

**Charity Registration No. 1131991**

**Company Registration No. 03618159 (England and Wales)**

**VALUES ACADEMY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

# VALUES ACADEMY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr S D Livings Dr A Molony Mr R P Warman Mr P Roberts Mrs M Henman	(Appointed 15 December 2016) (Appointed 18 September 2017)
<b>Secretary</b>	Mrs K Capell	
<b>Charity number</b>	1131991	
<b>Company number</b>	03618159	
<b>Principal address</b>	15 Key Hill Hockley Birmingham B18 5PB	
<b>Registered office</b>	15 Key Hill Hockley Birmingham B18 5PB	
<b>Auditor</b>	Trevor Jones & Co Old Bank Chambers 582-586 Kingsbury Road Erdington Birmingham B24 9ND	

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# VALUES ACADEMY

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# VALUES ACADEMY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2017*

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The trustees present their report and accounts for the year ended 31 March 2017.

Values Academy (the Academy, the Charity or VA) is registered with the Charity Commission (charity number 1131991). It is a company limited by guarantee registered in England under number 03618159. Its' registered office is at 15 Key Hill, Hockley Birmingham B18 5PB.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", effective January 2015.

### **Objectives and activities**

The Objects for which the charity is constituted, are:

1. To advance the full-time or part-time education of children and young people who, by reason of exclusion from education or otherwise by special educational needs, may not for any period receive suitable provision unless alternatives are made for them.
2. To promote or advance for the benefit of the social welfare or education of people living in the area of benefit in which the charity operates recreation or other leisure time occupations for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances with a view to improving the conditions of life for such persons.

The charity operates two schools in Birmingham and Nuneaton responsible for educating between 40 and 50 secondary school age children.

### **Public Benefit**

The Trustees consider that these objectives, activities and goals have a clear public benefit in enhancing the educational, economic, social and cultural well-being of young people.

In drafting these statements, the Trustees have complied with the duty in Chapter 1, Section 4 of the Charities Act 2012, to have due regard to the public benefit guidance published by the Charity Commission.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# VALUES ACADEMY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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### **Achievements and performance**

The charity has again experienced a challenging year as the pressure on Local Authorities both to reduce costs and to improve their performance in managing children with special educational needs has impacted on providers such as Values Academy. The Trustees and management have, again, reacted appropriately to the changing business environment and have delivered a strong set of accounts for the year leaving the charity in a better financial position than previously.

The key issue for the charity has been the volume of students on roll and this has been carefully managed throughout the year.

No further OFSTED inspections have taken place during the year but the schools continue to work at improving the level and quality of the teaching at both sites. In this connection, core subject provision was significantly enhanced by the recruitment of 2 Maths and 1 English teacher. In addition, the management team has been strengthened by the engagement of a School Improvement Partner to advise the school leaders and the Board on a wide range of issues. The charity has also addressed student mental health issues by increasing use of appropriate counselling services.

We take this opportunity to extend our sincere thanks and appreciation for the continued support of a number of charitable trusts that have made it possible for the students to enjoy the benefits of heating, books and activities that it would not otherwise be possible for us to provide.

A number of students attended the Ingestre arts project in the year, which was made possible through a grant of £10,000 from the Big Lottery Fund earlier in the year.

The Whitegates Childrens Trust donated £5,000 which enabled us to provide resources for our students. Some of these funds were directed at our IT provision for students including new laptops and related accessories.

Parents of one student were particularly generous in donating a kitchen and labour to fit it at our Nuneaton school, which has allowed the students to enjoy a dedicated food tech area to offer cooking lessons, and preparation for adult life.

In summary, the charity has again faced challenging circumstances but has managed to maintain both its educational offering and to improve its financial position through a combination of careful management and considered decision making. The Trustees would like, therefore, to record their appreciation for the efforts of the staff and management.

In April 2017, Neville Topping decided to step down from the Board after many years of service. In addition, Lorna Collins resigned in January 2017 and the Board would like to record their thanks for their services to the charity. Looking forward, we are pleased to welcome Margaret Henman as a valuable educational trustee appointment who will work with the Board to continue to embed improvements in the educational offer to our students. During September 2017 the Board and CEO appointed Caroline Swift as School Principal and it is hoped that this appointment will improve the curriculum and deliver a strong educational impact for our students to ensure they have the best possible experience in our schools, and to equip them for the next stage of their lives.

# VALUES ACADEMY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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### Financial review

During the period, the charity recorded a surplus of £54k (2016 deficit £19k) driven by a small increase in revenue (up 3.5%) coupled with a reduction in costs of c3.2%. The increased revenue reflected the stable level of student numbers throughout the year as the local education authorities came under increasing pressure to find suitable alternative education for their cohort of youngsters with special education needs despite the pressure on their finances. The cost reductions over the year were driven by tight cost control, reduction in staff numbers (natural wastage) and the fact that the 2015-16 results included some of the impact of the school move.

