
AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 19
Statement on regularity, propriety and compliance	20
Statement of Trustees' responsibilities	21
Independent auditor's report on the financial statements	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 54

AYLESBURY VALE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Oxford Diocesan Board of Education
Mr G Joyner
Ms R Rochefort

Trustees

Ms R Rochefort, Chair of Trustees
Mrs R Bennie (appointed 24 September 2019)
Ms J Bowers
Mr R Burman, Executive Director and Accounting Officer (resigned 31 August 2020)
Mr G Dougall
Mr G Gibson, Head Teacher, Secondary School
Mrs C James
Mr R Scott
Mr D Wallhouse (resigned 31 August 2020)
Dr S Waugh
Mrs J Morrey (appointed 29 January 2020)

Company registered number

06745367

Company name

The Aylesbury Vale Academy

Principal and registered office

Church House Oxford, Langford Locks, KMilington, Oxfordshire, England, OX5 1GF

Company secretary

Mr G Joyner

Senior management team

Mr R Burman, Executive Director (Resigned 31 August 2020)
Mr G Gibson, Head Teacher, Secondary School (appointed 1 September 2019)
Mrs C Baughan, Head Teacher, Primary School (appointed 1 September 2019)
Miss E Kitter, Assistant Principal
Mr A West, Assistant Principal
Miss J Gibbs, Assistant Principal
Mrs K Briggs, Assistant Principal
Mr R Cooper, Assistant Principal
Mr K Ahmed, Assistant Principal
Mr B Lee, Assistant Principal (resigned 19 April 2020)
Ms S Luton, Deputy Primary Head
Mrs C Kirk, Assistant Principal
Mrs E Jefford, Assistant Principal
Mrs S Cooper, Business Manager

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Independent auditor

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Barclays Bank Pic, The Lakes, Bedford Road, Northampton, NN4 7XD

Solicitors

Winckworth Sherwood, 16 Beaumont Street, Oxford, OX1 2LZ

AYLESBURY VALE 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 auditor's report of the charitable company for the year 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.

Structure, governance and management

Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

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

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Aylesbury Vale Academy Trust.

Details of the Trustees who served throughout the year 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

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and Funding Agreement:

- o up to 9 Trustees, who are appointed by the Members;
- o up to 2 Local Authority Trustees, appointed by the Local Authority;
- o up to 1 Parent Trustee, who is elected by the parents of registered pupils at the Academy Trust;
- o up to 1 Staff Trustee, who is appointed by the Members (provided that the total number of Trustees, including the Executive Director, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees);
- o up to 4 Co-Opted Trustees who are appointed by the Board of Trustees; and
- o the Principal who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4-year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends upon their existing experience but will always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally, only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

New Trustees have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates, amongst others. Trustees also receive training under the 'Excellence in Governance' programme provided by the Oxford Diocesan Board of Education.

Organisational structure

During the year to 31 August 2020, the full Board of Trustees met 6 times, a frequency, which was intended to continue the strong focus on whole-academy improvement and accountability. During the Covid 19 partial closure and in line with national guidelines, meetings were held virtually. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of any Committees of the Board of Trustees. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale. During the year to 31 August 2020, the Board of Trustees met solely as a full Trust board, apart from the Admissions Committee and the Pupil Discipline Committee, which also met.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments. They are also responsible for ensuring all statutory responsibilities relating to audit are fulfilled.

The Trustees have devolved the day-to-day management of the Academy Trust to the Executive Director and the Senior Leadership Team ('SLT'). The SLT comprised the Executive Director, the Secondary Headteacher, the Primary Headteacher, the Vice Principal, the Assistant Principals the Primary Deputy Head and the School Business Manager. The Executive Director is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance. An Academy Principal has been appointed with effect from 1 September 2020 who will also take on the responsibilities of Accounting Officer, following the resignation of the Executive Director on 31 August 2020.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy. The pay of the senior management team is reviewed annually by the Board of Trustees in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff as applicable in the policy.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

Related parties and other connected charities and organisations

The Board of Education of the Oxford Diocese of the Church of England is a member and the Academy's sole sponsor. As the sole sponsor with a representation of up to 9 trustees on the Academy Board, the Board of Education has significant influence over the strategic direction and operation of the Academy Trust. None of its representatives is employed by the Academy Trust and the services for which it charges the Academy are those normally charged to other schools and on a cost only recovery basis.

The Board of Finance of the Oxford Diocese of the Church of England is considered a related party by virtue of the ultimate control, which the Diocese of Oxford has over the Board of Finance and Board of Education. The Academy Trust is charged by the Board of Finance for the pastoral support provided to the Academy by a chaplain.

