions
- Annually audit the Trust's delivery of a "safe, creative and ethical environment" with staff, parents and the local community.

**4. Build a viable and sustainable long term Stowe Valley Multi Academy Trustees**

Performance indicators:

- Produce and publish a Stowe Valley Multi Academy Trust Development Plan
- Proactively support the conversion of partnership schools to Academy status with feedback vis the Headteacher Group.

**5. Ensure that our Trust proactively adds value to member schools**

Performance indicators:

- The Trust Board to subjectively assess the quality of approved "added Value Projects" being successfully implemented each year; and / or assessment by Local Governing Bodies using questionnaires with ratings on added-value progression
- Additional investment made available by becoming a Multi-Academy Trust – whether derived via economies of scale or other savings.



**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2017**

**c. Public benefit**

The trustees of Stowe Valley Multi Academy Trust 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.

Stowe Valley Multi Academy Trust comprises of two mixed secondary schools with a successful 6th Form and a primary school. Together they offer an excellent educational environment for over 2,670 pupils. Our successes are built upon the efforts of a highly qualified, hard-working and enthusiastic staff, well-motivated pupils, very supportive parents and a highly committed Academy Board with a strong connection with the local communities. All of our academies have high quality pastoral care systems.

The Academy Trust has excellent links with other Warwickshire Academies, local businesses and many more groups in our community. This ensures that we continue to generate better educational programmes for all young people, as well as improving transitional activities for students who will be coming to the secondary schools.

We value highly all contact with parents since we see a successful education being a partnership between parents, students and the academy. By working together, we are able to meet our aim of ensuring that all who attend our Academies will find it challenging, stimulating, caring, and a happy place to be.

Enabled by our close partnership and community connections, all pupils within the member academies are able to participate in a wide variety of sports, clubs, trips and activities.

**Achievements and performance**

**a. Review of activities**

The Stowe Valley Multi Academy Trusts primary output is the delivery of outstanding education to all pupils in our Academy schools. The following information and data summarises the achievement and performance data for each Academy school from an educational perspective.

The key stage 4: GCSE headline results 2017 for the 2 secondary schools is as follows:

Measure	Southam College	Bilton School	Warwickshire	National
Progress 8	Plus +0.51 (well above average)	Minus -0.44 (Below Average)	Plus +0.05	Minus -0.03 (State Funded Schools)
Attainment	51.8	40.8	48.7	44.2
Grade 5 or above in English & Maths	52%	30%	48%	39%
Grade 4 or above in English & Maths	79%	59%	69%	63%
Achieving Ebacc	27%	8%	25%	20%
Entering Ebacc	34%	18%	38%	35%
Staying in Education or Entering Employment	97%	91%	95%	94%

**a. Review of activities (continued)**

The Key Stage 5 A Level results for can be summarised as follows:

Measure	Southam College	Biton School
Achievement A* - E	100%	74%
Achievement A* - B	56%	27%
Academic Value Added	+0.19	+0.19
A Level Average Points Score	34.79	26.80
A Level Average Grade	C+	C-
Vocational Value Added	+1.08	+0.52
Vocational Average Grade	Distinction *	Distinction *-

**Byfield Primary School Key Stage 2 results were as follows:**

Reading, Writing and Mathematics 86% achieving expected standard.  
 14% achieving a higher score

Reading: 100% achieving expected standard.  
 57% achieving greater depth.  
 Average scaled score: 110

Maths: 86% achieving expected standard.  
 29% achieving greater depth.  
 Average Scaled Score: 105

Writing: 86% working at age related  
 14% working at greater depth

Grammar, punctuation and spelling: 71% achieving expected standard.  
 14% achieving a higher standard.  
 Average Scaled Score: 105

**Sports/ Creative achievements**

All schools in the trust have a real commitment to providing students not only with outstanding academic achievements, but also with wider memorable experiences which will remain with them for the rest of their lives. Evidence for this is outlined below:

- Wide range of sporting activities which enable high levels of participation but also develop elite performance.
- Drama productions in every school each term.
- Huge range of visits throughout the UK but also internationally
- Charity events to support local communities.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2017**

---

**b. Key performance indicators**

The Board of Trustees approved an overall Trust budget for the period 1st April 2017 to 31st August 2017. During this period our total General Annual Grant was £5,361,825 for this inaugural period:

- The Trust predicted a total income of £5,862,825 and actually received £6,016,721
- The Trust predicted staffing costs at £4,687,160 and we actually spent £4,639,513
- The Trust predicted total expenditure at £5,981,000 and we actually achieved £5,936,291 (excluding depreciation and pension costs)

As the Trust expands detailed key financial performance indicators will be developed.

