

Company Registration Number: 10766406 (England & Wales)

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Brown (resigned 26 November 2019)
S A Little
G Whitfield (appointed 1 January 2020)
J Wriglesworth (appointed 15 January 2020)
C P Zarraga

Trustees

S A Little, Chair
Dame N J Stephenson, Chief Executive Officer and Accounting Officer (resigned 14 July 2020)¹
M Brown (appointed 5 November 2019, resigned 20 November 2019)
J Eatock (resigned 14 July 2020)¹
S D Hanson
L Hurford¹
M Lewis (appointed 14 July 2020)¹
Dr J J A Moore (appointed 15 June 2020)¹
A D Oliver (resigned 14 July 2020)¹
J R Scott (resigned 14 July 2020)
E A Simpson (appointed 15 June 2020)
D Starling¹
C M Wade
C P Zarraga (resigned 20 November 2019)

¹ Member of Finance and HR Committee

Company Registered Number

10766406

Company Name

Valour Multi-Academy Trust

Principal and registered office

Walbottle Village Primary School
The Green
Walbottle
Newcastle upon Tyne
Tyne and Wear
NE15 8JL

Company Secretary

D Thackray

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Senior management team

Dame N J Stephenson, Chief Executive Officer
J Eatock, Head teacher (Beech Hill)
A D Oliver, Head teacher (Walbottle)
N Fielding, Deputy Head teacher (resigned 30 October 2020)
J Manning, Deputy Head teacher
S Peverall, Deputy Head teacher
K Telfer, Deputy Head teacher
A Greensitt, Chief Financial Officer

Independent Auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Lloyds Bank plc
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Solicitors

Muckle LLP
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Valour Multi Academy Trust was formed in 2017. Led by the CEO Dame Nicola Stephenson DBE, the Valour MAT consists of two schools in the west end of Newcastle upon Tyne, Beech Hill Primary and Walbottle Village Primary. The academy trust has a combined capacity of 687 and 650 on roll in the school census on October 2019.

Structure, Governance and management

Constitution

The multi 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 Valour Multi Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Valour Multi Academy Trust.

The charitable company is known as Valour Multi Academy Trust.

Details of the Trustees who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every member of the Local Governing Body or other officer or auditor of the Company acting in relation to the academy trust shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. Valour Academy Trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring on academy trust business. Further details are provided in note 13.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and management (continued)

Method of Recruitment and Appointment or Election of Trustees

Community appointed

The practical arrangements of the election of members of the Local Governing Body shall be the responsibility of the Local Governing Body but nobody shall become a member of the Local Governing Body until appointed by the Trustees.

The Trustees may appoint persons who are representatives of the local community to serve as community members on the Local Governing Body, having regard to any recommendations and views of the Local Governing Body in relation to ensuring that the people serving on the Local Governing Body between them have an appropriate range of skills and experience and due attention is given to succession planning.

Staff appointed

The Trustees may appoint persons who are employed at the academy trust to serve on the Local Governing Body through such process as they may determine, provided that the total number of such persons (including the Head Teacher) does not exceed one third of the total number of persons on the Local Governing Body. The positions held by those employed at the academy trust (e.g. teaching and non-teaching staff) may be taken into account when considering appointments.

Unless the Trustees agree otherwise, in the election of persons to serve on the Local Governing Body who are employed at the academy trust, the Local Governing Body shall invite nominations from all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the academy trust (excluding the Head teacher) and, where there are any contested posts, shall hold an election by a secret ballot. All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the Local Governing Body.

The Head teacher shall be treated for all purposes as being an ex officio member of the Local Governing Body.

Parent appointed

These shall be elected by parents of registered pupils at the academy trust and they must be a parent of a pupil at the academy trust at the time when he or she is elected. For the purpose of this document "parent" shall be interpreted in accordance with section 576(1) of the Education Act 1996.

The Local Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of the parent to the Local Governing Body, including any question of whether a person is a parent of a registered pupil at the academy trust. Any election of persons who are to be the parents to the Local Governing Body shall be contested shall be held by a secret ballot.

The arrangements made for the election of the parent to the Local Governing Body shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the academy trust by a registered pupil at the academy trust.

Where a vacancy for a parent member of the Local Governing Body is required to be filled by election, the Local Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy trust is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of parent members of the Local Governing Body required shall be made up by persons nominated by the Local Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a person to be a parent member of the Local Governing Body pursuant to clause 5.2.10 above, the Trustees shall appoint a person who is the parent of a registered pupil at the academy trust or, where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and management (continued)

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

Co-opted by the Local Governing Body

The Trustees resolve that the Local Governing Body may itself co-opt up to 2 persons to serve on the Local Governing Body.

The Local Governing Body may not co-opt a person who is employed at the academy trust if thereby the number of persons employed at the academy trust serving on the Local Governing Body would exceed one third of the total number of persons serving on the Local Governing Body (including the Head teacher).