Objectives and Activities

Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- o 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 a school, offering a broad and balanced curriculum; and
- o promote for the benefit of the inhabitants of Aylesbury and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals, who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

The aims of the Academy Trust during the year ended 31 August 2020 are summarised below:

- o Increase the proportion of good and outstanding teaching, thereby improving attainment and progress of all pupils and reducing the difference between disadvantaged and advantaged and between the most and least able students.
- o Strengthen Leadership and Management.
- o Improve pastoral care and support for all pupils, together with behaviour and attendance

AYLESBURY VALE ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and Activities (continued)

Objectives, strategies and activities

The key priorities for the period are contained in the Academy Trust's Strategic Improvement Plan, which is available from the Academy Principal. The key activities of the Academy Trust for the year ended 31 August 2020 were focused as follows:

Strategies for driving improvements to the quality of teaching and raising the level of student attainment have included:

- o A raised level of high expectation from teachers associated with more planning and targeted CPD
- o Review of the behaviour system to help teachers drive positive attitudes to learning
- o Training and monitoring across Middle Leaders and the Senior Leadership Team to drive consistency in assessment of teaching observations
- o Raising targets for attainment of students and continual monitoring of progress from Primary to Post 16

Strategies for strengthening the quality of leadership and management have included:

- o Targeting additional training for subject leaders, in areas requiring greatest improvement
- o Ensuring consistency of teachers' assessment of students' progress and attainment through more rigorous checks, as well as external verification and moderation
- o Increased dialogue and communication both formally and informally between the senior leadership team and governors with focus on key areas and visits to observe aspects of the Academy, leading to greater accountability

Strategies for improving pastoral care and support for all pupils, together with behaviour and attendance have included:

- o New initiatives for reducing non-attendance and improving behavior, including the appointment of a home school liaison worker and an Assistant Principal with responsibility for Behaviour and Attendance

Strategies for strengthening the quality of leadership and management have included:

- o Targeting additional training for subject leaders, in areas requiring greatest improvement
- o Ensuring consistency of teachers' assessment of students' progress and attainment through more rigorous checks, as well as external verification and moderation
- o Increased dialogue and communication both formally and informally between the senior leadership team and governors with focus on key areas and visits to observe aspects of the Academy, leading to greater accountability

Strategies for improving pastoral care and support for all pupils, together with behaviour and attendance have included:

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AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Objectives and Activities (continued)

Public benefit

The Academy Trust aims to advance for the public benefit education in Aylesbury and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic Report

Impact of COVID 19 on 2019/2020 outcomes and performance

In line with all providers of education in England, the Academy's operations were significantly impacted by the Covid 19 pandemic during this year. The Academy followed national guidelines at all times, including partially closing the school to pupils from 23 March 2020 to the end of the academic year.

The Academy remained open throughout this period for the children of Key Workers, and implemented immediately remote learning for all other pupils to ensure progress could continue in their learning. Teachers set and supported remote learning lessons for all age groups. Students with identified additional needs were provided ongoing contact and support from Learning Assistants and the Special Education Needs team. A full risk analysis was conducted to ensure that the site was 'Covid secure' as defined by national guidelines. Over 80 laptops were lent to pupils who otherwise would have been unable to access the curriculum at home, with an additional investment in 30 new laptops approved to support this. All parents and carers of pupils on Free School Meal were issued with food vouchers to spend at a supermarket of their choice.

The normal examination season was severely disrupted, and results both for Year 11's and Post 16 ultimately heavily relied heavily on teacher assessments, which had been strictly moderated internally before submission to ensure that results reflected at a student level the progress pupils had made at the Academy.

Financially, there were a range of impacts on the Academy, most notably in the loss of substantial elements of lettings and Berrycare income. The net financial cost of Covid 19 within this year is estimated to have been in the region of £59,000.

Achievements and Performance

The Academy Trust is in its 11th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2020 was 1,564, and this is expected to increase to in the region of 1,665 in the 2020/21 academic year due to strong demand for places at the Academy Trust, particularly in Year 7.

The Academy Trust is committed to continual improvement, which is achieved in a number of ways; including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Achievements and Performance (continued)

The particular achievements and performance of the Academy Trust during the year ended 31 August 2020 were as follows:

Early Years Foundation Stage (End of Reception Year)

	2018		2019		2020	
	School	National	School	National	School	FFT 'National'
% Good Level of Development	75%	72%	72%	72%	62%	62%
Average Total Points	33.5	34.6	36.0	34.7	33.7	NA

Phonics Screening Check

	2018		2019		2020	
	School	National	School	National	School	National
% Y1 working at expected level	90%	82%	78%	82%	*	*
% Y2 working at expected level	97%	92%	97%	91%	NA	NA

*Phonics testing for students who were in Year 1 in 19/20 will now run in the Autumn 2020 term.

Key Stage 1 (End of Year 2)

	2018		2019		2020	
	School	National	School	National	School*	FFT 'National'
% at least the expected standard in reading	75%	75%	68%	75%	74%	71%
% working at greater depth in reading	16%	26%	16%	25%	21%	21%
% at least the expected standard in writing	74%	70%	62%	69%	72%	66%
% working at greater depth in writing	18%	16%	9%	15%	2%	13%
% at least the expected standard in maths	72%	76%	72%	76%	76%	72%
% working at greater depth in maths	22%	22%	16%	22%	14%	19%

*Based on teacher predictions due to statutory tests being cancelled.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Achievements and Performance (continued)

Key Stage 2 (End of Year 6)

	2018		2019		2020	
	School	National	School	National	School*	FFT 'National'
Reading Average scales score	103.5	105	102.5	104	105	105
Maths average scaled score	102.8	104	102.5	105	104	105
% at least expected level in reading, writing & maths	62%	64%	47%	65%	74%	70%
% working at greater depth in reading, writing & maths	10%	10%	10%	11%	10%	15%
% at least the expected standard in reading	76%	75%	60%	73%	87%	79%
% working at greater depth in reading	21%	28%	20%	27%	30%	32%
% working at least the expected standard in writing	76%	78%	77%	78%	82%	76%
% working at greater depth in writing	17%	20%	13%	78%	16%	20%
% at least the expected standard in maths	66%	76%	70%	79%	77%	78%
% working at greater depth in maths	17%	24%	17%	27%	23%	27%

*Based on teacher predictions due to statutory tests being cancelled.