The charity's activities in 2016-17 were overshadowed by the knowledge that a large number (c17) of students would leave school in the summer of 2017 and thus a good deal of effort was expended in forging strong relationships with local authority funders in order to secure the referrals needed to safeguard the charity's future. This activity was continued post 2016-17 year end and has been successful to the extent that the charity's financial future is comfortable with the prospect of being able to build a small reserve for the school's development and as a hedge against any future downturn.

Cash resources at the end of the financial year were significantly higher than those available at the end of the previous period (2017-£135k and 2016-£98k) with robust debt collection and close management of expenditure. This trend has continued past year-end with cash resources at their highest level for some time.

Regular management accounts and forecasts are prepared and reviewed by the Trustees

The principal source of income for the charity is the fees receivable for the education of students for which it is responsible. The proceeds of this activity are applied to meet the key objectives through the running of the two schools.

Information on Restricted Funds is given in note 15 to the accounts.

### Financial Management Policies

To ensure the charity is managed efficiently and effectively, the Board of Trustees have delegated a range of day-to-day decision-making powers to the CEO, who reports directly to the Board of Trustees. The Board of Trustees has also established appropriate controls and reporting mechanisms to ensure that the charity operates within the scope of the powers delegated to it. The delegation policy is updated on an on-going basis and is formally reviewed and approved by Trustees as amendments are required.

### Reserves Policy

The charity's income consists almost entirely of restricted funds, being charges for the education of particular students. A proportion of these charges relates to the running costs of the charity. The charity manages its cash flows carefully with the aim of ensuring that it can continue in operation for a period of four months in the case of a falloff in student numbers.

### Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

# VALUES ACADEMY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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The major risk identified by the Trustees is a reduction in pupil numbers with a corresponding reduction in income. The Trustees believe that the business development and financial control procedures they have introduced provide reasonable mitigation against this risk.

The Trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

### Plans for the Future

The existing schools will continue to be run to the highest standards in order to offer the best possible experience to students in our care. The charity is always alert for opportunities to open additional schools, where this can be done in a way that is financially viable and in keeping with the charity's objects.

### Structure, governance and management

The charity is controlled by its governing document, a Memorandum and Articles of Association adopted at the Annual General Meeting on 16 December 2015. It constitutes a company limited by guarantee as defined by the Companies Act 2013.

The charity is membership based. Membership is open to any individual or organisation interested in promoting the objects who

1. applies to the charity in the form required by the trustees,
2. is approved by the trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr S D Livings	
Mr D C McConnell	(Resigned 15 September 2016)
Dr A Molony	
Mr N W Topping	(Resigned 4 April 2017)
Mr R P Warman	
Mrs L Collins	(Appointed 16 June 2016 and resigned 16 January 2017)
Mr P Roberts	(Appointed 15 December 2016)
Mrs M Henman	(Appointed 18 September 2017)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The trustees may at any time appoint any individual who is qualified to be appointed as a trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee holds office only until the next AGM.

The Chief Executive Officer, to whom day to day management of the charity is delegated, is Estelle Dimelor.

# VALUES ACADEMY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

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### Statement of trustees' responsibilities

The directors, who also act as trustees for the charitable activities of Values Academy, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditor

A resolution proposing that Trevor Jones & Co be reappointed as auditors of the company will be put to the members.

The trustees' report was approved by the Board of Trustees.

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**Mr S D Livings**

Trustee

Dated: .....



# VALUES ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALUES ACADEMY

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We have audited the accounts of Values Academy for the year ended 31 March 2017 set out on pages 8 to 18. These accounts have been prepared in accordance with the accounting policies set out on page 11.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities set out on pages 1 - 5, the trustees, who are also the directors of Values Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

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

### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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.

# VALUES ACADEMY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VALUES ACADEMY

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

**for and on behalf of Trevor Jones & Co**

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**Chartered Accountants  
Statutory Auditor**

Old Bank Chambers  
582-586 Kingsbury Road  
Erdington  
Birmingham  
B24 9ND

Trevor Jones & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# VALUES ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
<b><u>Income from:</u></b>			
Donations and legacies	3	15,000	17,738
Charitable activities	4	1,100,159	1,059,127
Investments	5	-	8
		<hr/>	<hr/>
<b>Total income</b>		1,115,159	1,076,873
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	1,060,842	1,095,757
		<hr/>	<hr/>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		54,317	(18,884)
Fund balances at 1 April 2016		257,231	276,115
		<hr/>	<hr/>
<b>Fund balances at 31 March 2017</b>		311,548	257,231
		<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# VALUES ACADEMY

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	9		230,835		257,993
<b>Current assets</b>					
Debtors	11	106,291		52,240	
Cash at bank and in hand		135,539		98,030	
		<u>241,830</u>		<u>150,270</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(99,371)</u>		<u>(73,511)</u>	
Net current assets			142,459		76,759
<b>Total assets less current liabilities</b>			373,294		334,752
<b>Creditors: amounts falling due after more than one year</b>	14		(61,746)		(77,521)
<b>Net assets</b>			<u>311,548</u>		<u>257,231</u>
<b>Income funds</b>					
Restricted funds	15	311,548		257,231	
Unrestricted funds		-		-	
		<u>311,548</u>		<u>257,231</u>	

# VALUES ACADEMY

## BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2017**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on .....