Term of Office

The term of office for any person serving on the Local Governing Body shall be 3 years save that: This time limit shall not apply to the Head teacher; and persons who are co-opted to the Local Governing Body shall serve for 3 years. Subject to remaining eligible to be a particular type of member on the Local Governing Body and to clause below, any person may be re-appointed or re-elected (including being co-opted again) to the Local Governing Body. No person may be reappointed or re-elected at the end of their term after serving on the Local Governing Body for 6 years or more consecutively unless in the circumstances the Trustees decide to disapply the restriction set out in this clause.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Trustees are given a tour of the academy trust and a chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budget, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

As a charity and company limited by guarantee, Valour Multi-Academy Trust (Company) is governed by a Board of Trustees (Trustees), who are legally responsible for, and oversee, the management and administration of the Company and the academies run by the Company. Beech Hill Primary and Walbottle Village Primary are the Company's academies.

The Company and the Trustees are accountable to external government agencies including (but not limited to) the Charity Commission, the Education and Skills Funding Agency and the Department for Education (including any successor bodies) for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety and good practice. In order to assist the Trustees in the discharge of their responsibilities, the Trustees have established a Local Governing Body (Local Governing Body) at the academy trust. The Trustees have resolved to delegate certain powers in respect of the academy trust to ensure the good governance of the academy trust at a local level.

Leadership

The appointment of the Leadership team is governed by the Financial Handbook. The Trustees shall appoint the Chief Executive Officer (CEO) and Head teachers in consultation with the Local Governing Body. The Local Governing Body may delegate such of its powers and functions under this Scheme as it considers are required by the CEO for the internal organisation, management and control of the academy trust

(including the implementation of all policies approved by the Trustees and the subcommittees and for the direction of the teaching and curriculum at the academy trust).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and management (continued)

Organisational structure (continued)

Other Staff

The subcommittees shall be responsible for the appointment and management of all other staff to be employed at the academy trust provided that the subcommittees shall:

- Comply with all policies dealing with staff issued by the Trustees from time to time;
- Take account of any pay terms set by the Trustees;
- Adopt any standard contracts or terms and conditions for the employment of staff issued by the Trustees;
- Manage any claims and disputes with staff members having regard to any advice and recommendations given by the Trustees; and

The subcommittees shall carry out the performance management of all staff (including the CEO and leadership) at the academy trust and shall put in place procedures for the proper professional and personal development of staff.

During the year the academy trust continued to operate a unified management structure. The structure consists of 4 levels: the LAB, the Trustees, the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The independent school achievement partner, through the process of performance management, will set the pay and remuneration of the CEO and Head teachers. These findings are then presented to the Trustees HR Committee for ratification. In turn the senior leadership will, through the process of performance management, consider middle leadership and teaching staff for progression through their pay scale. These recommendations are in turn ratified by the Trustees HR Committee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	17
Total pay bill	2,701
Percentage of total pay bill spent on facility time	1 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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Related parties and other connected charities and organisations

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. Details of transactions with Related Parties during the reporting period are in note 25 to the Financial Statements.

Objectives and activities

The Objects of the Company are set out in Article 4 and are as follows:

"The academy trust's objects ("the Objects") are specifically restricted to the following:

to advance for the public benefit 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 ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")."

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Objects and aims

The Trustees have overall legal responsibility and ultimate decision making authority for all the work and activities of the Company, including the establishing and running of schools and in particular the academy trust. This is largely exercised through strategic planning and the setting of policy. It is managed through business planning, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes. The Trustees have the power to direct change where required in accordance with the Company's Articles.

The Trustees have a statutory obligation as company Trustees to promote the success of the Company. In their capacity as charity Trustees, the Trustees also have a duty to further the Company's Objects.

Objectives, strategies and activities

Trustees shall have regard to the interests of the academy trust and the other academies for which the Company is responsible in deciding and implementing any policy or exercising any authority in respect of the academy trust.

- To raise the aspirations of each individual within our school community so everyone strives for personal excellence in everything they do;
- To help students build on their strengths and overcome their weaknesses;
- To prepare each child for the opportunities, responsibilities and experience of life and to develop enquiring minds.
- To encourage children to respect and care for themselves, others and their environment.
- To provide a broad, balanced and creative curriculum that combines excellence in teaching with enjoyment of learning.
- To instill in the children a high level of self-esteem and confidence in their own worth.
- To ensure all children feel loved, happy and safe.
- To improve standards in reading, Writing and mathematics so year on year more pupils achieve and exceed ARE and progress exceeds that made by pupils with similar starting points
- To secure outstanding teaching and learning of a rich and broad curriculum in each academy
- To ensure that groups at risk of underachieving make at least good progress
- secure an accurate and robust self-evaluation process
- To develop school to school support
- To build stronger links with other teaching schools and training providers
- To strengthen Valour MAT by incorporating new academies and ensuring future stability

Public benefit

The academy trust's aims and achievements are set out within this report and have undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Beech Hill Primary School

SCHOOL STATISTICS – BEECH HILL PRIMARY SCHOOL		
	2018-19	2019-20 to date
Number on roll	457	450
Attendance (inc persistent absence)	95.6%	94.6%
Exclusions	0	0
SEN	17%	16%
Pupil Premium	46% FSM 42%	48% FSM 40%
EAL	12%	10%
In year admissions	1 new child since March 2019	5 new children since Sept 2019
In year leavers	2 since March 2019 – moved schools	4 – moved out of area
% of matched pupils (reception through to year 6)	50%	77%
Looked after children	3	1

SUMMARY

Behaviour remains outstanding across school – this has been commented on during the Mocksted as well as by visitors to school and members of the public. Children feel pride in being members of the community and love representing Beech Hill in sporting events.

