

**Stowe Valley Multi Academy Trust**

Trustees' Report and Financial Statements

For the Period Ended 31 August 2018



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

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

**Reference and Administrative Details**  
**For the Period Ended 31 August 2018**

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<b>Members</b>	L J Dennish D G Hazeldine D W Turner R M Tweed B T Wallace
<b>Trustees</b>	D J M Billsborough (appointed 31 January 2018) K J Boucher K M Bulyka (appointed 22 May 2018) C L Chevassut K I Cresswell (resigned 26 March 2018) L J Dennish (appointed 24 April 2018) S D Farrall (resigned 24 April 2018) I D Geddes (appointed 22 May 2018) L E Jones (resigned 20 January 2018) K J Latham (appointed 22 May 2018) R S Samra, Executive Principal R C M Smart MBE, Vice Chair of Trustees P W Wain (appointed 25 September 2018) B T Wallace, Chair of Trustees
<b>Senior management team</b>	R S Samra, Executive Principal and Head of Southam College T Chambers, Head of Bilton School from May 2018 D Hibbert, Head of Byfield School A Bedgood, Head of Stockton Primary School E Longworth, Head of Southam Primary School R Hawkins, Head of Bishops Itchington Primary School S Miller, Chief Financial Officer A Startup, Deputy Head of Southam Primary School M Mason, Head of Bilton School up to April 2018
<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>Company registered number</b>	10445759
<b>Independent auditors</b>	Dains LLP 15 Coimore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank 73 Parade Leamington Spa Warwickshire CV32 4BB

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

**Reference and Administrative Details of the Academy Trust, its Trustees and Advisers**  
**For the Period Ended 31 August 2018**

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**Advisers (continued)**

<b>Solicitors</b>	Warwickshire Legal Services Resources Group Warwickshire County Council Warwickshire CV34 4RR
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**Stowe Valley Multi Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Period Ended 31 August 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year 3 additional primary schools have joined the multi-academy trust which now comprises of 6 academy schools:

<b>Academy School</b>	<b>Capacity as listed in Funding Agreement</b>	<b>Pupils on Roll (October 2017)</b>
Southam College	1,650	1,648
Bilton School	1,425	963
Byfield Primary School	120	79
Stockton Primary School (from 01/02/18)	126	98
Southam Primary School (from 01/03/18)	294	281
Bishops Itchington Primary School (from 01/07/18)	180	150
<b>Total</b>	<b>3,795</b>	<b>3,219</b>

Two further primary schools will be joining the Trust in the first quarter of 2019.

**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 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.

**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**

During the period of this report, the Board of Trustees has increased from 8 to 11 appointments and comprises of:

- 5 – Trustees appointed by Members.
- 5 – Co-opted Trustees.
- 1 – Executive Principal (Head Teacher from Southam College).

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 trustees 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.

#### **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.

**f. Organisational structure (continued)**

**The Chief Finance Officer**

The Trust's Chief Finance Officer works in close collaboration with the Accounting Officer through whom she is responsible to the Board of Trustees. The Chief Finance Officer, however, also has direct access to the Board of Trustees. The main responsibilities of the Chief Finance Officer are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the trust.
- The preparation of the annual operating budgets for each academy and the trust as a whole.
- The preparation of monthly managements accounts.
- The preparation of the annual capital budgets and submitting funding claims as appropriate within the specified timescales.
- Monitoring the individual capital programmes to ensure that they are delivered on time and on budget.
- Ensuring all forms and returns are sent to the relevant bodies in line within the appropriate timetable.

**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. Trade union facility time**

The Trust had no employees who were trade union officials in the year.

**i. 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

**b. Objectives, strategies and activities (continued)**

**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.

**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 four primary schools. Together they offer an excellent educational environment for over 3,200 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 2018 for the 2 secondary schools is as follows:

Measure	Southam College	Bilton School	Warwickshire	National
Progress 8	+ 0.52 (Well Above Average)	- 0.36 (Below Average)	+ 0.08	- 0.02
Attainment	53.8	40.8	49.5	44.3
Grade 7 or above in English & Maths	12%	4%	NA	11%
Grade 7 or above in Maths	20%	7%	NA	18%
Grade 7 or above in English	31%	11%	NA	22%
Grade 5 or above in English & Maths	60%	32%	49%	41%
Grade 5 or above in Maths	62%	49%	56%	48%
Grade 5 or above in English	80%	40%	67%	60%
Grade 5 or above in Basics	60%	35%	49%	42%
Grade 4 or above in Maths	87%	64%	76%	69%
Grade 4 or above in English	94%	71%	81%	76%
Grade 4 or above in Basics	87%	60%	71%	64%
Achieving Ebacc	5%	3%	4%	4%
Entering Ebacc	32%	14%	39%	35%

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

Measure	Southam College	Bilton School	National
Achievement A* - E	100%	97%	98%
Achievement A* - B	58%	36%	52%
Academic Value Added	+0.16	+0.27	NA
A Level Average Points Score	35.02	26.45	NA
A Level Average Grade	B-	C-	NA
Vocational Value Added	+ 0.29	+ 0.36	NA
Vocational Average Grade	Merit Plus – 29.80	Merit Plus – 26.27	NA

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

**Primary School Summary**

Key Stage 2 results were as follows:

Measure	Bishops Itchington	Byfield	Southam	Stockton	National
Maths - % meeting expected standard	89%	60%	93%	57%	76%
Maths - % achieving a higher score	33%	20%	45%	13%	24%
Reading - % meeting expected standard	83%	40%	98%	70%	75%
Reading - % achieving a higher score	39%	20%	57%	22%	28%
Spelling, Punctuation and Grammar - % meeting expected standard	89%	60%	89%	78%	78%
Spelling, Punctuation and Grammar - % achieving a higher score	50%	20%	89%	3%	NA
Writing Teacher Assessment - % meeting expected standard	89%	40%	89%	78%	78%
Writing Teacher Assessment - % achieving a higher score	17%	0%	57%*	9%	20%
Reading, Writing and Maths combined	78%	40%	86%	57%	64%

\* The figure shown for Southam Primary Writing Teacher Assessment achieving a higher score of 57% is understood to be the highest result in Warwickshire.

**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.
- Huge range of visits throughout the UK but also internationally
- Charity events to support local communities.

**b. Key performance indicators**

The Board of Trustees approved an overall Trust budget for the year to 31st August 2018. During this year our total General Annual Grant was £13,472,200. Furthermore:

- The Trust predicted a total income of £15,468,794 and actually received £16,837,409 or 108.8% (excluding assets and liabilities transferred on conversion of new schools joining the Trust)
- The Trust predicted staffing costs at £11,985,584 and we actually spent £12,064,710 or 100.7%
- The Trust predicted total expenditure at £15,571,133 and we actually achieved £15,852,695 (excluding depreciation, amortisation and pension costs) or 101.8%

As the Trust continues to expand 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**

In the year to 31st August 2018 the income generated by each academy in the Trust was approximately 8.8% more than the budget and the corresponding expenditure was approximately 1.8% more than the budget. This has resulted in a small increase in the reserves of the Trust.

However, the future financial position is a concern for trustees and is a major risk to the Trust. Whilst costs continue to grow, particularly staff costs, our forecasted income does not increase to the same extent. The budget for 2018/19 that was approved by the Trust in July 2018, which was prior to Bishops Itchington Primary School joining the Trust, shows income increasing by 3.3% and expenditure by 4.1%. However this agreed budget allowed for staff payroll costs increasing by 2% from September 2018 rather than the 3.5% national agreement that has been subsequently approved. Every effort will be made to increase revenue and control costs during 2018/19 but we predict that the percentage of total income spent on staff costs will continue to rise over the next few years and this will place considerable pressure on other areas of the budget.

In the year the Trust submitted 11 bids, totalling £4.4M, to the Capital Improvement Fund (CIF) for new facilities and priority repairs and maintenance work across our academies. We were advised that 7 of the bids relating to 4 of our academies had been successful and we were subsequently awarded capital funding of £3.85M. This money will fund:

- a new sports hall and replacement windows at Southam College;
- a replacement heating system at Bilton School;
- a new hall and replacement windows at Byfield Primary School;
- replacement windows and fire doors at Bishops Itchington Primary School.

This work was planned to start during the 2018 summer holidays but will continue into the 2018/19 academic year.

**b. Reserves policy**

The Academy trust brought forward a healthy reserve as at 1st September 2017. During the year we received additional revenue reserves of £174k on the conversion of the three primary schools that joined the Trust in the year. Prudent budgeting during the year helped the Trust to achieve a small surplus of £75k in the year to 31st August 2018. The result of these additions to the reserve ensures that the Academy Trust start the year 2018/19 with a continuing healthy 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 conduct a due diligence review of each academy which includes a high-level property survey of each site to assess the level of work that may be required over the next five years across each site. 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 2018 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 2018-19.

**d. Principal risks and uncertainties**

The trustees have recently introduced a new Risk Framework which is in the process of being rolled out throughout the Trust. Through this process, the executive leadership and trustees have had the opportunity to revamp the risk register, and as an updated process, it is currently a standing agenda item for the Trustees Board meeting and all major risks are reviewed. 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 Framework 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 Framework will be reviewed at least annually by the Board of Trustees.

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

As at 31 August 2018 the Trust's key risks are as follows:

- **Strategic**

- a) Variance of student numbers from the Published Admission Number (PAN)**

A major risk to the Trust is any significant variance of student numbers from the PAN as this could result in budgetary pressure, reduced potential income, and could compromise the viability of the Trust.

- b) 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. For instance, it is noted that a significant number of housing developments within Southam could place growing pressure on Southam College and Southam Primary School which are currently operating close to their full capacity.

- **Financial / Governance**

- a) Inadequate budget management and/or loss of financial control**

Failure to manage budgets adequately or to maintain appropriate levels of financial controls across the Trust could impact on the financial viability of the Trust. For instance rising staff costs through any increase to Teacher Pay Scales, Employers National Insurance, Employers Pension Scheme contributions, annual increments etc. which cannot be met with savings elsewhere could impact Trust viability if the income based on the PAN does not rise inline with the net costs.

- b) Trust Board Governance**

Failure to establish, maintain and comply with a robust governance structure for the Trust which could result in the failure to adequately hold executive management to account and potential negative outcomes for students.

- **Operational / People**

- a) Safeguarding**

Trust failure to maintain appropriate safeguarding requirements which could result in negative outcomes for students and potential litigation.