**c. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it 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 Accounting Policies.

**Financial review**

**a. Review of finances**

Stowe Valley Multi Academy Trust began operations on 1st April 2017 and an Academies Financial Management and Governance Self-assessment was undertaken within 4 months of the conversion date and submitted to the Education and Skills Funding Agency (ESFA) in July 2017 in accordance with the published submission deadline.

The self assessment comprised of 41 questions which covered 6 areas and the assessment was as follows:

Area	"Yes" Response
1) Financial Oversight	8 out of 8
2) Financial Planning	4 out of 5
3) Internal Control	3 out of 4
4) Financial Monitoring	3 out of 3
5) Proper and Regular Use of Public Funds	3 out of 6
6) Audit Requirements	12 out of 15
Overall assessment of financial management and governance	33 out of 41

At the time of the response 8 questions were answered "No" and since then these have been or are being actioned where appropriate.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2017**

---

**b. Reserves policy**

During this inaugural operating period the Academy trust has accrued a healthy reserve. We received revenue reserves of £1,402,567 on conversion and prudent budgeting during our initial few months helped all academy schools to achieve a surplus in the period 1st April 2017 to 31st August 2017; this ensured that the Academy Trust started the year 2017/18 with a positive total reserve. In addition to delegated academy budgets, the Academy Trust holds a central budget to fund a range of central services.

Prior to conversion we conducted a due diligence review of each academy which included a high-level property survey of each site to assess the level of work that may be required over the next five years across the three sites. A detailed programme of work will be developed to address this requirement.

**c. Material investments policy**

Investments will be made only in accordance with written procedures approved by the Board of Trustees. At present, all funds held by the Academy as at 31st August 2017 were in an interest bearing account with Lloyds Banking Group. Given the lack of certainty of future grant funding, enduring pressure on individual academy budgets, the scale of possible new capital projects over the next 2-3 years and the scope of the forward maintenance plan, the Trustees consider that we do not have sufficient funds to lock into an investment policy at this time. This position will be reviewed by Trustees during 2017-18.

#### **d. Principal risks and uncertainties**

The trustees have conducted a review of the Academy Strategic Plan which incorporates our strategic risk management policy and the risk register. The risk register will be a standing agenda item on the Trustees Board meeting and all major risks will be discussed. At an operational level, the internal control systems and the exposure to risks are considered on a regular basis by the Executive Principal and the Academy Leadership Team.

The Academy Strategic Plan outlines the academies operating procedures together with our means of identifying, analysing, managing, implementing strategies and reviewing risks. The Board of Trustees has made a considered choice about its desired risk profile, taking account of its legal obligations, its strategic objectives and public expectations of what it should deliver.

The Board of Trustees define risk as:

*The probability and implications of an activity or event of potentially positive or negative consequences taking place.*

This definition of risk enables an approach that allows for the possibility of identifying and exploiting opportunities as well as identifying and mitigating threats. The Stowe Valley Multi Academy Trust Risk Management strategy comprises of 4 steps:

- **Step 1 – Risk Identification** - In simple terms, risk identification aims to recognise what could go wrong, and how. It begins with the annual review of strategic objectives and the subsequent work conducted by the Board Of Trustees and the Local Governing Bodies. However, all Trustees, Local Governing Bodies, Head Teachers and members of the Academy Leadership Teams are responsible for highlighting any key risks that they identify. Strategic risks should be passed to the Academy Trust's Chief Finance Officer to collate in the Academy Trust Risk Register for further analysis.
- **Step 2 – Risk Analysis** – Risk analysis seeks to understand the likelihood of the activity or event occurring, the potential severity of the outcome, and to ascertain who owns each risk. The Academy Trust has developed a risk matrix, showing likelihood versus impact, to determine the risk of any single event occurring.
- **Step 3 – Risk Management** – Having identified and assessed the likely risks, the Board of Trustees, Local Governing Bodies, and/or the Academy Leadership Team develop measures to reduce their likelihood and impact, mitigate unfavourable outcomes, and exploit opportunities that may arise. Risks are prioritised, so that attention can be focused on mitigating the most severe first.
- **Step 4 – Review** – This process is an iterative process. The Risk Register is maintained by the Trust's central office, owned by the Trust's Chief Finance Officer; it is reviewed regularly by the Academy Leadership Team and the Executive Principal who is responsible for raising strategic risks to the Board of Trustees. The Risk Management Strategy and the Risk Register will be reviewed at least annually by the Board of Trustees.