Year 11 GCSE Results 2019/20

Headline Measure	Total
Progress 8 (Progress across 8 subjects)	+0.37
Attainment 8 (Attainment across 8 subjects)	48.27
% pupils who have achieved a strong pass in English and mathematics (A 'strong pass' refers to a grade 5 or above)	42%
Percentage of pupils entering for the English Baccalaureate	9%
Percentage of pupils achieving the English Baccalaureate	7%

Key Stage 5- 2019/20 Year 13 Exam Results

Headline Measure	Total
Average progress students have made in L2 English	+1.25
Average progress students have made in L2 Maths	+1.10
The progress students have made compared with students across England:	
A-Level/Academic Value Added	NA
Applied General Value Added	+2.05

Key Performance Indicators

Although the Academy Trust's Funding Agreement is subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2020, the balance of the GAG Restricted Fund was £Nil. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Achievements and Performance (continued)

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 1,564, which is an increase of over 8% from the previous census. Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs (excluding FRS102 pension service cost adjustments) to GAG funding for the year was 95.61%, while the percentage of staff costs (excluding FRS102 pension service cost adjustments) to total costs (excluding depreciation and FRS102 pension service and interest cost adjustments) was 76.82%.

Going concern

After making appropriate enquiries, the Board of Trustees, has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies within the financial statements.

Financial Review

The majority of the Academy Trust's income is received from 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 ESFA during the year ended 31 August 2020 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the year ended 31 August 2020, the total income of £9,303,082 was in excess of the recurrent grant funding received from the ESFA and other incoming resources. The excess of expenditure over total incoming resources for the year was £764,603. Excluding the impact of capital grant income, depreciation charges and FRS102 pension service and interest cost adjustments, the operating income for the year was £9,277,670 and the operating expenditure was £8,884,385, giving rise to an overall operating surplus for the year of £393,115. The net book value of fixed assets at 31 August 2020 were £24,820,837. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust. Included within the Academy's balance sheet at year-end is a defined benefit pension scheme liability of £4,537,000 (2019: £3,190,000) which arises from the deficit in the Local Government Pension Scheme ('LGPS') that is attributable to the Academy. The Company is not currently required to make accelerated payments to meet this liability, but, were arrangements to change, the Academy would have difficulty in making such payments without significantly impacting its ability to continue to deliver its educational outcomes with the available public funding it receives.

The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Academy Principal, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Gifts and Hospitality, Asset Management and Insurance.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of revenue reserves should be approximately 1 month of operational costs, which equates to approximately £750,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of reserves at 31 August 2020 is £20,780,767, of which £471,518 is revenue reserves (that is, total funds less the amount held in restricted fixed assets funds and restricted pension funds). Although the current level of revenue reserves is below the target level identified above, the Trustees continue to evaluate strategies for raising additional income for the Academy Trust, whilst also reviewing key areas of expenditure so that an overall surplus position can continue to be achieved in future years so that the targeted reserves levels can be achieved.

Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis, this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £600,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually)

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on the quality of the education provided, since this directly affects the Academy's ability to attract and keep sufficient numbers of pupils. To mitigate this risk, the Trustees endeavour to ensure the highest educational standards across all key stages. All aspects of teaching, learning, assessment are rigorously monitored, along with pupil achievement, personal development and well-being. Appropriate actions and targeted interventions ensure high standards of education and care. Effective, professional relationships and partnerships with parents, the local community and other organisations are actively maintained, helping to produce a cohesive and supportive school community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. A full risk assessment is in place to protect pupils, staff and others who come in to contact with the Academy from Covid 19 in line with national guidelines.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA and Local Authority. In the year, approximately 88% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every month, reviewing performance against budgets and overall expenditure by means of regular update reports at all Governing Board meetings.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Failures in governance and/or management

The risk in this area arises from the potential failure effectively to manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Landau Baker Limited, the external auditor, to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

To focus on Progress 8 and attainment through:

- o Review of the Key Stage 4 Curriculum
- o A robust and relevant system of tracking, analysis, recording and reporting of PS measures
- o A range of interventions to maximise individual student attainment and progress
- o Reduction of subject variation
- o Improved accuracy of judgements and predictions

To close the gap between disadvantaged, specific ethnic groups and SEN from other students through:

- o Developing a range of strategies to accelerate progress of underachieving students
- o Introducing an intensive mentoring programme
- o Closer tracking and response to issues of attendance, behaviour, homework and engagement with enrichment activities

To increase attainment and progress of the more and least able through:

- o Closer tracking of more and least able students
- o Promotion of further and higher education careers
- o Improvement to the impact of mentoring
- o Creating effective pedagogy that challenges the more able and engages the less able

To strengthen Personal Development, Behaviour and Welfare through:

- o Actions and strategies to ensure positive attitudes to learning
- o Ensuring the highest expectations of conduct at all times
- o A report system that is consistent across the school
- o Implementation of a student pledge

To increase the proportion of good and outstanding teaching through:

- o All lessons are Good to Outstanding
- o Personalised and targeted CPD
- o Tracking and support for teachers identified as not yet consistently good

To strengthen Leadership, Management and Governance through:

- o Effective Challenge to the Senior Leadership Team
- o Creation of a culture of excellence
- o Review of the Governing Board's structure and effectiveness
- o Development of leadership skills
- o Stronger links with the Learning Community

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the Education Funding Agency, which are

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

Plans for future periods (continued)

distributed to students as required and in line with the terms and conditions of the funds.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:

R.T. Rochefort

R T Rochefort
Chair of Trustees

AYLESBURY VALE ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Aylesbury Vale Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Academy Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Aylesbury Vale Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms R Rochefort, Chair of Trustees	6	6
Mrs R Bennie	6	6
Ms J Bowers	6	6
Mr R Burman	6	6
Mr G Dougall	6	6
Mr G Gibson	6	6
Mrs C James	6	6
Mr R Scott	6	6
Mr D Wallhouse	6	6
Dr S Waugh	6	6
Mrs J Morrey	3	3

The Board of Trustees met as a whole throughout the academic & financial year, with all the functions of finance and audit committees, subsumed into its own terms of reference. This effectively meant greater scrutiny by Trustees because all were expected to know and understand their statutory responsibilities relating to finance and audit.

Review of value for money

As Accounting Officer, the Academy Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

AYLESBURY VALE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Improving educational results

The Academy has applied a continuous review process to ensure that all resources have been targeted at the Trust's key educational objectives. In particular, resources have been aligned to the Trust's new strategies in terms of the curriculum, interventions and required improvements to teaching by subject area. Progress was confirmed by an Ofsted rating of 'Good' published on 12 February 2019.

In addition, the Academy continues to increase in size and has needed to prepare for an increase in the number of forms of entry, which requires a new model for grouping and timetabling students.

Specific approaches to this strategy have included:

- o A profile of teaching staff, which maximises the strength, required in each curriculum area.
- o A Senior Leadership Team that is structured to execute the Trust's strategies in alignment to the key focus areas.
- o Integration of Teachers and Support Staff across the whole Academy to maximise the strength and efficiency of support to all targeted groups of students

The Academy operates in a mixed catchment with pockets of high deprivation. In order to develop its approach to diminishing the difference for its deprived students, it has made additional and careful utilisation of Pupil Premium funding, which focuses on the needs of the relevant students. Specifically it has not only directed additional support to the key curricular areas aimed specifically at these student groups but it has also deployed staff to operate 1:1 tutoring and other interventions.

The Academy has continued to work in partnership with the Local Authority and its Sponsor on projects aimed at providing co-ordinated support and training to enable teachers to further raise standards in a way, which specifically addresses the particular needs of lower achievers.

The Academy continues to be focused on delivering year-on-year progress that is measured and targeted all the way from Reception to Post 16 and is aligned to the new measures of Progress 8. This is a long-term strategy, which inherently takes time to achieve its goals, both in terms of overall progress as well as closing the gap in attainment. The environment for delivering this improvement continues to bring new challenges, in terms of funding, the market for good quality teachers and the ever-increasing costs of operating which require greater and greater need for new efficiencies. The Academy addresses and adapts to each new challenge, to each new strategy and remains on course to deliver the improvement that is needed over a medium term.

Financial governance, oversight and performance

The Academy operates and rigorously monitors a system of financial control and decision-making that is designed to ensure its most effective financial management and to ensure that the strategies determined by the Academy Principal and the Board of Trustees are deployed fully and effectively.

This is achieved by financial processes, which include the following key features:

- o A rigidly applied process of delegated financial decision-making from the Academy Principal down to individual cost centre owners;
- o A structure of cost centres which are fully congruent with the management structure and with budgets, which are quantified and deployed according to their relative priorities and individual plans;
- o A regular reporting process both to individual budget holders and to the Board of Trustees keeping them informed of the progress against budget;
- o A disciplined analysis of variances and progress against budget presented to Trustees with explanations in varying detail as required. Variances are measured primarily against budget and prior year but in

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

addition, the Trustees will seek evidence from benchmarking and standard measures, some of which are embedded in its regular Key Performance Indicators;

- o Regular scrutiny by the Academy's Trustees;
- o Regular internal review meetings between the Academy Principal and the Business Manager.

To assist the Academy in ensuring that it maximises its financial performance and delivers value for money, the Academy deploys the following measures:

- o All purchases above a prescribed level require additional quotes where supply is in a competitive market;
- o Supplier relationships are reviewed against alternative suppliers to ensure they remain competitive;
- o Significant business decisions are referred to the Board of Trustees;
- o Suppliers are held to a strictly commercial approach in committing to orders, agreeing prices, delivering goods and services and remitting payment, always ensuring these are on a par with services to the rest of the public and private sector;
- o External advice and assurance is sought in agreeing to major new contracts.

During the year to 31 August 2020, a financial surplus is reported. This was the result of higher income driven by increasing pupil numbers, alongside strong control of costs within the Academy. A three year budget plan has been approved which aims to continue to build reserves to an appropriate amount.

Additionally in a market for teachers, which is progressively more difficult year on year as a result of a shortage of new and high quality teachers within the UK, the Academy has been successful at maintaining strong pressure on a number of agency suppliers to procure a number of high quality teachers from abroad on a commercially viable basis.

Risk management

Risk is a critical consideration across all aspects of the conduct of the Academy. Financial risk is annually reviewed by the Trustees to ensure that processes are in place to address all potential areas.