- b) Recruitment**

The inability of the Trust to recruit and retain staff which could result in the financial impact of short term cover and negative outcomes for students. In this region it is becoming increasingly difficult to attract teaching staff and senior leaders and, consequently, it is likely that the Trust will have to offer higher rates of pay to attract staff for critical posts.

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

**c) Properties**

As an evolving Trust a due diligence process is carried out on potential new academies prior to them joining the Trust. This has identified that due to the age of the properties, a significant property upgrade programme will need to be implemented over the next few years but this will be dependent on trust funds and grants from the government being available.

The next step in the Trust's approach to Risk Management is to establish a Governance, Audit and Risk Committee as a sub-committee of the main Trust Board. The proposed terms of reference for the committee were presented at the October 2018 Trust Board meeting and it is anticipated that it will be operational before the end of the year. The purpose being to enhance the overall focus on risk and governance across the Trust.

**Fundraising**

The Trust does not have a distinct policy for fundraising. However, academies within the Trust fundraise by way of funding bids to regulators such as the ESFA, and via Parent-Teacher Association events.

**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 £19,592 Assets and Funds as Custodian Trustee on Behalf of Others.

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's Equal opportunities policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.



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

**Trustees' Report (continued)**  
**For the Period Ended 31 August 2018**

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**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 18 December 2018 and signed on its behalf by:



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

## **Governance Statement**

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### **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 12 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
D J M Billsborough (appointed 31 January 2018)	5	6
K J Boucher	12	12
K M Bulyka (appointed 22 May 2018)	2	3
C L Chevassut	12	12
K I Cresswell (resigned 26 March 2018)	5	7
L J Dennish (appointed 24 April 2018)	2	3
S D Farrall (resigned 24 April 2018)	2	8
I D Geddes (appointed 22 May 2018)	3	3
L E Jones (resigned 20 January 2018)	2	5
K J Latham (appointed 22 May 2018)	2	3
R S Samra, Executive Principal	12	12
R C M Smart MBE, Vice Chair of Trustees	1	12
P W Wain (appointed 25 September 2018)	0	0
B T Wallace, Chair of Trustees	10	12

**Note:** R C M Smart MBE has been absent from meetings during this year with the permission of the Trustees.

Resignations and Appointments during the year:

- D J M Billsborough was appointed on 31 January 2018
- L J Dennish was appointed on 24 April 2018
- K M Bulyka, K J Latham and I D Geddes were appointed on 22 May 2018
- L E Jones resigned on 20 January 2018
- K I Cresswell resigned on 26 March 2018
- S D Farrall resigned on 24 April 2018

## **Governance Statement (continued)**

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This has been a demanding year for the Board of Trustees developing 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 staff in a tightly constrained resource environment.
- Sustaining the engagement of volunteer trustees and governors within an environment which demands growing accountability and responsibility.
- Ongoing oversight of the educational performance of all the schools in the Trust.
- Overseeing the process of 3 new Primary Schools joining the Trust and ensuring that they are made welcome and feel part of the Trust.
- Creating effective communication protocols between the Trust Board and the increasing number of Local Governing Bodies.

### **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 2018/19, 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.

**Governance Statement (continued)**

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**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 the Trust is still evolving we are continuing to look at ways to:

- Improve the educational outcomes throughout the Trust with a view of increasing the potential number of pupils at each academy;
- Improve the purchasing power of the Trust by innovatively thinking how services can be purchased at Trust level rather than at individual academies; and
- Improve the organisational structures and reduce any staff duplication wherever possible.

**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 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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.

**Governance Statement (continued)**

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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.

During the year an internal audit was carried out at each of the Trust academies by external accountants. The audit examined the following areas at each academy:-

- Income
- Payroll
- Purchasing
- Expense Claims
- Bank Reconciliation
- Fixed Assets
- Information Technology
- Month End procedures.

The Trust Board reviewed the individual reports that state that each school continues to have good systems and controls in place for the various heading above, and there were generally no recommendations made. However, it was noted by the Trust Board that it was recommended, with regard to Fixed Assets, that a register should be set up and maintained as per the requirements of the Academies Financial Handbook. This information, which was not provided by the County Councils when conversion took place, is being collated to enable a register to be created of Assets that were transferred to the Trust.

**Review of Effectiveness**

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

- the work of the Board of Trustees;
- the work of the external auditor;
- the work of the internal auditor;
- the work of 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 18 December 2018 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**

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



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

Date: 18 December 2018

**Statement of Trustees' Responsibilities**  
**For the Period Ended 31 August 2018**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 18 December 2018 and signed on its behalf by:



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

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

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**Opinion**

We have audited the financial statements of Stowe Valley Multi Academy Trust (the 'Academy Trust') for the period ended 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the 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 2017 to 2018 issued by the Education & 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.



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

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**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 the financial year 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' remuneration specified by law are 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**

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**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.