**d. Principal risks and uncertainties (continued)**

The Trust's Risk Register is an iterative document and it has / will be subjected to a full review. The Trust's Chief Finance Officer maintains the Risk Register and the key risks that have been identified are owned by either The Board or delegated to the appropriate Local Governing Body. As at 31st August 2017 the Trust's key risks are as follows:

- **Potential failure of the Trust Board to secure sufficient funds to deliver strategic objectives.**

A major risk to this new Trust is the potential for the revenue income to fall and staff and other costs to rise. The level of Grants payable to the Trust could reduce or be removed entirely. Rising staff costs will be incurred through increase to Teacher Pay Scales, Employers National Insurance, Employers Pension Scheme contributions, annual increments etc. Additionally, it is becoming increasingly difficult to attract teaching staff and senior leaders in this region. Consequently, it is likely that we will have to offer higher rates of pay to attract staff for critical posts.

As a new Trust we carried out due diligence on the academies prior to them joining the Trust. This identified that due to the age of the properties, a significant property upgrade programme will need to be implemented over the next few years and this will be dependent of Trust Funds available and the availability of Grants from the Government.

- **Potential of Trust to fail to respond to demographic changes in local community.**

The Trust works closely with Warwickshire County Council and Northamptonshire County Council to ensure that the Trust can respond to a rise or fall in the number of pupils at each academy. It is noted that a significant number of housing developments within Southam are placing growing pressure on the College which is operating close to full capacity.

**Plans for future periods**

**a. Future developments**

The Trust recognises that it is in the strategic interest of the Trust to increase in size in order to promote and preserve its academic and financial viability. Over the next 3 – 5 years the Board expect the Trust to grow, probably to contain between 12 and 15 schools. Protocols and processes will be put in place and regularly reviewed to ensure that educational, governance and financial probity is sustained and the Trust continues to deliver its vision of excellent education for all its pupils. It recognises that schools may approach the Trust directly and that the DfE may from time to time request that the Trust considers sponsoring a school or Academy that is in an unacceptable Ofsted category.

**Funds held as custodian**

The Trust holds no Assets and Funds as Custodian Trustee on Behalf of Others.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2017**

---

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 13<sup>th</sup> DECEMBER 2017 and signed on its behalf by:



**B T Wallace**  
**Chair of Trustees**

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement**

---

**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Stowe Valley Multi 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 Executive Principal, 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 Stowe Valley Multi Academy Trust and the Secretary of State for Education. They are 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 of Trustees has formally met 10 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K J Boucher	5	5
C L Chevassut	10	10
K I Cresswell	9	10
S D Farrall	8	10
L E Jones	9	10
R S Samra, Executive Principal	8	8
R C M Smart MBE, Vice Chair of Trustees	9	10
B T Wallace, Chair of Trustees	9	10

Resignations and appointments during the period:

- B T Wallace, R C M Smart MBE, K I Cresswell and S D Farrall were appointed on 25 October 2016
- C L Chevassut and L E Jones were appointed on 30 November 2016
- R S Samra was appointed on 1 February 2017
- K J Boucher was appointed on 21 March 2017

This has been a demanding period for the Board of Trustees setting up the Academy Trust and particular challenges have included:

- Keeping pace with the changing political situation and how that equates to education and specifically the academy programme. Trying to pick a pathway that ensures the long term viability of the trust and its academy schools against a backdrop of an extremely challenging financial climate combined with changes of policy or delays to policy is becoming more difficult;
- Recruiting and retaining experienced, motivated and capable school leaders in a tightly constrained resource environment; including the evolving role of the Executive Principal; and
- Sustaining the engagement of volunteer trustees within an environment which demands growing accountability and responsibility.



**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

---

**Governance Reviews**

Our governance structure continues to evolve and will mature as our trust develops. Each academy within the trust has its own Local Governing Body and are represented on the Board of Trustees. Common terms of reference, a scheme of delegation, strategic plan and the risk register are evolving and provide the foundation of how we operate as a group of academies.

Financial performance is monitored at Trust level and by the local Governing Body at every academy on a regular basis. The Trust's Chief Finance Officer meets regularly with the Head Teacher, and the appropriate finance officer to review their financial performance to date. These meetings have increased the financial information available to head teachers and local governing bodies and provide better management information for decision making.

Trustees have conducted a skills audit to ensure that the Board has trustees with the appropriate knowledge and experience. As a result of this it has been agreed that additional trustees are required to strengthen the skill set of the Board and a recruitment programme is being undertaken.

With the likelihood that the Trust will expand during 2017/18, governance structures will be subject to a full review during the period.

**Committees**

At present Committee functions are carried out within the Trust Board meetings. However, Local Governing Bodies have various sub committees that monitor the day to day operation of the various academies.