We are about to introduce postcards for visitors to give out to children while they are visiting school if they show exemplary behaviour.

Two members of staff continue to work on the character development plan; bringing all of the character development areas from the SDPs together to create a whole school action plan. The elements, which link to the Minister for Education's new document on the 5 character points, still revolve around our targets of stickability (resilience), mirror image and community spirit. Planning for this has been meticulous and took up part of the September training day in school where it was linked to flourishing.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

ATTAINMENT

Data from the EYFS, year 2 and 6 national assessments have been included. The main area continues to be higher attainers, a small number of whom don't make expected progress. This will be the first year that the children will have been at Exceeding at year 2 which will translate to exceeding (greater depth). There are already systems in place to ensure that all of those children are on track throughout school and will be particularly tracked throughout years 2 and 6.

Within the EYFS, there was a dip in maths and physical development. This may have been in part due to the focus on literacy. Fine and gross motor skills are often low at baseline and will continue to be an area of focus throughout the year.

Progress meetings have been taking place to discuss what is going well and which children are at risk of making less than expected progress. Following the meetings, support is targeted for the last few weeks and plans are made for the coming year around vulnerable groups including SEND and those who are more able. During this term, support staff deployment has been revisited and adjusted due to needs of specific year groups. One member of staff has returned from maternity and is being carefully deployed to ensure progress for all groups, especially the middle attainers. The progress meetings will also include a discussion around curriculum development and additional opportunities offered to the children.

We track children from their starting points (up to year 2 based on EYFS results and year 6 based on their KS1 data), this allows teachers to ensure that children are on track to make at least expected progress with certain children highlighted and stretched to make BTE progress. Those at risk of not reaching their target, are expertly targeted, their barriers identified and, wherever possible, removed.

Data from Early Years shows that no children eligible for PP achieved exceeding at GLD – this will be a priority next year. 9% of Pupil Premium children got the goal in maths but do not exceed in reading and writing by the end of EYFS.

School priorities for the coming year

PRIORITY 1 – Continue and develop work on character development in line with the 5 new initiatives from the DFE

- Developing the ability of middle leaders, to lead on character within their own curriculum areas
- Giving a focus on character around research and work with wider partners
- Link character to other areas of the plan to gain a holistic approach
- Ensure a progression of character skills and traits across school – e.g. washing hands - tying laces – helping in the community – supporting peers

PRIORITY 2 – Enrich the curriculum to further eliminate the poverty of experience particularly linked to STEM and broadening expectations of career choices

- Further implementation of the Primary Writing Project – ensure that the 'Beech Hill' version is embedded across the whole school
- Pupil premium children monitored to ensure that a wide range of opportunities are being provided for our most disadvantaged children
- Auditing all subjects to ensure there is a varied and rich depth of experiences available to our pupils.
- Promoting community cohesion further by giving pupils more opportunities to learn about and value cultural diversity.
- Develop links with STEM opportunities – Girls are superheroes in science
- Continue the focus on speaking and listening skills so children have the confidence to hold a conversation in a variety of settings

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

PRIORITY 3 – Ensure that children and staff flourish by:

- Having a staff champion who monitors flourishing and supports staff where appropriate with the
- research and implication aspects.
- To facilitate the flourishing of staff through training, education and awareness
- Curriculum plans to focus on character and flourishing
- All teaching and support staff to have a flourishing performance management target based on PERMA model.
- Staff develop a progression of flourishing document which will be used across all year groups shared with the school council.
- Supporting children to understand when they are flourishing and where they can get help if they're not

PRIORITY 4 – Focus on HA to ensure they stay HA across school in reading, writing and maths - specifically around vocabulary

Progress across key stages is at 100% for years 2 and 6

- Internal and external CPD around maths progression and the use of problem solving focusing on White Rose materials
- Maths documents ensure progression across school and non-negotiables are followed
- To ensure PWP further develops and continues to be implemented successfully in all applicable subject areas.
- To continue to develop the use of ambitious vocabulary in all subject areas (maintain poverty of language)
- To further develop pupils ability to verbalise logic and reasoning in Maths and improve the understanding and use of subject specific vocabulary.
- To raise the profile across the school recall of tables and number bonds knowledge.

PRIORITY 5 – Develop the language and verbal reasoning of Literacy and mathematics.

- To ensure PWP further develops and continues to be implemented successfully in all applicable subject areas.
- To continue to develop the use of ambitious vocabulary in all subject areas (maintain poverty of language)
- To further develop pupils ability to verbalise logic and reasoning in Maths and improve the understanding and use of subject specific vocabulary.
- To raise the profile across the school recall of tables and number bonds knowledge.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Walbottle Village Primary School

SCHOOL STATISTICS – WALBOTTLE VILLAGE PRIMARY SCHOOL		
	2018-19	2019-20 to date
Number on roll	186	187
Attendance (inc persistent absence)	95.4%	95.2%
Exclusions	0	0
SEN	12.9%	8%
Pupil Premium	36.6%	26.7%
EAL	1.9%	5.3% (10 children)
In year admissions	9	10 (since last HT report)
In year leavers	22	20 (since last HT report)
% of matched pupils (reception through to year 6)	76%	79%

SUMMARY

Attendance is currently 95.2%. We are still greatly affected by term time holidays. More sessions were lost to unauthorised term time holiday last year than the year before. We continue to issue fixed penalties where appropriate and legally monitor where attendance is a problem.