**Use of our report**

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham  
18 December 2018

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

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In accordance with the terms of our engagement letter dated 6 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stowe Valley Multi Academy Trust during the period 1 April 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 April 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

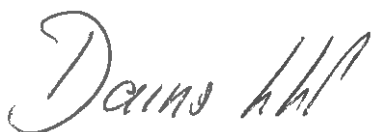
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

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

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**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 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

18 December 2018

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants:						
Transfer on conversion	2	177,470	(374,194)	7,503,433	7,306,709	22,147,780
Other donations and capital grants	2	49,087	700,592	946,991	1,696,670	35,051
Charitable activities:	3					
Funding for the academy trust's educational operations		1,673	14,825,355	-	14,827,028	5,910,512
Teaching schools	27	-	60,935	-	60,935	49,073
Other trading activities	4	230,525	20,852	-	251,377	22,513
Investments	5	1,399	-	-	1,399	395
<b>Total income</b>		<b>460,154</b>	<b>15,233,540</b>	<b>8,450,424</b>	<b>24,144,118</b>	<b>28,165,324</b>
<b>Expenditure on:</b>						
Raising funds		20,632	673,283	-	693,915	-
Academy trust educational operations		-	15,583,740	576,636	16,160,376	6,293,385
Teaching schools	27	-	58,461	-	58,461	49,073
<b>Total expenditure</b>	7	<b>20,632</b>	<b>16,315,484</b>	<b>576,636</b>	<b>16,912,752</b>	<b>6,342,458</b>
<b>Net income / (expenditure) before transfers</b>		<b>439,522</b>	<b>(1,081,944)</b>	<b>7,873,788</b>	<b>7,231,366</b>	<b>21,822,866</b>
Transfers between Funds	18	(141,014)	2,566	138,448	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>298,508</b>	<b>(1,079,378)</b>	<b>8,012,236</b>	<b>7,231,366</b>	<b>21,822,866</b>
Actuarial gains on defined benefit pension schemes	24	-	1,141,000	-	1,141,000	203,000
<b>Net movement in funds</b>		<b>298,508</b>	<b>61,622</b>	<b>8,012,236</b>	<b>8,372,366</b>	<b>22,025,866</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,082,893	(4,221,446)	25,164,419	22,025,866	-
<b>Total funds carried forward</b>		<b>1,381,401</b>	<b>(4,159,824)</b>	<b>33,176,655</b>	<b>30,398,232</b>	<b>22,025,866</b>

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

**Balance Sheet**  
**As at 31 August 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	13		8,728		2,401
Tangible assets	14		33,113,254		25,162,415
			<u>33,121,982</u>		<u>25,164,816</u>
<b>Current assets</b>					
Debtors	15	1,220,343		1,335,889	
Cash at bank and in hand		3,776,179		1,200,788	
		<u>4,996,522</u>		<u>2,536,677</u>	
<b>Creditors: amounts falling due within one year</b>	16	(3,455,939)		(1,126,376)	
<b>Net current assets</b>			<u>1,540,583</u>		<u>1,410,301</u>
<b>Total assets less current liabilities</b>			<u>34,662,565</u>		<u>26,575,117</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(45,333)		(45,251)
<b>Net assets excluding pension scheme liabilities</b>			<u>34,617,232</u>		<u>26,529,866</u>
Defined benefit pension scheme liability	24		(4,219,000)		(4,504,000)
<b>Net assets including pension scheme liabilities</b>			<u>30,398,232</u>		<u>22,025,866</u>
<b>Funds of the academy</b>					
Restricted funds:					
Restricted funds	18	59,176		282,554	
Restricted fixed asset funds	18	33,176,655		25,164,419	
Restricted funds excluding pension asset		<u>33,235,831</u>		<u>25,446,973</u>	
Pension reserve		(4,219,000)		(4,504,000)	
Total restricted funds			<u>29,016,831</u>		<u>20,942,973</u>
Unrestricted income funds	18		1,381,401		1,082,893
<b>Total funds</b>			<u>30,398,232</u>		<u>22,025,866</u>

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

**Balance Sheet (continued)**  
**As at 31 August 2018**

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The financial statements on pages 27 to 59 were approved by the Trustees, and authorised for issue, on 18 December 2018 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 2018**

		<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>2,729,319</b>	1,294,063
<b>Cash flows from investing activities:</b>			
Bank interest received		1,399	395
Purchase of tangible fixed assets		(1,068,147)	(115,546)
Capital grants from DfE Group		718,766	24,635
Capital funding received from sponsors and others		228,225	-
Purchase of intangible fixed assets		(7,905)	(2,759)
<b>Net cash used in investing activities</b>		<b>(127,662)</b>	(93,275)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(80,874)	-
Cash inflows from new borrowing		54,608	-
<b>Net cash used in financing activities</b>		<b>(26,266)</b>	-
<b>Change in cash and cash equivalents in the period</b>		<b>2,575,391</b>	1,200,788
Cash and cash equivalents brought forward		1,200,788	-
<b>Cash and cash equivalents carried forward</b>	21	<b>3,776,179</b>	1,200,788



## **1. Accounting Policies**

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

### **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 2017 to 2018 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. Accounting Policies (continued)**

**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**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities 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**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where receipt is probable and the amount can be reliably measured.

**Other income**

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.

**Transfer on conversion**

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

**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 raising funds**

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**Charitable Activities**

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 resources expended are 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. Accounting Policies (continued)**

**1.6 Tangible fixed assets and depreciation**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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 and assets under construction, at rates calculated to write off the cost of these assets on a straight-line basis over its expected useful life, as follows:

Leasehold property	-	2% straight line
Long-term leasehold land	-	0.8% straight line
Furniture and fixtures	-	10% straight line
Motor vehicles	-	25% 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.