Specifically financial risk is mitigated by:

- o A detailed asset management process and system to record all purchased assets, high risk moveable assets and groups of assets which carry economic or operational value;
- o Processes to control access and ensure physical security of high value assets such as IT infrastructure including procedures to quickly identify and rectify any lapses in physical security;
- o As part of the regular review of management financial information, Trustees scrutinise a balance sheet and in particular review the level of working capital against future needs, primarily by means of a rolling annual cash forecast;
- o Unused budgets are reviewed against forecasts and assessed future and additional needs.
- o Where necessary uncommitted budgets are redeployed by means of authorised virements.
- o The Academy annually reviews its strategy for maintaining and renewing its assets in the future and to ensure that any necessary provisions are being set in place.

Lessons learned

The Academy Trust faces an environment of continually changing and continually challenging pressures and focus in terms of its educational objectives, budgetary constraints and market pressures in the sector in which it operates. The approach of the Academy to its budgetary allocations as well as its key strategies for deploying or targeting staff and other resources are partly based on the measures of the previous year, in terms of both educational performance and the experience of the financial outturn. Where necessary a different approach is taken to reduce the drivers of a particular level of spend. By assimilating a comprehensive flow of management

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

information throughout the year, the Trustees believe that they are able to optimise the strategies and decision-making and thus maximise as well as increase the delivery of return on investment in meeting the Academy's objectives.

The Academy is intent on maintaining a robust financial approach with the continued close monitoring and review such that it can expect to continue a long-term recovery of its position.

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 The Aylesbury Vale Academy for the year 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 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'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 Governing Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties; and
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Landau Baker Limited, the external auditors, to perform additional checks. In line with this, internal audits on the reliability of the systems in relation to payroll, lettings and financial control were conducted during the year. The reports highlighted no major risks, and recommendations for further improvement have been implemented.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems.

On an annual basis, the external auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

- the work of the external auditors;;
- the work of the internal reviewer;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on their behalf by:



R T Rochefort
Chair of Trustees



G Gibson
Accounting Officer

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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



Mr G Gibson
Accounting Officer
Date: 9 December 2020

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 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 9 December 2020 and signed on its behalf by:

Ms R Rochefort
Chair of Trustees

R. Rochefort

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AYLESBURY VALE ACADEMY TRUST**

Opinion

We have audited the financial statements of Aylesbury Vale Academy Trust (the 'academy') 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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'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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AYLESBURY VALE 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 Auditor's 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 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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AYLESBURY VALE 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 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'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's 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 Auditor's report.

Use of our report

This report is made solely to the Academy'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's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House

154 Brent Street
London
NW4 2DR

9 December 2020

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AYLESBURY VALE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 01 October 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 Aylesbury Vale 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 Aylesbury Vale Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aylesbury Vale 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 Aylesbury Vale Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aylesbury Vale Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aylesbury Vale Academy Trust's funding agreement with the Secretary of State for Education dated 14 November 2008 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's income and expenditure.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AYLESBURY VALE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

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.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 9 December 2020

AYLESBURY VALE 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 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	25,412	25,412	83,650
Charitable activities		-	8,919,693	-	8,919,693	7,871,465
Other trading activities		352,871	-	-	352,871	496,224
Investments	6	5,106	-	-	5,106	4,474
Total income		357,977	8,919,693	25,412	9,303,082	8,455,813
Expenditure on:						
Charitable activities	8	285,527	8,955,028	827,130	10,067,685	9,611,714
Total expenditure		285,527	8,955,028	827,130	10,067,685	9,611,714
Net income/(expenditure)		72,450	(35,335)	(801,718)	(764,603)	(1,155,901)
Transfers between funds	18	141,935	(322,665)	180,730	-	-
Net movement in funds before other recognised gains/(losses)		214,385	(358,000)	(620,988)	(764,603)	(1,155,901)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(989,000)	-	(989,000)	(496,000)
Net movement in funds		214,385	(1,347,000)	(620,988)	(1,753,603)	(1,651,901)
Reconciliation of funds:						
Total funds brought forward		257,133	(3,190,000)	25,467,237	22,534,370	24,186,271
Net movement in funds		214,385	(1,347,000)	(620,988)	(1,753,603)	(1,651,901)
Total funds carried forward		471,518	(4,537,000)	24,846,249	20,780,767	22,534,370

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 54 form part of these financial statements.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06745367

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	24,820,837	25,375,134
		<u>24,820,837</u>	<u>25,375,134</u>
Current assets			
Debtors	15	266,026	364,309
Cash at bank and in hand		989,477	608,004
		<u>1,255,503</u>	<u>972,313</u>
Creditors: amounts falling due within one year	16	(758,573)	(623,077)
Net current assets		<u>496,930</u>	<u>349,236</u>
Total assets less current liabilities		<u>25,317,767</u>	<u>25,724,370</u>
Net assets excluding pension liability		<u>25,317,767</u>	<u>25,724,370</u>
Defined benefit pension scheme liability	24	(4,537,000)	(3,190,000)
Total net assets		<u>20,780,767</u>	<u>22,534,370</u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	24,846,249	25,467,237
Restricted funds excluding pension asset	18	24,846,249	25,467,237
Pension reserve	18	(4,537,000)	(3,190,000)
Total restricted funds	18	<u>20,309,249</u>	<u>22,277,237</u>
Unrestricted income funds	18	<u>471,518</u>	<u>257,133</u>
Total funds		<u>20,780,767</u>	<u>22,534,370</u>

The financial statements on pages 27 to 54 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

R? Rochefort

Ms R Rochefort
Chair of Trustees

The notes on pages 30 to 54 form part of these financial statements.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	623,788	(386,540)
Cash flows from investing activities	21	(242,315)	(115,490)
Change in cash and cash equivalents in the year		381,473	(502,030)
Cash and cash equivalents at the beginning of the year		608,004	1,110,034
Cash and cash equivalents at the end of the year	22, 23	<u>989,477</u>	<u>608,004</u>

The notes on pages 30 to 54 form part of these financial statements

AYLESBURY VALE 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, 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.