Behaviour is outstanding across school. Low-level disruption is tackled swiftly and all staff follow the behaviour policy. Children, who repeat certain behaviours after a warning, will lose part of their break time. A timetable is in place and staff take it in turns to supervise those children who need to reflect on their behaviours over part of break. We continue to reward the children for positive behaviours at every available opportunity. Behaviour was a focus of our first training day this year and staff members agreed on the behaviours which should be rewarded (kindness, honesty, perseverance, resilience etc.). Children are rewarded with points and points are collected to exchange for Golden Tickets. These can be used to purchase prizes each Thursday during break. Children also receive a Golden Ticket if they have attended school every day during the previous week.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

PROGRESS AGAINST SCHOOL IMPROVEMENT PRIORITIES – UPDATE FROM LAB MEMBERS WVP

Please refer to class reports also for more detail about progress against priorities

PRIORITY 1 – Enhance the reading offer for our children

All staff have attended 2 training sessions. All children in EY and KS1, as well as the lowest attaining 20% across Key Stage 2 are now reading 3 x weekly with an adult. New home school reading logs are in place. Staff reading files have been updated to ensure consistency across school. Daily guided reading has been replaced with shared reading.

PRIORITY 2 – Raise standards and the quality of teaching in literacy

We continue to embed the PWP principles across school. A recent audit carried out by the literacy lead will be used to inform two training sessions this term (KS1) and the spring term (KS2). Staff CPD will also focus on poetry teaching this year.

PRIORITY 3 – Provide our children with the skills and opportunities to develop their character, be inspired and become inspiring

A new award system will be introduced in the spring term where children will earn badges for achievements such as learning to use the toilet, dress independently, use a knife and fork, ride a bike etc.

PRIORITY 4- Continue to develop leaders at all levels to ensure a successful distributed leadership model

Two middle leaders are nearing the end of their NPQML course. One has embarked on a postgraduate certificate in special educational needs coordination

PRIORITY 5- Ensure high quality teaching and learning informed by effective assessment systems

The wider curriculum is being redesigned. Our current topic based approach to learning will be replaced by subject teaching from September 2020. We have had one staff-training day to map out all history and geography units across school. Teachers are currently being given time to plan alone and with the support of the curriculum lead. We will be looking at the other curriculum areas on the February training day. Further information around the school improvement priorities can be found in teacher reports.

Premises Update

CIF Update – Two staff are going to meet with Farnes Primary in the New Year. They have had successful bids. We have just had our annual Health and Safety Inspection and there are zero actions. The H&S was very complimentary of the work of our facilities supervisor and school business manager in ensuring robust systems and practices.

Rising Threes

It has been wonderful to see that all of the teething problems with our Rising Threes and the efforts of the team have been worthwhile. The difference between our nursery children who started a term early and our new nursery starters is notable. The extra term has given the children a great start and the staff are enjoying building upon this. We will take in our next cohort of Rising Threes in January meaning that this time next year, some of our nursery children will have had a two-term head start. We are very excited to see the impact this has on pupil outcomes at the end of foundation stage and eventually key stages 1 and 2.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Teaching School Update

One deputy head (EY SLE) is working alongside nursery staff in Walbottle, supporting some changes to staffing and provision.

Core SLE training has been arranged for the two new SLEs that were recruited last academic year. This was originally scheduled for November but has been postponed until January. This is being provided by SHINE Teaching School Alliance.

We will be running an event for our alliance schools initially followed by other Newcastle Schools whereby curriculum leads can receive CPD linked to the new OFSTED framework and 'deep dives'. Dame Stephenson will lead this. They will also have the opportunity to come together with other leads to look at curriculum re-design.

Key performance indicators

• Total income per student	£5,747
• Total GAG income per student	£4,019
• Direct Staff cost per student	£4,509
• Total costs per student	£5,527
• Staff costs as a % of total costs	82%
• Staff costs as % of total income	78%
• Student to teacher ratio	21:01

The above KPI's come directly from the management accounts of the trust, these may categorise items of income and expenditure differently to the statutory accounts.

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 they continue 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Reserves policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas such as
- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs

The level of reserves is reviewed by Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted funds of £700,000. This is considered sufficient to cover 3 months' salary costs.

As at 31 August 2020 the academy trust holds available reserves of £735,000, comprising of general funds (excluding pension reserves) of £513,000 and unrestricted funds of £222,000.

Investment policy

The Trustees aim to maximise investment return whilst minimising risks to the principal sum. All free funds are held in a deposit account at market rates. It is proposed to investigate secure deposit accounts, and to manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £75,000 with any PRA (Prudential Regulation Authority) authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)).

Principal risks and uncertainties

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection. The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Principal funding

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £3,628,000 was exceeded by recurrent grant funding from the DfE/ESFA together with other incoming resources. The in-year surplus, excluding the pension reserve and restricted fixed asset funds, was £217,000.