**1.7 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. Accounting Policies (continued)**

**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 Stockton Primary School, Southam Primary School and Bishops Itchington Primary School to an 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

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

Critical accounting estimates and assumptions:

The Academy Trust 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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.

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**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

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

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer on conversion (note 22)	177,470	(374,194)	7,503,433	7,306,709	22,147,780
Trips income	-	700,592	-	700,592	8,523
Donations	49,087	-	-	49,087	1,893
Capital Grants	-	-	946,991	946,991	24,635
Subtotal	49,087	700,592	946,991	1,696,670	35,051
	226,557	326,398	8,450,424	9,003,379	22,182,831
Total 2017	15,006,889	8,523	7,167,419	22,182,831	



**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

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

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	13,472,200	13,472,200	5,361,825
Pupil Premium	-	484,322	484,322	216,763
Other DfE/EFSA grants	-	271,252	271,252	47,990
	-	14,227,774	14,227,774	5,626,578
<b>Other government grants</b>				
Local Authority grants	-	230,206	230,206	108,592
Nursery income	-	12,280	12,280	2,600
	-	242,486	242,486	111,192
<b>Other funding</b>				
Other income	408	51,769	52,177	21,977
Catering income	1,265	303,326	304,591	70,765
Start up grants	-	-	-	80,000
	1,673	355,095	356,768	172,742
	1,673	14,825,355	14,827,028	5,910,512
Total 2017	80,200	5,830,312	5,910,512	

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from other activities	166,960	20,852	187,812	16,832
Lettings	34,352	-	34,352	5,681
Other recharges	1,346	-	1,346	-
School support income	27,867	-	27,867	-
	230,525	20,852	251,377	22,513
Total 2017	17,126	5,387	22,513	

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**Notes to the Financial Statements**  
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**5. Investment income**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	1,399	-	1,399	395
Total 2017	395	-	395	

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

**6. Charitable activities**

	Total funds 2018 £	Total funds 2017 £
<b>Direct costs - educational operations</b>		
Wages and salaries	7,546,235	2,750,266
National insurance	718,164	276,903
Pension cost	1,563,718	801,728
Depreciation	454,701	173,471
LGPS finance cost	122,000	50,000
Educational supplies	307,303	166,065
Examination fees	325,960	163,004
Technology costs	365	3,538
Travel and subsistence	15,485	2,600
Other direct costs	265,805	38,278
	<u>11,319,736</u>	<u>4,425,853</u>
<b>Support costs - educational operations</b>		
Wages and salaries	1,922,386	732,948
National insurance	154,536	62,276
Pension cost	345,752	125,595
Depreciation	120,357	44,696
Staff development	53,688	10,731
Technology costs	247,733	107,006
Catering	210,713	41,523
Travel and subsistence	13,994	4,918
Other support costs	340,726	170,745
Recruitment and support	224,250	53,457
Maintenance of premises	367,279	135,814
Maintenance of equipment	17,632	3,302
Cleaning	130,621	52,340
Operating leases	174,355	43,351
Rates	54,666	87,427
Water rates	43,947	23,469
Energy	193,812	80,645
Insurance	160,876	65,593
Transport	61,739	21,338
Amortisation	1,578	358
Subtotal	<u>4,840,640</u>	<u>1,867,532</u>
Other	-	-
	<u>4,840,640</u>	<u>1,867,532</u>
	<u><u>16,160,376</u></u>	<u><u>6,293,385</u></u>

**Notes to the Financial Statements**  
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**7. Expenditure**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Expenditure on raising voluntary income					
Direct costs	-	-	<b>693,915</b>	<b>693,915</b>	-
Support costs	-	-	-	-	-
Activities:					
Direct costs	<b>9,828,117</b>	<b>454,701</b>	<b>1,036,918</b>	<b>11,319,736</b>	4,425,853
Allocated support costs	<b>2,422,674</b>	<b>876,820</b>	<b>1,541,146</b>	<b>4,840,640</b>	1,867,532
Teaching schools	-	-	<b>58,461</b>	<b>58,461</b>	49,073
	<b>12,250,791</b>	<b>1,331,521</b>	<b>3,330,440</b>	<b>16,912,752</b>	6,342,458
Total 2017	<b>4,959,190</b>	<b>628,264</b>	<b>755,004</b>	<b>6,342,458</b>	

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

This is stated after charging:

	<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>575,058</b>	218,167
Amortisation of intangible fixed assets	<b>1,578</b>	358
Auditor's remuneration - audit	<b>18,750</b>	12,050
Auditor's remuneration - other services	<b>1,125</b>	650

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**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>
Wages and salaries	<b>9,282,540</b>	3,301,537
Social security costs	<b>872,700</b>	339,179
Operating costs of defined benefit pension schemes	<b>1,909,470</b>	927,323
	<b>12,064,710</b>	4,568,039
Agency staff costs	<b>186,081</b>	81,030
Termination payments	-	100,647
	<b>12,250,791</b>	4,749,716

**b. Staff numbers**

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

	<b>31 August 2018 No.</b>	<b>Period ended 31 August 2017 No.</b>
Management	<b>23</b>	15
Teachers	<b>169</b>	177
Admin and support	<b>202</b>	122
	<b>394</b>	314

**c. Higher paid staff**

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

	<b>31 August 2018 No.</b>	<b>Period ended 31 August 2017 No.</b>
In the band £60,001 - £70,000	<b>5</b>	4
In the band £80,001 - £90,000	<b>1</b>	0
In the band £90,001 - £100,000	<b>0</b>	1
In the band £140,001 - £150,000	<b>0</b>	1
In the band £150,001 - £160,000	<b>1</b>	0

**9. Staff costs (continued)**

**d. Key management personnel**

The key management personnel of the academy trust comprises the senior management team as detailed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance) paid to key management personnel for their services to the academy trust was £530,023 (2017 - £108,796).