It is envisaged that as the number of Trustees increase a Committee structure will be established.

**Review of Value for Money**

As Accounting Officer, the Executive Principal 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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. As this is the inaugural period of the Trust this is an ongoing project and any changes made to date have not yet had time to make any significant improvement during this accounting period.

**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 ongoing 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 Stowe Valley Multi Academy Trust for the period 1 April 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This system has just been established and will continue to evolve in the next accounting period.

**Governance Statement (continued)**

---

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 1 April 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees 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.

A programme of work will be developed for the next year to include reviews of the state of readiness for expansion, benchmarking opportunities, the strategic plan and the effectiveness of the support staff establishment.

**Review of Effectiveness**

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Board of Trustees;
- the work of the external auditor;
- 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 Board of Trustees and a plan to address issues that have been highlighted and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13<sup>th</sup> DECEMBER 2017 and signed on their behalf, by:



**B T Wallace**  
Chair of Trustees



**R S Samra**  
Accounting Officer

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

---

As Accounting Officer of Stowe Valley Multi Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**R S Samra**  
**Accounting Officer**

13 December 2017

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities**  
**For the Period Ended 31 August 2017**

---

The Trustees (who act as governors of Stowe Valley Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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<sup>th</sup> DECEMBER 2017 and signed on its behalf by:



**B T Wallace**  
**Chair of Trustees**

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Stowe Valley Multi Academy Trust**

---

**Opinion**

We have audited the financial statements of Stowe Valley Multi Academy Trust (the 'Academy Trust') for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Stowe Valley Multi Academy Trust**

---

**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 Auditors' 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.

**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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our 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 in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Stowe Valley Multi Academy Trust**

---

**Responsibilities of trustees**

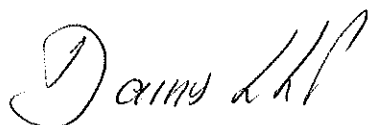
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such 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.

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Birmingham

Date: *13th December 2017*

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Stowe Valley Multi Academy Trust and the Education and Skills Funding Agency**

---

In accordance with the terms of our engagement letter dated 6 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stowe Valley Multi Academy Trust during the period 1 April 2017 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Stowe Valley Multi 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 Stowe Valley Multi 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 Stowe Valley Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Stowe Valley Multi Academy Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Stowe Valley Multi Academy Trust's funding agreement with the Secretary of State for Education dated 5 April 2017, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 April 2017 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Stowe Valley Multi Academy Trust and the Education and 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 April 2017 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Dains LLP*

**Dains LLP**

Birmingham

Date: *13th December 2017.*

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the Period Ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
<b>Income from:</b>					
Donations & capital grants:					
Transfer on conversion	2	1,080,499	(4,196,932)	25,265,036	22,148,603
Other donations and capital grants	2	10,416	-	24,635	35,051
Charitable activities:	3				
Teaching school		-	49,073	-	49,073
Other charitable activities		200	5,909,489	-	5,909,689
Other trading activities	4	22,513	-	-	22,513
Investments	5	395	-	-	395
<b>Total income</b>		<b>1,114,023</b>	<b>1,761,630</b>	<b>25,289,671</b>	<b>28,165,324</b>
<b>Expenditure on:</b>					
Charitable activities:					
Teaching school		-	49,073	-	49,073
Other charitable activities		16,224	6,028,994	218,167	6,263,385
<b>Total expenditure</b>	6	<b>16,224</b>	<b>6,078,067</b>	<b>218,167</b>	<b>6,312,458</b>
<b>Net income / (expenditure) before transfers</b>		<b>1,097,799</b>	<b>(4,316,437)</b>	<b>25,071,504</b>	<b>21,852,866</b>
Transfers between Funds	18	(14,906)	(78,009)	92,915	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,082,893</b>	<b>(4,394,446)</b>	<b>25,164,419</b>	<b>21,852,866</b>
Actuarial gains on defined benefit pension schemes		-	173,000	-	173,000
<b>Net movement in funds</b>		<b>1,082,893</b>	<b>(4,221,446)</b>	<b>25,164,419</b>	<b>22,025,866</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	-	-	-
<b>Total funds carried forward</b>		<b>1,082,893</b>	<b>(4,221,446)</b>	<b>25,164,419</b>	<b>22,025,866</b>

All of the Academy Trust's activities derive from acquisitions in the current financial period.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 10445759**