1.2 Going concern

As such, after making appropriate enquiries, the Board of Trustees, including all Committees, has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the Academy's ability to continue as a going concern. For this reason, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Taxation

The Academy 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 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.

1.4 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Income

All incoming resources are recognised when the Academy 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.

• **Other income**

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

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 Bank.

1.7 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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.8 Tangible fixed assets

Assets costing £3,000 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 over its expected useful life, as follows:

Leasehold property	- 2% straight line
Furniture and equipment	- 8% - 50% straight line
Computer equipment	- 25% straight line

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.

1.9 Operating leases

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

1.10 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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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.

1.12 Liabilities and provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Pensions

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Agency arrangements

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

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Agency arrangements (continued)

of the funds. Further details of the transactions are set out in note 27.

1.15 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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.

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.

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 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 2016 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.

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

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	-	-	445
Capital Grants	-	25,412	25,412	83,205
	<u>-</u>	<u>25,412</u>	<u>25,412</u>	<u>83,650</u>
Total 2019	<u>445</u>	<u>83,205</u>	<u>83,650</u>	

4. Funding for the Academy's educational activities

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General annual grant	7,329,726	7,329,726	6,667,953
Other DfE/ESFA grants	938,147	938,147	560,696
	<u>8,267,873</u>	<u>8,267,873</u>	<u>7,228,649</u>
Other government grants			
Local Authority grants	651,820	651,820	642,816
	<u>8,919,693</u>	<u>8,919,693</u>	<u>7,871,465</u>
Total 2019	<u>7,871,465</u>	<u>7,871,465</u>	

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other Income	50,397	50,397	77,137
Lettings	125,700	125,700	123,608
Catering	140,383	140,383	162,627
School Trips	36,391	36,391	132,852
	<u>352,871</u>	<u>352,871</u>	<u>496,224</u>
	<u>496,224</u>	<u>496,224</u>	
Total 2019			

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank Interest	5,106	5,106	4,474
	<u>4,474</u>	<u>4,474</u>	
Total 2019			

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational operations:					
Direct costs	4,545,266	-	450,806	4,996,072	4,893,334
Allocated support costs	2,717,147	1,337,741	1,016,725	5,071,613	4,718,380
	<u>7,262,413</u>	<u>1,337,741</u>	<u>1,467,531</u>	<u>10,067,685</u>	<u>9,611,714</u>
Total 2019	<u>6,645,273</u>	<u>1,344,371</u>	<u>1,622,070</u>	<u>9,611,714</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational activities	<u>285,527</u>	<u>9,782,158</u>	<u>10,067,685</u>	<u>9,611,714</u>
Total 2019	<u>287,740</u>	<u>9,323,974</u>	<u>9,611,714</u>	

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	4,996,072	5,071,613	10,067,685	9,611,714
Total 2019	4,893,334	4,718,380	9,611,714	

Analysis of direct costs

	Educational activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	4,398,761	4,398,761	4,061,424
Educational supplies	121,992	121,992	120,824
Examination fees	74,178	74,178	86,718
Staff development	19,085	19,085	30,552
Educational consultancy	93,861	93,861	237,057
Other direct costs	104,213	104,213	139,754
Technology costs	37,477	37,477	21,797
Teaching supply costs	146,505	146,505	195,208
	4,996,072	4,996,072	4,893,334
Total 2019	4,893,334	4,893,334	

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance cost	56,000	56,000	58,000
Staff costs	2,717,147	2,717,147	2,388,641
Depreciation	827,130	827,130	769,001
Recruitment and support	118,466	118,466	100,032
Maintenance of premises and equipment	223,485	223,485	230,487
Cleaning	224,843	224,843	188,729
Rent and rates	121,881	121,881	117,412
Insurance	31,101	31,101	32,279
Security and transport	16,645	16,645	17,220
Catering	162,256	162,256	180,293
Other support costs	205,070	205,070	206,809
Other occupancy costs	125,735	125,735	148,093
Energy	166,569	166,569	155,486
Governance costs	10,735	10,735	15,787
Technology costs	20,986	20,986	48,319
Other staff costs	2,401	2,401	30,542
Professional services	41,163	41,163	31,250
	<u>5,071,613</u>	<u>5,071,613</u>	<u>4,718,380</u>
Total 2019	<u>4,718,380</u>	<u>4,718,380</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	56,835	69,017
Depreciation of tangible fixed assets	827,130	769,001
Fees paid to auditor for:		
- audit	8,200	8,200
- other services	2,535	4,400
	<u>8,200</u>	<u>8,200</u>
	<u>2,535</u>	<u>4,400</u>