The academy held fund balances at 31 August 2020 of £2,202,000 comprising £513,000 of restricted general funds, £2,690,000 of restricted fixed asset funds, pension deficit of £1,223,000 and £222,000 of unrestricted funds. The total of restricted general funds, excluding pension reserve, plus unrestricted funds as at 31 August 2020 was £735,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2020 the net book value of fixed assets was £2,648,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,223,000 recognised on the balance sheet.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

- All staff to observe good practice across the academy trust
- Subject audits identify needs of staff and rapid intervention of support / training is provided where applicable.
- Literacy and Maths leads have designated times to support staff in their CDP of Maths and Literacy especially NQT +1 staff.
- Maths and Literacy staff training/meeting once a month.
- In house training with maths and Literacy leads where applicable — especially NQT +1 staff.
- External of Maths to verify maths leaders' judgements and identify any maths CDP requirements.
- PE Coordinators to continue to be part of the Newcastle SLA and meet with Helen Taylor half termly. They will also attend subject leader training and the annual conference.
- Science coordinator to attend termly primary science subject leaders meetings and report back to staff. Staff meeting termly in science focusing on priorities from scrutiny and new developments in Science e.g. science and numeracy, science capital.
- DHTs to be released for one day per week to work with staff on personalised CPD around teaching and learning.
- To enhance and continue the leadership development program, using funding from the teaching schools budget.
- To develop the leadership skills and provide direction for new teaching schools opening in Newcastle and share our expertise on a system wide level.
- Ensure parents feel equipped to support their children before and during assessments. Calculation meetings,
- Grammar training, EYFS meeting re Tapestry and ongoing assessment.
- Continue to develop parental engagement, 1 x yearly class assembly, 1 x yearly book look. Yearly celebration of family learning, provide parent and child science sessions.
- Support other schools/academies with financial/administration expertise.
- Family and pupil support during the COVID crisis, distance learning to be prioritised
- Provide enrichment activities:
 - 1) Structured Enrichment time drawing on the strength of teachers and interests of children (linked to pupil voice interview),
 - 2) Provide career opportunities — invite professionals into school (police, fire brigade, Greggs etc.)

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 4 December 2020 and signed on its behalf by:



S A Little
Chair

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Valour 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Valour 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.

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 3 times during the period. The Board met less than 6 times due to the clearly established committees/portfolio groups of Trustees who can deal with specific areas of responsibility following robust terms of reference.

Trustee Meetings attended out of a possible was as follows:

Trustee	Meetings attended	Out of a possible
S A Little, Chair	3	3
Dame N J Stephenson, resigned 14 July 2020	3	3
M Brown, appointed 5 November 2019, resigned 20 November 2019	0	0
J Eatock, resigned 14 July 2020	3	3
S D Hanson	3	3
L Hurford	3	3
M Lewis, appointed 14 July 2020	2	3
Dr J J A Moore, appointed 15 June 2020	0	0
A D Oliver, resigned 14 July 2020	3	3
J R Scott, resigned 14 July 2020	3	3
E A Simpson, appointed 15 June 2020	0	0
D Starling	3	3
C M Wade	3	3
C P Zarraga, resigned 20 November 2019	0	0

The Finance and HR Committee is a sub-committee of the main Board of Trustees and it will meet once per term, or as required by the Trustees. No business can be conducted unless a quorum of members is present.

The main responsibilities of the Finance and HR Committee are detailed below:

- Initial review and authorisation of the annual budget;
- Approve the financial statements for filing in accordance with Companies Act and ESFA requirements;
- Responsible to the LAB for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the academy trust are observed;
- Oversee capital investment programmes;
- Regular monitoring of actual expenditure and income against budget;
- Authorising the purchases of goods and services of value in excess of £25,000 but less than £50,000;
- Reviewing the reports of the Internal Assurance Service on the effectiveness of the financial procedures and controls;
- Authorising the disposal of fixed assets with a value of greater than £10,000;
- Authorising all virements to and within budget headings. Establish monitor and review employment policies on behalf of the LAB;
- Ensuring good financial management and effective internal controls;
- Compliance with the funding agreement and this handbook;

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dame N Stephenson	0	0
J Eatock	0	0
L Hurford	0	0
A D Oliver	0	0
D Starling	0	0
M Lewis	2	3
Dr J J A Moore	3	3

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer 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. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Reviewing service level agreements and comparing best value;
- Reviewing the use of outside contractors and attempting to use more "in house resources";
- Comparing finance systems and choosing best value and most suitable for the academy trust;
- Moving away from Newcastle City Council insurance and appointing a company which meets all requirements of the academy trust at a more cost effective price.
- Review the staff insurance scheme once all maternity leave is completed

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 Valour Multi-Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risk that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Clive Owen LLP, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

academy trust's financial systems. In particular the checks carried out in the current period included:

On a termly basis, the external auditors report to the Board of Trustees through the Finance and HR Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The External Auditor has delivered their schedule of work as planned and there were no control issues raised as a result of their work.

Review of Effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and HR committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 4 December 2020 and signed on their behalf by:


S A Little
Chair


Dame N J Stephenson
Accounting Officer

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Valour Multi-Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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.



Dame N J Stephenson
Accounting Officer
4 December 2020

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the Trustees to prepare financial statements for each financial . 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 4 December 2020 and signed on its behalf by:



S A Little
Chair

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
VALOUR MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of Valour Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 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.

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
VALOUR MULTI-ACADEMY TRUST (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 has 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.

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
VALOUR MULTI-ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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. 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.

Christopher Beaumont BA(Hons) FCA BFP DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

4 December 2020

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VALOUR
MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Valour Multi-Academy Trust during the year 1 September 2019 to 31 August 2020 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 Valour Multi-Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Valour Multi-Academy Trust and 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 Valour Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Valour Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Valour Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 23 May 2017 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by 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.