**Balance Sheet**  
**As at 31 August 2017**

	Note	£	2017 £
<b>Fixed assets</b>			
Intangible assets	13		2,401
Tangible assets	14		25,162,415
			<u>25,164,816</u>
<b>Current assets</b>			
Debtors	15	1,335,889	
Cash at bank and in hand		1,200,788	
		<u>2,536,677</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,126,376)</u>	
<b>Net current assets</b>			<u>1,410,301</u>
<b>Total assets less current liabilities</b>			<u>26,575,117</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(45,251)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>26,529,866</u>
Defined benefit pension scheme liability	24		<u>(4,504,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>22,025,866</u></u>
<b>Funds of the academy</b>			
<b>Restricted income funds:</b>			
Restricted income funds	18	282,554	
Restricted fixed asset funds	18	25,164,419	
		<u>25,446,973</u>	
Restricted income funds excluding pension liability			
Pension reserve		<u>(4,504,000)</u>	
Total restricted income funds			<u>20,942,973</u>
Unrestricted income funds	18		<u>1,082,893</u>
<b>Total funds</b>			<u><u>22,025,866</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 13<sup>th</sup> DECEMBER 2017 and are signed on their behalf, by:



**B T Wallace**  
**Chair of Trustees**

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Statement of Cash Flows**  
**For the Period Ended 31 August 2017**

---

	Note	Period ended 31 August 2017 £
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	20	<u>1,294,063</u>
<b>Cash flows from investing activities:</b>		
Bank interest received		395
Purchase of tangible fixed assets		(115,546)
Capital grants from DfE/ESFA		24,635
Purchase of intangible fixed assets		(2,759)
<b>Net cash used in investing activities</b>		<u>(93,275)</u>
<b>Change in cash and cash equivalents in the period</b>		<b>1,200,788</b>
Cash and cash equivalents brought forward		<u>-</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>1,200,788</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stowe Valley Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 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 Academy Trust 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.

**1.3 Income**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including lettings, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1. Accounting Policies (continued)**

**1.4 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.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Intangible fixed assets and amortisation**

Intangible assets 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.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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. 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Long-term leasehold land	-	0.8% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

**1. Accounting Policies (continued)**

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities and provisions**

Liabilities and provisions 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 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.

**1.10 Financial instruments**

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 cost as detailed in note 15. Prepayments are not financial instruments. 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 costs 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 instruments.

**1.11 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. Accounting Policies (continued)**

**1.12 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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 recognised gains and losses.

**1.13 Conversion to an Academy Trust and transfer of existing academy into the Academy Trust**

The conversion from a state maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Southam College and Byfield School to an academy trust, and on the transfer of the existing academy Bilton School into the academy trust, have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer on conversion in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.



**1. Accounting Policies (continued)**

**1.14 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 the Department for Education 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 and include grants from the Department for Education.

**1.15 Critical accounting estimates and areas of judgment**

Estimates and judgments 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 trust makes estimates 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**2. Income from donations and capital grants**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transfer on conversion	1,080,499	(4,196,932)	25,265,036	22,148,603
Donations	10,416	-	-	10,416
Trips income	-	-	24,635	24,635
Subtotal	10,416	-	24,635	35,051
	<u>1,090,915</u>	<u>(4,196,932)</u>	<u>25,289,671</u>	<u>22,183,654</u>

**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	5,361,825	5,361,825
Pupil Premium	-	216,763	216,763
Other DfE/ESFA grants	-	47,990	47,990
Teaching school income	-	48,250	48,250
	-	<u>5,674,828</u>	<u>5,674,828</u>
<b>Other government grants</b>			
Local Authority grants	-	108,592	108,592
Nursery income	-	2,600	2,600
	-	<u>111,192</u>	<u>111,192</u>
<b>Other funding</b>			
Other income	-	21,977	21,977
Catering income	200	70,565	70,765
Start up grants	-	80,000	80,000
	<u>200</u>	<u>172,542</u>	<u>172,742</u>
	<u>200</u>	<u>5,958,562</u>	<u>5,958,762</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £
Income from other activities	16,832	-	16,832
Lettings	5,681	-	5,681
	<u>22,513</u>	<u>-</u>	<u>22,513</u>

**5. Investment income**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £
Bank interest receivable	395	-	395
	<u>395</u>	<u>-</u>	<u>395</u>

**6. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Activities:				
Direct costs	4,052,377	173,471	211,808	4,437,656
Support costs	906,813	454,793	513,196	1,874,802
	<u>4,959,190</u>	<u>628,264</u>	<u>725,004</u>	<u>6,312,458</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £
Educational operations	4,437,656	1,874,802	6,312,458

**Analysis of direct costs**

	Total 2017 £
LGPS finance cost	20,000
Educational supplies	166,065
Examination fees	163,004
Technology costs	3,538
Travel and subsistence	2,600
Other direct costs	38,278
Wages and salaries	2,792,069
National insurance	276,903
Pension cost	801,728
Depreciation	173,471
	<u>4,437,656</u>