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,332,295	4,937,454
Social security costs	510,717	472,349
Pension costs	1,249,822	1,010,262
	<u>7,092,834</u>	<u>6,420,065</u>
Agency staff costs	146,505	195,208
Staff restructuring costs	23,074	30,000
	<u>7,262,413</u>	<u>6,645,273</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	23,074	30,000
	<u>23,074</u>	<u>30,000</u>

b. Non-statutory/non-contractual staff severance payments

Included within staff restructuring costs are non-contractual / non-statutory severance payments of £23,074 (2019 : £30,000)

c. Staff numbers

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

	2020 No.	2019 No.
Teaching	86	84
Administration and support	83	87
Management	14	12
	<u>183</u>	<u>183</u>

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

11. Staff (continued)

d. 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	2	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	-
In the band £190,001 - £200,000	-	1
	2	2

e. Key management personnel

The key management personnel of the Academy 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 was £908,810 (2019 : £1,046,133).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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 £
Mr R Burman	Remuneration	95,000 - 100,000	160,000 - 165,000
	Pension contributions paid	NIL	NIL
Mr G Gibson	Remuneration	90,000 - 95,000	80,000 - 85,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

14. Tangible fixed assets

	Leasehold property £	Furniture and equipment £	Plant and equipment £	Total £
Cost or valuation				
At 1 September 2019	27,660,860	1,962,523	1,611,943	31,235,326
Additions	-	52,126	220,707	272,833
At 31 August 2020	<u>27,660,860</u>	<u>2,014,649</u>	<u>1,832,650</u>	<u>31,508,159</u>
Depreciation				
At 1 September 2019	3,314,287	1,071,617	1,474,288	5,860,192
Charge for the year	553,217	199,717	74,196	827,130
At 31 August 2020	<u>3,867,504</u>	<u>1,271,334</u>	<u>1,548,484</u>	<u>6,687,322</u>
Net book value				
At 31 August 2020	<u><u>23,793,356</u></u>	<u><u>743,315</u></u>	<u><u>284,166</u></u>	<u><u>24,820,837</u></u>
At 31 August 2019	<u><u>24,346,573</u></u>	<u><u>890,906</u></u>	<u><u>137,655</u></u>	<u><u>25,375,134</u></u>

Leasehold property comprises the new buildings occupied by the Academy Trust that were completed and handed over to the Academy Trust on 27 August 2013. These buildings are currently being occupied by the Academy under an informal occupancy arrangement with Buckinghamshire County Council. A formal 125 year lease with Buckinghamshire County Council continues to be in the process of being agreed now that all construction work relating to the new buildings has been completed.

Due to the restrictions on the use of the Academy Trust land that are included in the proposed lease with Buckinghamshire County Council, the Trustees have determined that the land has no value and as such no value for the land has been included in the financial statements.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	6,668
Other debtors	47,200	153,944
Prepayments and accrued income	218,826	203,697
	266,026	364,309
	266,026	364,309

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	264,551	179,467
Other taxation and social security	126,854	112,996
Other creditors	106,639	172,500
Accruals and deferred income	260,529	158,114
	758,573	623,077
	758,573	623,077
	2020	2019
	£	£
Deferred income at 1 September 2019	64,737	81,159
Resources deferred during the year	132,323	64,737
Amounts released from previous periods	(64,737)	(81,159)
	132,323	64,737
	132,323	64,737

At the balance sheet date the academy trust was holding funds received for Universal Infant Free School Meals grants, school trip deposits and other income which relate to the year 2020/21.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

17. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>989,477</u>	<u>608,004</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	<u>257,133</u>	<u>357,977</u>	<u>(285,527)</u>	<u>141,935</u>	<u>-</u>	<u>471,518</u>
Restricted general funds						
General Annual Grants	-	7,329,726	(7,007,061)	(322,665)	-	-
Local Authority grants	-	273,420	(273,420)	-	-	-
Other DfE/ESFA grants	-	1,316,547	(1,316,547)	-	-	-
Pension reserve	(3,190,000)	-	(358,000)	-	(989,000)	(4,537,000)
	<u>(3,190,000)</u>	<u>8,919,693</u>	<u>(8,955,028)</u>	<u>(322,665)</u>	<u>(989,000)</u>	<u>(4,537,000)</u>

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	25,467,237	25,412	(827,130)	180,730	-	24,846,249
Total Restricted funds	22,277,237	8,945,105	(9,782,158)	(141,935)	(989,000)	20,309,249
Total funds	22,534,370	9,303,082	(10,067,685)	-	(989,000)	20,780,767

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

Restricted Fixed Assets funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	262,976	501,143	(419,087)	(87,899)	-	257,133
Restricted general funds						
General Annual Grants	278,135	6,667,953	(6,890,114)	(55,974)	-	-
Local Authority grants	-	642,816	(642,816)	-	-	-
Other DfEfESFA grants	-	560,696	(560,696)	-	-	-
Pension reserve	(2,364,000)	-	(330,000)	-	(496,000)	(3,190,000)
	<u>(2,085,865)</u>	<u>7,871,465</u>	<u>(8,423,626)</u>	<u>(55,974)</u>	<u>(496,000)</u>	<u>(3,190,000)</u>
Restricted fixed asset funds						
Fixed asset fund	26,009,160	83,205	(769,001)	143,873	-	25,467,237
Total Restricted funds	<u>23,923,295</u>	<u>7,954,670</u>	<u>(9,192,627)</u>	<u>87,899</u>	<u>(496,000)</u>	<u>22,277,237</u>
Total funds	<u><u>24,186,271</u></u>	<u><u>8,455,813</u></u>	<u><u>(9,611,714)</u></u>	<u><u>-</u></u>	<u><u>(496,000)</u></u>	<u><u>22,534,370</u></u>