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VALOUR
MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach (continued)

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of délegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Clive Owen LLP
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

4 December 2020

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	-	15	15	41
Charitable activities	4	31	3,480	-	3,511	3,317
Teaching schools	26	-	87	-	87	131
Other trading activities	5	48	-	-	48	66
Investments	6	1	-	-	1	-
Total income		80	3,567	15	3,662	3,555
Expenditure on:						
Charitable activities	7	54	3,470	71	3,595	3,539
Teaching schools	26	-	33	-	33	64
Total expenditure		54	3,503	71	3,628	3,603
Net movement in funds before other recognised gains/(losses)		26	64	(56)	34	(48)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(192)	-	(192)	(324)
Net movement in funds		26	(128)	(56)	(158)	(372)
Reconciliation of funds:						
Total funds brought forward	17	196	(582)	2,746	2,360	2,732
Net movement in funds	17	26	(128)	(56)	(158)	(372)
Total funds carried forward		222	(710)	2,690	2,202	2,360

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10766406

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	2,648	2,716
		2,648	2,716
Current assets			
Debtors	15	95	157
Cash at bank and in hand		960	689
		1,055	846
Creditors: amounts falling due within one year	16	(278)	(298)
Net current assets		777	548
Total assets less current liabilities		3,425	3,264
Net assets excluding pension liability		3,425	3,264
Defined benefit pension scheme liability	23	(1,223)	(904)
Total net assets		2,202	2,360
 Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	2,690	2,746
Restricted income funds	17	513	322
		3,203	3,068
Restricted funds excluding pension asset	17	3,203	3,068
Pension reserve	17	(1,223)	(904)
Total restricted funds	17	1,980	2,164
Unrestricted income funds	17	222	196
Total funds		2,202	2,360

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 29 to 58 were approved by the Trustees, and authorised for issue on 04 December 2020 and are signed on their behalf, by:

S A Little
Chair



VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	258	150
Cash flows from investing activities	20	13	14
Change in cash and cash equivalents in the year		271	164
Cash and cash equivalents at the beginning of the year		689	525
Cash and cash equivalents at the end of the year	21, 22	<u>960</u>	<u>689</u>

VALOUR MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Valour Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

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. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets

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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold buildings	- Over 50 years
Freehold land	- None provided
Furniture and equipment	- Over 5 years
Computer equipment	- Over 3 - 6 years

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

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 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.

1.11 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

1.13 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 bases 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £71,000.

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Capital Grants	15	15	41
Total 2019	41	41	

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,560	2,560	2,539
Pupil Premium	-	368	368	377
PE and Sport Premium	-	38	38	38
UIFSM	-	66	66	73
Rates	-	17	17	3
Teachers' pay grant	-	31	31	20
Other DfE Group grants	-	107	107	-
	-	3,187	3,187	3,050
Other Government grants				
SEN	-	28	28	49
Early Years Funding	-	262	262	145
Local Authority grants	-	-	-	19
	-	290	290	213
Exceptional government funding				
Coronavirus funding	-	3	3	-
	-	3	3	-
Other funding				
Government non grant income	-	-	-	2
Student Trips	6	-	6	14
Student Catering	25	-	25	38
	31	-	31	54
Total 2020	31	3,480	3,511	3,317
Total 2019	52	3,265	3,317	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £3k of cleaning costs. These costs are included in notes 7 and 9 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from facilities and services	15	15	36
Rental and lettings income	4	4	4
Receipts from Supply Teacher Insurance claims	5	5	15
Other Income	24	24	11
	<u>48</u>	<u>48</u>	<u>66</u>
Total 2019	<u>66</u>	<u>66</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank Interest	1	1	-
	<u>1</u>	<u>1</u>	<u>-</u>

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy's educational operations:					
Direct costs	2,368	-	362	2,730	2,597
Allocated support costs	393	190	282	865	942
Teaching school	-	-	33	33	64
	<u>2,761</u>	<u>190</u>	<u>677</u>	<u>3,628</u>	<u>3,603</u>
Total 2019	<u>2,734</u>	<u>200</u>	<u>669</u>	<u>3,603</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure (continued)

In 2020, of the total expenditure, £54,000 (2019 - £75,000) was to unrestricted funds, £3,503,000 (2019 - £3,424,000) was to restricted funds and £71,000 (2019 - £104,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments during the year.

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	2,730	865	3,595	3,539
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2019	2,597	942	3,539	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

VALOUR MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	2,479	2,479	2,363
Educational supplies	83	83	99
Staff development	24	24	20
Technology costs	39	39	29
Educational consultancy	29	29	39
Supply insurance	23	23	10
Other costs	53	53	37
	2,730	2,730	2,597
	2,730	2,730	2,597
Total 2019	2,597	2,597	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Net interest cost on pension scheme	16	16	11
Staff costs	393	393	371
Depreciation	71	71	104
Technology costs	15	15	14
Staff expenses	13	13	13
Maintenance of premises	33	33	25
Cleaning	4	4	5
Other premises costs	36	36	34
Energy	33	33	28
Rent & rates	9	9	6
Operating lease rentals	10	10	10
Catering	133	133	201
Other insurance premiums	14	14	20
Security	8	8	5
Other costs	59	59	74
Governance costs	18	18	21
	<u>865</u>	<u>865</u>	<u>942</u>
Total 2019	<u>942</u>	<u>942</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	10	10
Depreciation of tangible fixed assets	71	104
Fees paid to auditors for:		
- audit	12	12
- other services	3	1
	<u>96</u>	<u>127</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	2,077	2,062
Social security costs	194	188
Pension costs	568	467
	2,839	2,717
Agency staff costs	33	17
	2,872	2,734

Included within the operating costs of defined benefit pension schemes is £111,000 (2019 - £105,000) in respect of movements in the LGPS pension deficit.