**Analysis of support costs**

	Total 2017 £
Staff costs	906,813
Depreciation	44,696
Staff development	32,007
Technology costs	107,006
Educational consultancy	9,697
Travel and subsistence	4,918
Other direct costs	202,571
Recruitment and support	53,457
Maintenance of premises	135,814
Maintenance of equipment	3,302
Cleaning	52,340
Operating leases	43,351
Rates	87,427
Water rates	23,469
Energy	80,645
Insurance	65,593
Transport	21,338
Amortisation	358
	<u>1,874,802</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**8. Net income/(expenditure)**

This is stated after charging:

	<b>Period ended 31 August 2017 £</b>
Amortisation of intangible fixed assets	<b>358</b>
Depreciation of tangible fixed assets:	
- owned by the charity	<b>218,167</b>
Auditor's remuneration - audit	<b>12,050</b>
Auditor's remuneration - other services	<b>650</b>
	<b>230,165</b>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	<b>Period ended 31 August 2017 £</b>
Wages and salaries	3,525,017
Social security costs	325,173
Operating costs of defined benefit pension schemes	927,323
	<hr/>
	4,777,513
Supply teacher costs	81,030
Termination payments	100,647
	<hr/>
	<b>4,959,190</b>

Included in termination payments are non-statutory/non-contractual compensation payments for loss of office totalling £100,647. Individually, the payments were: £49,999, £30,000 and £20,648.

**b. Staff numbers**

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

	<b>Period ended 31 August 2017 No.</b>
Management	15
Teachers	177
Admin and support	122
	<hr/>
	<b>314</b>

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

	<b>Period ended 31 August 2017 No.</b>
In the band £60,001 - £70,000	4
In the band £90,001 - £100,000	1
In the band £140,000 - £150,000	1

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**9. Staff costs (continued)**

**c. Key management personnel**

The key management personnel of the academy trust comprises the Executive Principal and the Chief Financial Officer. The total amount of employee benefits (including employer pension contributions and employer's national insurance) paid for key management personnel for their services to the academy trust was £108,796.

**10. Central services**

The Academy Trust has provided the following central services to its academies during the period:

- School improvement
- Finance services
- Administration
- IT services
- Human resources
- Facilities services

The actual amounts charged during the year were as follows:

	<b>Period ended 31 August 2017 £</b>
Bilton School	8,419
Byfield School	15,351
Southam College	137,538
	<hr/>
Total	<b>161,308</b> <hr/> <hr/>

For Southam College and Byfield School, the central services recharge is calculated as 3% of age weighted pupil unit (AWPU) funding plus lump sum, and Bilton School's central services recharge is calculated as 1% of age weighted pupil unit (AWPU) funding.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>Period ended 31 August 2017 £</b>
R S Samra	Remuneration	<b>60,000-65,000</b>
	Pension contributions paid	<b>10,000-15,000</b>

During the period ended 31 August 2017, no Trustees received any reimbursement of expenses.

**12. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2017 was included within the total insurance cost of £22,697.

**13. Intangible fixed assets**

	<b>Computer Software £</b>
<b>Cost</b>	
At 25 October 2016	-
Additions	<b>2,759</b>
At 31 August 2017	<b>2,759</b>
<b>Amortisation</b>	
At 25 October 2016	-
Charge for the period	<b>358</b>
At 31 August 2017	<b>358</b>
<b>Carrying amount</b>	
At 31 August 2017	<b>2,401</b>



**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**14. Tangible fixed assets**

	Long-term leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 25 October 2016	-	-	-	-	-
Additions	3,987	3,800	44,065	63,694	115,546
Transferred on conversion	25,418,422	-	808,838	205,037	26,432,297
At 31 August 2017	<u>25,422,409</u>	<u>3,800</u>	<u>852,903</u>	<u>268,731</u>	<u>26,547,843</u>
<b>Depreciation</b>					
At 25 October 2016	-	-	-	-	-
Charge for the period	173,471	238	31,506	12,952	218,167
Transferred on conversion	734,470	-	312,850	119,941	1,167,261
At 31 August 2017	<u>907,941</u>	<u>238</u>	<u>344,356</u>	<u>132,893</u>	<u>1,385,428</u>
<b>Net book value</b>					
At 31 August 2017	<u><u>24,514,468</u></u>	<u><u>3,562</u></u>	<u><u>508,547</u></u>	<u><u>135,838</u></u>	<u><u>25,162,415</u></u>

The long-term leasehold land and buildings figure above relates only to Bilton School and Southam College due to an appropriate valuation not being available for Byfield School leasehold land and buildings as at the date of signing of these financial statements.