**10. Central services**

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

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

The Academy Trust charges for these services on the following basis:

The central services recharge is calculated as 3% of age weighted pupil unit (AWPU) funding plus lump sum.

The actual amounts charged during the year were as follows:

	<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>
Bilton School	<b>156,663</b>	8,419
Byfield School	<b>11,231</b>	15,351
Southam College	<b>257,797</b>	137,538
Stockton Primary School	<b>5,837</b>	-
Southam Primary School	<b>12,241</b>	-
Bishops Itchington Primary School	<b>2,660</b>	-
Total	<b>446,429</b>	161,308

**Notes to the Financial Statements**  
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**11. Trustees' remuneration and expenses**

One Trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Principal only receives remuneration in respect of services he provides undertaking his role of Executive Principal under his contract of employment, and not in respect of his role as a Trustee. The value of Trustees' remuneration and other benefits was as follows:

		<b>31 August 2018 £</b>	Period ended 31 August 2017 £
R S Samra (12 months / 5 months)	Remuneration	<b>155,000-160,000</b>	60,000-65,000
	Pension contributions paid	<b>25,000-30,000</b>	10,000-15,000

During the period, no Trustees received any benefits in kind (2017 - £Nil).

During the period ended 31 August 2018, no Trustees received any reimbursement of expenses.

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

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

**13. Intangible fixed assets**

	<b>Computer Software £</b>
<b>Cost</b>	
At 1 September 2017	<b>2,759</b>
Additions	<b>7,905</b>
At 31 August 2018	<b>10,664</b>
<b>Amortisation</b>	
At 1 September 2017	<b>358</b>
Charge for the period	<b>1,578</b>
At 31 August 2018	<b>1,936</b>
<b>Carrying amount</b>	
At 31 August 2018	<b>8,728</b>
At 31 August 2017	<b>2,401</b>

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**Notes to the Financial Statements**  
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**14. Tangible fixed assets**

	Long-term leasehold land and buildings £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>						
At 1 September 2017	25,422,409	852,903	3,800	268,731	-	26,547,843
Additions	558,971	11,151	-	8,918	489,107	1,068,147
Transferred on conversion	7,457,750	-	-	-	-	7,457,750
At 31 August 2018	33,439,130	864,054	3,800	277,649	489,107	35,073,740
<b>Depreciation</b>						
At 1 September 2017	907,941	344,356	238	132,893	-	1,385,428
Charge for the period	454,701	77,937	950	41,470	-	575,058
At 31 August 2018	1,362,642	422,293	1,188	174,363	-	1,960,486
<b>Net book value</b>						
At 31 August 2018	32,076,488	441,761	2,612	103,286	489,107	33,113,254
At 31 August 2017	24,514,468	508,547	3,562	135,838	-	25,162,415

The long-term leasehold land and buildings figure above relates only to Bilton School, Southam College, Stockton Primary School, Southam Primary School and Bishops Itchington Primary School 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**

	2018 £	2017 £
Trade debtors	92,777	40,978
Other debtors	561,552	894,388
Prepayments and accrued income	566,014	400,523
	<b>1,220,343</b>	<b>1,335,889</b>



**Notes to the Financial Statements**  
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**16. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Other loans	54,526	80,874
Trade creditors	439,450	430,484
Other taxation and social security	817,853	200,112
Other creditors	364,751	105,743
Accruals and deferred income	1,779,359	309,163
	<u>3,455,939</u>	<u>1,126,376</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	229,956	-
Resources deferred during the year	1,525,598	229,956
Amounts released from previous years	(229,956)	-
Deferred income at 31 August 2018	<u>1,525,598</u>	<u>229,956</u>

At the balance sheet date the Trust was holding unspent capital funding of £1,311,131, universal infant free school meals funding of £37,219 in relation to the academic year 2018/19 and deferred restricted grant income of £72,413.

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

	2018 £	2017 £
Other loans	24,855	45,251
Other creditors	20,478	-
	<u>45,333</u>	<u>45,251</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>881</u>	<u>1,755</u>

Included within other loans is a loan of £40,000 (2017 - £120,000) from Warwickshire County Council inherited on conversion, and two Salix loans totalling £5,251 (2017 - £6,125). A further amount of £54,608 inherited on conversion is due to Warwickshire County Council relating to an LGPS pension deficit repayment plan.