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	30	33
Administration & Support	49	46
Management	8	8
	87	87
	87	87

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1
	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £662,000 (2019: £613,000).

11. Central services

The academy trust has provided the following central services to its academies during the year:

- Chief Executive Officer staff costs
- Chief Finance Officer staff costs
- Human resources costs
- Financial services and legal services

The academy trust charges for these services on the following basis:

Central costs split on percentage of income 2/3 Beech Hill Primary, 1/3 Walbottle Village Primary

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Beech Hill Primary School	95	149
Walbottle Village Primary School	48	74
Total	143	223

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
Dame N J Stephenson	Remuneration	90 - 95	100 - 105
	Pension contributions paid	20 - 25	15 - 20
J Eatock	Remuneration	70 - 75	75 - 80
	Pension contributions paid	15 - 20	10 - 15
A D Oliver	Remuneration	55 - 60	65 - 70
	Pension contributions paid	10 - 15	10 - 15

During the year ended 31 August 2020, no Trustee received any benefits in kind (2019 - £NIL).

During the year ended 31 August 2020, no Trustees received any reimbursement of expenses. (2019 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was not separately identifiable (2019 - not separately identifiable).

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	2,765	89	116	2,970
Additions	-	1	2	3
At 31 August 2020	<u>2,765</u>	<u>90</u>	<u>118</u>	<u>2,973</u>
Depreciation				
At 1 September 2019	101	73	80	254
Charge for the year	45	11	15	71
At 31 August 2020	<u>146</u>	<u>84</u>	<u>95</u>	<u>325</u>
Net book value				
At 31 August 2020	<u>2,619</u>	<u>6</u>	<u>23</u>	<u>2,648</u>
At 31 August 2019	<u>2,664</u>	<u>16</u>	<u>36</u>	<u>2,716</u>

15. Debtors

	2020 £000	2019 £000
Trade debtors	1	-
VAT recoverable	13	56
Prepayments and accrued income	81	101
	<u>95</u>	<u>157</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	98	78
Other taxation and social security	44	45
Other creditors	50	76
Accruals and deferred income	86	99
	278	298
	278	298
	2020 £000	2019 £000
Deferred income at 1 September 2019	84	49
Resources deferred during the year	68	84
Amounts released from previous periods	(84)	(49)
	68	84
	68	84

At the balance sheet date the academy trust was holding deferred income relating to funds received in advance in respect of UIFSM and Early Years income.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
Unrestricted fund	196	80	(54)	-	222
Restricted general funds					
General Annual Grant (GAG)	172	2,560	(2,423)	-	309
Pupil Premium	-	368	(368)	-	-
Other DfE/ESFA Grants	-	259	(259)	-	-
SEN	-	28	(28)	-	-
Other Government Grants	-	262	(262)	-	-
Teaching School	150	87	(33)	-	204
Covid Income	-	3	(3)	-	-
Pension reserve	(904)	-	(127)	(192)	(1,223)
	<u>(582)</u>	<u>3,567</u>	<u>(3,503)</u>	<u>(192)</u>	<u>(710)</u>
Restricted fixed asset funds					
Assets inherited on conversion	2,686	-	(62)	-	2,624
DfE/ESFA capital grants	53	15	(5)	-	63
Capital expenditure from GAG	7	-	(4)	-	3
	<u>2,746</u>	<u>15</u>	<u>(71)</u>	<u>-</u>	<u>2,690</u>
Total Restricted funds	<u>2,164</u>	<u>3,582</u>	<u>(3,574)</u>	<u>(192)</u>	<u>1,980</u>
Total funds	<u><u>2,360</u></u>	<u><u>3,662</u></u>	<u><u>(3,628)</u></u>	<u><u>(192)</u></u>	<u><u>2,202</u></u>

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants is the Teachers Pay and Teachers Pension award grants to cover increases in teachers salaries and pensions.

SEN is funding for pupils with Special Educational Needs and Other Government grants includes Early Years funding and monies received from the local authority.

Teaching Schools is funding for the provision of teachers training and towards the facilities and services necessary for such an activity.

VALOUR MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Other Government Grants are received from Newcastle City Council to cover Special Education Needs and Early Years.