**15. Debtors**

	2017 £
Trade debtors	40,978
Other debtors	894,388
Prepayments and accrued income	400,523
	<u>1,335,889</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**16. Creditors: Amounts falling due within one year**

	2017 £
Other loans	80,874
Trade creditors	430,484
Other taxation and social security	200,112
Other creditors	105,743
Accruals and deferred income	309,163
	<u>1,126,376</u>
	£
<b>Deferred income</b>	
Resources deferred during the year	<u>229,956</u>

At the balance sheet date the Trust was holding unspent capital funding of £111,463, universal infant free school meals funding of £8,413 in relation to the academic year 2017/18 and deferred restricted grant income of £110,080.

**17. Creditors: Amounts falling due after more than one year**

	2017 £
Other loans	<u>45,251</u>
Creditors include amounts not wholly repayable within 5 years as follows:	
	2017 £
Repayable by instalments	<u>1,755</u>

Included within other loans is a loan of £120,000 from Warwickshire County Council inherited on conversion, and two Salix loans of £2,625 and £3,500 respectively.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**18. Statement of funds**

	Balance at 25 October 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds	-	1,114,023	(16,224)	(14,906)	-	1,082,893
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	5,614,484	(5,283,816)	(78,009)	-	252,659
Start up grants	-	80,000	(80,000)	-	-	-
Pupil Premium	-	216,763	(216,763)	-	-	-
Other DfE/ESFA grants	-	47,990	(40,962)	(7,028)	-	-
Other government grants	-	111,192	(111,192)	-	-	-
Other restricted income	-	62,649	(62,649)	-	-	-
Catering income	-	70,565	(75,612)	7,028	-	1,981
Community Education	-	27,914	-	-	-	27,914
Teaching school	-	49,073	(49,073)	-	-	-
Pension reserve	-	(4,519,000)	(158,000)	-	173,000	(4,504,000)
	-	1,761,630	(6,078,067)	(78,009)	173,000	(4,221,446)
<b>Restricted fixed asset fund</b>						
Transfer on conversion	-	25,265,036	(216,221)	-	-	25,048,815
DfE/ESFA capital grants	-	24,635	(341)	-	-	24,294
Assets purchased from GAG	-	-	(1,605)	92,915	-	91,310
	-	25,289,671	(218,167)	92,915	-	25,164,419
Total restricted funds	-	27,051,301	(6,296,234)	14,906	173,000	20,942,973
Total of funds	-	28,165,324	(6,312,458)	-	173,000	22,025,866

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

**Restricted general funds**

This fund represents grants and other income received for the Academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**18. Statement of funds (continued)**

**Restricted fixed asset fund**

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature, and capital expenditure funded from GAG.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>
Bilton School	343,530
Byfield School	63,126
Southam College	868,870
Multi Academy Trust	89,921
	<hr/>
Total before fixed asset fund and pension reserve	1,365,447
Restricted fixed asset fund	25,164,419
Pension reserve	(4,504,000)
	<hr/>
Total	<u>22,025,866</u>

**Analysis of academies by cost**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2017 £</b>
Bilton School	1,440,442	460,379	108,387	317,366	2,326,574
Byfield School	103,506	22,154	6,807	22,266	154,733
Southam College	2,188,752	424,309	261,894	408,947	3,283,902
Multi Academy Trust	-	-	1,153	169,929	171,082
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,732,700</u>	<u>906,842</u>	<u>378,241</u>	<u>918,508</u>	<u>5,936,291</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**19. Analysis of net assets between funds**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	2,401	-	2,401
Tangible fixed assets	-	-	25,162,415	25,162,415
Current assets	1,202,893	1,297,431	36,353	2,536,677
Creditors due within one year	(120,000)	(972,027)	(34,349)	(1,126,376)
Creditors due in more than one year	-	(45,251)	-	(45,251)
Provisions for liabilities and charges	-	(4,504,000)	-	(4,504,000)
	<u>1,082,893</u>	<u>(4,221,446)</u>	<u>25,164,419</u>	<u>22,025,866</u>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	Period ended 31 August 2017 £
Net income for the year (as per Statement of Financial Activities)	21,852,866
<b>Adjustment for:</b>	
Depreciation charges	218,167
Amortisation charges	358
Bank interest received	(395)
Increase in debtors	(1,335,889)
Increase in creditors	1,171,627
Capital grants from DfE and other capital income	(24,635)
Defined benefit pension scheme obligations inherited	4,519,000
Defined benefit pension scheme adjustments	158,000
Net gain on assets and liabilities on conversion	(25,265,036)
<b>Net cash provided by operating activities</b>	<u>1,294,063</u>

**21. Analysis of cash and cash equivalents**

	Period ended 31 August 2017 £
Cash in hand	1,200,788
<b>Total</b>	<u>1,200,788</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**22. Conversion to an academy trust and transfer of existing academy into academy trust**

On 1 April 2017 Southam College and Byfield School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Stowe Valley Multi Academy Trust from Warwickshire County Council and Northamptonshire County Council respectively for £Nil consideration.