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**Notes to the Financial Statements**  
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**18. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
Football Foundation capital fund	-	-	-	40,000	-	40,000
<b>General funds</b>						
General Funds	1,082,893	460,154	(20,632)	(181,014)	-	1,341,401
Total Unrestricted funds	1,082,893	460,154	(20,632)	(141,014)	-	1,381,401
<b>Restricted general funds</b>						
General Annual Grant (GAG)	252,659	13,506,456	(13,761,681)	2,566	-	-
Pupil Premium	-	431,164	(431,164)	-	-	-
Other DfE/ESFA grants	-	233,669	(233,669)	-	-	-
Other government grants	-	230,206	(230,206)	-	-	-
Other restricted income	-	817,932	(790,623)	-	-	27,309
Catering income	1,981	303,326	(305,307)	-	-	-
Community Education	27,914	20,852	(19,373)	-	-	29,393
Teaching school	-	60,935	(58,461)	-	-	2,474
Pension reserve	(4,504,000)	(371,000)	(485,000)	-	1,141,000	(4,219,000)
	(4,221,446)	15,233,540	(16,315,484)	2,566	1,141,000	(4,159,824)
<b>Restricted fixed asset fund</b>						
Transfer on conversion	25,048,815	7,457,750	(547,865)	-	-	31,958,700
DfE/ESFA capital grants	24,294	764,449	(7,121)	-	-	781,622
Other capital grants and income	-	228,225	-	-	-	228,225
Assets purchased from GAG	91,310	-	(21,650)	138,448	-	208,108
	25,164,419	8,450,424	(576,636)	138,448	-	33,176,655
Total restricted funds	20,942,973	23,683,964	(16,892,120)	141,014	1,141,000	29,016,831
Total of funds	22,025,866	24,144,118	(16,912,752)	-	1,141,000	30,398,232

**Notes to the Financial Statements**  
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**18. Statement of funds (continued)**

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.

**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 2018.

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Bilton School	<b>245,327</b>	343,530
Byfield School	<b>54,560</b>	63,126
Southam College	<b>693,792</b>	868,870
Stockton Primary School	<b>5,958</b>	-
Southam Primary School	<b>235,827</b>	-
Bishops Itchington Primary School	<b>(39,059)</b>	-
Multi Academy Trust	<b>244,172</b>	89,921
Total before fixed asset fund and pension reserve	<b>1,440,577</b>	1,365,447
Restricted fixed asset fund	<b>33,176,655</b>	25,164,419
Pension reserve	<b>(4,219,000)</b>	(4,504,000)
Total	<b>30,398,232</b>	22,025,866

The following academies are carrying net deficits on their portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £</b>
Bishops Itchington Primary School	<b>(39,059)</b>

When Bishops Itchington Primary School converted to academy trust status, on 1 July 2018, a deficit of £54k was inherited which is to be repaid over 3 years.

The Academy Trust is taking the following action to return the academies to surplus: Bishops Itchington Primary School made an in-year surplus and is forecast to continue making a surplus. Staffing changes implemented in August 2018 have led to a significant decrease in salary costs.

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

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Bilton School	3,239,531	1,092,500	295,483	1,014,102	5,641,616	2,326,574
Byfield School	265,282	58,213	10,943	63,393	397,831	154,733
Southam College	5,377,120	1,050,420	306,205	1,849,212	8,582,957	3,283,902
Stockton Primary School	183,350	42,639	5,738	86,216	317,943	171,082
Southam Primary School	315,862	127,193	13,227	91,151	547,433	-
Bishops Itchington Primary School	83,972	18,935	1,322	18,357	122,586	-
Multi Academy Trust	363,000	1,631	345	362,352	727,328	-
	<u>9,828,117</u>	<u>2,391,531</u>	<u>633,263</u>	<u>3,484,783</u>	<u>16,337,694</u>	<u>5,936,291</u>

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

**Statement of funds - prior year**

	Balance at 25 October 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General 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

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

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

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	8,728	8,728
Tangible fixed assets	-	-	33,113,254	33,113,254
Current assets	1,381,401	2,249,317	1,365,804	4,996,522
Creditors due within one year	-	(2,144,808)	(1,311,131)	(3,455,939)
Creditors due in more than one year	-	(45,333)	-	(45,333)
Provisions for liabilities and charges	-	(4,219,000)	-	(4,219,000)
	<u>1,381,401</u>	<u>(4,159,824)</u>	<u>33,176,655</u>	<u>30,398,232</u>

**Analysis of net assets between funds - prior year**

	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>

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

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

	<b>31 August 2018 £</b>	Period ended 31 August 2017 £
Net income for the year (as per Statement of Financial Activities)	<b>7,231,366</b>	21,822,866
<b>Adjustment for:</b>		
Depreciation charges	<b>575,058</b>	218,167
Amortisation charges	<b>1,578</b>	358
Bank interest received	<b>(1,399)</b>	(395)
Decrease/(increase) in debtors	<b>115,546</b>	(1,335,889)
Increase in creditors	<b>2,355,911</b>	1,171,627
Capital grants from DfE and other capital income	<b>(946,991)</b>	(24,635)
Defined benefit pension scheme obligations inherited	<b>371,000</b>	4,519,000
Defined benefit pension scheme cost less contributions payable	<b>363,000</b>	138,000
Defined benefit pension scheme finance cost	<b>122,000</b>	50,000
Net gain on assets and liabilities on conversion	<b>(7,457,750)</b>	(25,265,036)
<b>Net cash provided by operating activities</b>	<b>2,729,319</b>	1,294,063

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

	<b>31 August 2018 £</b>	Period ended 31 August 2017 £
Cash in hand	<b>3,776,179</b>	1,200,788
<b>Total</b>	<b>3,776,179</b>	1,200,788

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

On 1 February 2018, 1 March 2018 and 1 July 2018 Stockton Primary School, Southam Primary School and Bishops Itchington Primary School, respectively, 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 for £Nil consideration.