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	24,820,837	24,820,837
Current assets	471,518	758,573	25,412	1,255,503
Creditors due within one year	-	(758,573)	-	(758,573)
Provisions for liabilities and charges	-	(4,537,000)	-	(4,537,000)
Total	471,518	(4,537,000)	24,846,249	20,780,767

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	25,375,134	25,375,134
Current assets	257,133	623,077	92,103	972,313
Creditors due within one year	-	(623,077)	-	(623,077)
Provisions for liabilities and charges	-	(3,190,000)	-	(3,190,000)
Total	257,133	(3,190,000)	25,467,237	22,534,370

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(764,603)	(1,155,901)
Adjustments for:		
Depreciation	827,130	769,001
Capital grants from DfE and other capital income	(25,412)	(83,205)
Interest receivable	(5,106)	(4,474)
Defined benefit pension scheme cost less contributions payable	302,000	272,000
Defined benefit pension scheme finance cost	56,000	58,000
Decrease in debtors	98,283	15,091
Increase/(decrease) in creditors	135,496	(257,052)
Net cash provided by/(used in) operating activities	623,788	(386,540)

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	5,106	4,474
Purchase of tangible fixed assets	(272,833)	(203,169)
Capital grants from DfE Group	25,412	83,205
Net cash used in investing activities	(242,315)	(115,490)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	989,477	608,004
Total cash and cash equivalents	989,477	608,004

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	608,004	381,473	989,477
	<u>608,004</u>	<u>381,473</u>	<u>989,477</u>

24. Pension commitments

The Academy'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 Buckinghamshire County 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 August 2020.

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

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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £598,821 (2019 - £413,314).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 £414,000 (2019 - £406,000), of which employer's contributions totalled £329,000 (2019 - £322,000) and employees' contributions totalled £ 85,000 (2019 - £84,000). The agreed contribution rates for future years are 22.80% per cent for employers and 5.5% to 12.5% per cent 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.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.85

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	22.9
Females	25.1	24.8
Retiring in 20 years		
Males	23.2	24.6
Females	26.6	26.7

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	8,343	6,610
Discount rate -0.1%	8,792	6,940
Mortality assumption - 1 year increase	8,893	7,010
Mortality assumption - 1 year decrease	8,247	6,544
CPI rate +0.1%	8,575	6,786
CPI rate -0.1%	8,553	6,760

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	2,208,000	1,925,000
Gilts and bonds	1,055,000	930,000
Property	252,000	244,000
Cash and other liquid assets	106,000	115,000
Other	406,000	369,000
Total market value of assets	4,027,000	3,583,000

The actual return on scheme assets was £117,000 (2019 - £270,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(628,000)	(529,000)
Past service cost	-	(63,000)
Interest income	69,000	83,000
Interest cost	(125,000)	(141,000)
Administrative expenses	(3,000)	(2,000)
Total amount recognised in the Statement of financial activities	(687,000)	(652,000)

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

	2020 £	2019 £
At 1 September	6,773,000	5,286,000
Current service cost	628,000	529,000
Interest cost	125,000	141,000
Employee contributions	85,000	84,000
Actuarial (gains)/losses	1,049,000	683,000
Benefits paid	(96,000)	(13,000)
Past service costs	-	63,000
At 31 August	8,564,000	6,773,000

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	3,583,000	2,922,000
Interest income	69,000	83,000
Actuarial gains	60,000	187,000
Employer contributions	329,000	322,000
Employee contributions	85,000	84,000
Benefits paid	(96,000)	(13,000)
Administration expenses	(3,000)	(2,000)
At 31 August	4,027,000	3,583,000

25. Operating lease commitments

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

	2020 £	2019 £
Within 1 year	72,407	75,665
Between 1 and 5 years	176,955	184,445
	249,362	260,110

26. Members' liability

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

27. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the period ended 31 August 2020 the Trust received £2,471 (2019 - £1,886) and distributed £2,471 (2019 - £1,886) from the fund. An amount of £NIL is carried forward at 31 August 2020 (2019 - £NIL) relating to undistributed funds that are ultimate repayable to the ESFA.

AYLESBURY VALE ACADEMY TRUST
(A company limited by guarantee)

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

28. Related party transactions

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

The following related party transactions took place during the year:

The Board of Education of the Oxford Diocese of the Church of England is a member and the Academy's primary sponsor. During the year ended 31 August 2020, the Academy obtained essential support services from the Board of Education at a cost of £815 (2019: £132). At the balance sheet date, the Academy owed £NIL (2019: £NIL) to the Board of Finance. In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

The Board of Finance of the Oxford Diocese of the Church of England is considered to be a related party by virtue of the ultimate control the Diocese of Oxford has over both the Board of Finance and the Board of Education. During the year, the Academy obtained chaplain support services from the Board of Finance for £NIL (2019: £NIL). At the balance sheet date, the Academy owed £NIL (2019: £17,221) to the Board of Finance. In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

Charlotte James, a governor, was also the Chairperson for the Parent Teacher Association during the current year 19/20. The Association made contributions to the Academy during 2019/20 totalling £3,445, towards a range of enrichment activities such as the Year 6 residential and Primary Theatre Trip, as well as funding items such as sand and water play tables in the Primary.