Also on 1 April 2017 Bilton School, an existing academy trust, transferred all of its operations and assets and liabilities into Stowe Valley Multi Academy Trust for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations - transfer from local authority on conversion

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings - Southam College	-	-	15,953,798	15,953,798
Leasehold land and buildings - Bilton School	-	-	8,730,154	8,730,154
Leasehold land and buildings - Byfield School	-	-	-	-
Other tangible fixed assets - Southam College	-	-	33,046	33,046
Other tangible fixed assets - Bilton School	-	-	539,242	539,242
Other tangible fixed assets - Byfield School	-	-	8,796	8,796
Budget surplus on LA funds - Southam College	1,070,154	28,737	-	1,098,891
Budget surplus on funds - Bilton School	76,018	252,659	-	328,677
Budget surplus on LA funds - Byfield School	54,327	-	-	54,327
LGPS pension deficit - Southam College	-	(1,982,000)	-	(1,982,000)
LGPS pension deficit - Bilton School	-	(2,496,000)	-	(2,496,000)
LGPS pension deficit - Byfield School	-	(41,000)	-	(41,000)
Borrowing obligations - Bilton School	-	(7,000)	-	(7,000)
Borrowing obligations - Southam College	(120,000)	-	-	(120,000)
Other identified assets and liabilities - Bilton School	-	47,672	-	47,672
<b>Total</b>	<b>1,080,499</b>	<b>(4,196,932)</b>	<b>25,265,036</b>	<b>22,148,603</b>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**23. Capital commitments**

At 31 August 2017 the Academy Trust had capital commitments as follows:

	<b>2017</b>
	<b>£</b>
Contracted for but not provided in these financial statements	<b>139,000</b>

**24. Pension commitments**

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

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained schools and previously existing academy and new employees who were eligible to, and did, join the Scheme in the 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 £103,085 were payable to the schemes at 31 August 2017 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' 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.

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.

## **24. Pension commitments (continued)**

### **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%.

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 employer's pension costs paid to TPS in the period amounted to £409,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £243,000, of which employer's contributions totalled £191,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are 15.9% for employers and 5.5 - 12.5% for employees.

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:

	<b>2017</b>
Discount rate for scheme liabilities	<b>2.50 %</b>
Rate of increase in salaries	<b>2.70 %</b>
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>



**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

**24. Pension commitments (continued)**

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

	2017
Retiring today	
Males	22.5 years
Females	24.7 years
Retiring in 20 years	
Males	24.3 years
Females	26.7 years

	Period ended At 31 August 2017 £
<b>Sensitivity analysis</b>	
Discount rate +0.5%	(1,220,000)
Discount rate -0.5%	1,220,000
Pension increase rate +0.5%	853,000
Pension increase rate -0.5%	(853,000)
Salary increase rate +0.5%	338,000
Salary increase rate -0.5%	(338,000)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £
Equities	2,434,000
Bonds	821,000
Property	410,000
Cash and other liquid assets	75,000
Total market value of assets	<u>3,740,000</u>

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	Period ended 31 August 2017 £
Current service cost	(329,000)
Interest income	64,000
Interest cost	(84,000)
Total	<u>(349,000)</u>

**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2017**

---

**24. Pension commitments (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	Period ended 31 August 2017 £
Opening defined benefit obligation	4,346,000
Upon conversion	3,613,000
Current service cost	329,000
Interest cost	84,000
Employee contributions	52,000
Benefits paid	(7,000)
Actuarial gains	(173,000)
	<hr/>
Closing defined benefit obligation	<u>8,244,000</u>

Movements in the fair value of the Academy Trust's share of scheme assets:

	Period ended 31 August 2017 £
Opening fair value of scheme assets	1,850,000
Upon conversion	1,590,000
Interest income	34,000
Employer contributions	191,000
Employee contributions	52,000
Benefits paid	(7,000)
Return on assets	30,000
	<hr/>
Closing fair value of scheme assets	<u>3,740,000</u>

**25. 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.

**26. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11 and key management remuneration already disclosed in note 9.