The transfers have 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 - Stockton Primary School	-	-	961,301	961,301
Leasehold land and buildings - Southam Primary School	-	-	3,586,766	3,586,766
Leasehold land and buildings - Bishops Itchington Primary School	-	-	2,909,683	2,909,683
Budget surplus on LA funds - Stockton Primary School	-	(3,194)	18,926	15,732
Budget surplus on funds - Southam Primary School	202,178	-	24,950	227,128
Budget deficit on LA funds - Bishops Itchington Primary School	(24,708)	-	1,807	(22,901)
LGPS pension deficit - combined	-	(371,000)	-	(371,000)
Net assets/(liabilities)	<u>177,470</u>	<u>(374,194)</u>	<u>7,503,433</u>	<u>7,306,709</u>

The above net assets include £247,861 that were transferred as cash.

**23. Capital commitments**

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>172,688</u>	<u>139,000</u>



## **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.

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 £357,169 were payable to the schemes at 31 August 2018 (2017 - £103,085) 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.

#### **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.
- 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%.

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 £1,059,000 (2017 - £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)).

**Notes to the Financial Statements**  
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**24. Pension commitments (continued)**

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £577,000 (2017 - £243,000), of which employer's contributions totalled £456,000 (2017 - £191,000) and employees' contributions totalled £121,000 (2017 - £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>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	2.50 %
Rate of increase in salaries	<b>2.80 %</b>	2.70 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.40 %

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>22.3 years</b>	22.5 years
Females	<b>24.5 years</b>	24.7 years
Retiring in 20 years		
Males	<b>22.3 years</b>	24.3 years
Females	<b>26.4 years</b>	26.7 years

	<b>At 31 August 2018 £</b>	<b>Period ended At 31 August 2017 £</b>
<b>Sensitivity analysis</b>		
Discount rate +0.5%	<b>(1,323,000)</b>	(1,220,000)
Discount rate -0.5%	<b>1,323,000</b>	1,220,000
Pension increase rate +0.5%	<b>994,000</b>	853,000
Pension increase rate -0.5%	<b>(994,000)</b>	(853,000)
Salary increase rate +0.5%	<b>307,000</b>	338,000
Salary increase rate -0.5%	<b>(307,000)</b>	(338,000)

**Notes to the Financial Statements**  
**For the Period Ended 31 August 2018**

**24. Pension commitments (continued)**

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	<b>3,073,000</b>	2,434,000
Bonds	<b>1,068,000</b>	821,000
Property	<b>583,000</b>	410,000
Cash and other liquid assets	<b>146,000</b>	75,000
<b>Total market value of assets</b>	<b>4,870,000</b>	<b>3,740,000</b>

The actual return on scheme assets was £200,000 (2017 - £64,000).

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

	<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>
Current service cost	<b>(819,000)</b>	(329,000)
Interest income	<b>105,000</b>	34,000
Interest cost	<b>(227,000)</b>	(84,000)
<b>Total</b>	<b>(941,000)</b>	<b>(379,000)</b>

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

	<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>
Opening defined benefit obligation	<b>8,244,000</b>	4,346,000
Upon conversion	<b>740,000</b>	3,613,000
Current service cost	<b>819,000</b>	329,000
Interest cost	<b>227,000</b>	84,000
Employee contributions	<b>121,000</b>	52,000
Actuarial gains	<b>(1,046,000)</b>	(173,000)
Benefits paid	<b>(16,000)</b>	(7,000)
<b>Closing defined benefit obligation</b>	<b>9,089,000</b>	<b>8,244,000</b>

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**24. Pension commitments (continued)**

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

	<b>31 August 2018 £</b>	Period ended 31 August 2017 £
Opening fair value of scheme assets	<b>3,740,000</b>	1,850,000
Upon conversion	<b>369,000</b>	1,590,000
Interest income	<b>105,000</b>	34,000
Return on assets	<b>95,000</b>	30,000
Employer contributions	<b>456,000</b>	191,000
Employee contributions	<b>121,000</b>	52,000
Benefits paid	<b>(16,000)</b>	(7,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>4,870,000</b>	3,740,000
	<hr/>	<hr/>

**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.

**Stowe Valley Multi Academy Trust**  
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**Notes to the Financial Statements**  
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**27. Teaching school trading account**

	<b>31 August 2018 £</b>	<b>31 August 2018 £</b>	<b>Period ended 31 August 2017 £</b>	<b>Period ended 31 August 2017 £</b>
<b>Income</b>				
<b>Direct income</b>				
Grant income	<b>60,935</b>		<b>49,073</b>	
<b>Total income</b>		<b>60,935</b>		<b>49,073</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Teaching school costs	<b>58,461</b>		<b>49,073</b>	
<b>Total expenditure</b>		<b>58,461</b>		<b>49,073</b>
<b>Surplus from all sources</b>		<b>2,474</b>		
<b>Teaching school balances at 1         September 2017</b>				
<b>Teaching school balances at 31         August 2018</b>		<b>2,474</b>		