Other Grants relate to income received from Ofsted.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Beech Hill Primary School	259	124
Walbottle Village Primary School	350	264
Central Services	(77)	(20)
Teaching Schools	203	150
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	735	518
Restricted fixed asset fund	2,690	2,746
Pension reserve	(1,223)	(904)
	<hr/>	<hr/>
Total	2,202	2,360
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £000
Central Services	(77)
	(77)

The academy trust is taking the following action to return the academy to surplus:

Undercharge to be invoiced to the relevant academies within the academy trust in 2020/21.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Beech Hill Primary School	1,661	196	146	249	2,252	2,153
Walbottle Village Primary School	738	116	81	132	1,067	1,035
Central Services	80	81	22	22	205	247
Teaching Schools	-	-	2	31	33	64
Academy trust	2,479	393	251	434	3,557	3,499

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted fund	153	118	(75)	-	-	196
Restricted general funds						
General Annual Grant (GAG)	153	2,539	(2,518)	(2)	-	172
Pupil Premium	-	377	(377)	-	-	-
Other DfE/ESFA Grants	-	134	(134)	-	-	-
SEN	-	49	(49)	-	-	-
Other Government Grants	-	164	(164)	-	-	-
Teaching School	83	131	(64)	-	-	150
Other Grants	-	2	(2)	-	-	-
Pension reserve	(464)	-	(116)	-	(324)	(904)
	(228)	3,396	(3,424)	(2)	(324)	(582)
Restricted fixed asset funds						
Assets inherited on conversion	2,788	-	(102)	-	-	2,686
DfE/ESFA capital grants	14	41	(2)	-	-	53
Capital expenditure from GAG	5	-	-	2	-	7
	2,807	41	(104)	2	-	2,746
Total Restricted funds	2,579	3,437	(3,528)	-	(324)	2,164
Total funds	2,732	3,555	(3,603)	-	(324)	2,360

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	2,648	2,648
Current assets	222	791	42	1,055
Creditors due within one year	-	(278)	-	(278)
Provisions for liabilities and charges	-	(1,223)	-	(1,223)
Total	222	(710)	2,690	2,202

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	2,716	2,716
Current assets	378	438	30	846
Creditors due within one year	(182)	(116)	-	(298)
Provisions for liabilities and charges	-	(904)	-	(904)
Total	196	(582)	2,746	2,360

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

	2020 £000	2019 £000
Net income/(expenditure) for the period (as per Statement of Financial Activities)	34	(48)
Adjustments for:		
Depreciation	71	104
Capital grants from DfE and other capital income	(15)	(41)
Interest receivable	(1)	-
Defined benefit pension scheme cost less contributions payable	111	105
Defined benefit pension scheme finance cost	16	11
(Increase)/Decrease in debtors	62	(44)
(Decrease)/increase in creditors	(20)	63
Net cash provided by operating activities	258	150

20. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	1	-
Purchase of tangible fixed assets	(3)	(27)
Capital grants from DfE Group	15	41
Net cash provided by investing activities	13	14

21. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	960	689
Total cash and cash equivalents	960	689

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	689	271	960
	689	271	960
	689	271	960

23. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £50,000 were payable to the schemes at 31 August 2020 (2019 - £43,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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 September 2019. .

The employer's pension costs paid to TPS in the year amounted to £345,000 (2019 - £235,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £142,000 (2019 - £156,000), of which employer's contributions totalled £113,000 (2019 - £127,000) and employees' contributions totalled £ 29,000 (2019 - £29,000). The agreed contribution rates for future years are 25.2% 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.

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23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.70	3.60
Rate of increase for pensions in payment/inflation	2.20	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.10
Commutation of pensions to lump sums	75.00	75.00

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.8	26.9

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(70)	(49)
Discount rate -0.1%	72	50
Mortality assumption - 1 year increase	(94)	(74)
Mortality assumption - 1 year decrease	96	75
CPI rate +0.1%	59	26
CPI rate -0.1%	(56)	(26)

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23. Pension commitments (continued)

Share of scheme assets

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

	2020 £000	2019 £000
Equities	776	855
Government bonds	35	54
Corporate bonds	333	149
Property	134	112
Cash	28	27
Other	147	108
Total market value of assets	<u>1,453</u>	<u>1,305</u>

The actual return on scheme assets was £8,000 (2019 - £80,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £000	2019 £000
Current service cost	(224)	(164)
Past service cost	-	(68)
Interest income	26	32
Interest cost	(42)	(43)
Total amount recognised in the Statement of Financial Activities	<u>(240)</u>	<u>(243)</u>

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

	2020 £000	2019 £000
At 1 September	2,209	1,537
Past service cost	-	68
Current service cost	224	164
Interest cost	42	43
Employee contributions	29	29
Actuarial losses	174	372
Benefits paid	(2)	(4)
At 31 August	<u>2,676</u>	<u>2,209</u>

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23. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2020 £000	2019 £000
At 1 September	1,305	1,073
Interest income	26	32
Actuarial (losses)/gains	(18)	48
Employer contributions	113	127
Employee contributions	29	29
Benefits paid	(2)	(4)
At 31 August	1,453	1,305

24. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Within 1 year	4	6
Between 1 and 5 years	2	4
	6	10

25. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

Schools Northeast - a company in which Dame N J Stephenson and C P Zarraga have a directorship:

- The academy trust incurred training services from Schools Northeast totalling £1,000 (2019: £NIL) during the period. There were no amounts outstanding at 31 August 2020.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Teaching school trading account

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Direct income				
Schools Direct income	87		131	
Other income				
Total income		87		131
Expenditure				
Direct expenditure				
Schools Direct Expenditure	31		61	
Other cost	3		3	
Total direct expenditure	34		64	
Other expenditure				
Total expenditure		34		64
Surplus from all sources		53		67
Teaching school balances at 1 September 2019		150		83
Teaching school balances at 31 August 2020		203		150