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Mr S D Livings  
**Trustee**

**Company Registration No. 03618159**

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### Charity information

Values Academy is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Key Hill, Hockley, Birmingham, B18 5PB.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Values Academy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of Values Academy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

#### 1.5 Resources expended

Expenditure is accounted for on an accrual basis and has been clarified under headings that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	10% straight line
Land and buildings	2% straight line
Plant and machinery	25% Straight line
Fixtures, fittings & equipment	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	15,000	17,738

### 4 Charitable activities

	Student fees - special needs	Student fees - Other	School meals	Total 2017	Total 2016
	£	£	£	£	£
Sales within charitable activities	1,031,950	53,129	15,080	1,100,159	1,059,127

### 5 Investments

	2017	2016
	£	£
Interest receivable	-	8

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 6 Charitable activities

	2017 £	2016 £
Staff costs	835,010	861,107
Depreciation and impairment	28,672	37,326
Rent and rates	39,550	41,871
Teaching materials and course fees	32,712	19,586
Insurance	5,875	6,210
Light and heat	17,685	12,406
Repairs and maintenance	15,703	17,264
Postage and stationery	9,583	11,635
Telephone	15,171	15,878
Travelling	2,343	1,665
Bank charges	1,083	2,434
Legal and professional fees	17,715	33,508
Auditors remuneration	5,046	4,794
Auditors fees for non-audit work.	2,932	3,355
Activities and visits	23,811	20,690
Loan Interest	5,742	3,239
Subscriptions	1,387	2,204
Other charitable expenditure	822	585
	<u>1,060,842</u>	<u>1,095,757</u>
	<u>1,060,842</u>	<u>1,095,757</u>
<b>Analysis by fund</b>		
Restricted funds	<u>1,060,842</u>	
	<u>1,060,842</u>	
<b>For the year ended 31 March 2016</b>		
Restricted funds		<u>1,095,757</u>
		<u>1,095,757</u>

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Trustees expenses were paid totalling £582 (2016 - £161).

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 8 Employees

#### Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
	49	58

#### Employment costs

	2017 £	2016 £
Wages and salaries	772,865	805,301
Social security costs	40,207	37,557
Other pension costs	11,527	10,998
	<u>824,599</u>	<u>853,856</u>

No employees had employee benefits in excess of £60,000 (2015: nil).

### 9 Tangible fixed assets

	Improvements to property	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2016	150,000	89,820	147,715	55,964	443,499
Additions	-	-	1,514	-	1,514
	<u>150,000</u>	<u>89,820</u>	<u>149,229</u>	<u>55,964</u>	<u>445,013</u>
At 31 March 2017	150,000	89,820	149,229	55,964	445,013
<b>Depreciation and impairment</b>					
At 1 April 2016	12,750	16,259	111,702	44,795	185,506
Depreciation charged in the year	3,000	8,294	13,765	3,613	28,672
	<u>15,750</u>	<u>24,553</u>	<u>125,467</u>	<u>48,408</u>	<u>214,178</u>
At 31 March 2017	15,750	24,553	125,467	48,408	214,178
<b>Carrying amount</b>					
At 31 March 2017	<u>134,250</u>	<u>65,267</u>	<u>23,762</u>	<u>7,556</u>	<u>230,835</u>
At 31 March 2016	<u>137,250</u>	<u>73,561</u>	<u>36,013</u>	<u>11,169</u>	<u>257,993</u>

### 10 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>91,029</u>	<u>39,289</u>

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

		(Continued)	
10	Financial instruments	2017	2016
	Carrying amount of financial liabilities		
	Measured at amortised cost	142,533	139,923
11	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Trade debtors	82,295	30,555
	Other debtors	8,734	8,734
	Prepayments and accrued income	15,262	12,951
		106,291	52,240
12	Loans and overdrafts	2017	2016
		£	£
	Bank loans	47,836	57,984
	Other loans	24,500	29,597
		72,336	87,581
	Payable within one year	10,590	10,060
	Payable after one year	61,746	77,521
13	Creditors: amounts falling due within one year	2017	2016
		£	£
	Bank loans	10,590	10,060
	Other taxation and social security	18,584	11,109
	Trade creditors	20,516	14,935
	Accruals and deferred income	49,681	37,407
		99,371	73,511
	Notes		
	12		

# VALUES ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 14 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans	12	37,246	47,924
Other borrowings		24,500	29,597
		<u>61,746</u>	<u>77,521</u>

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016 £	Movement in funds		Balance at 31 March 2017 £
		Incoming resources £	Resources expended £	
Education	257,231	1,115,159	(1,060,842)	311,548
	<u>257,231</u>	<u>1,115,159</u>	<u>(1,060,842)</u>	<u>311,548</u>

### 16 Analysis of net assets between funds

	Total £
Fund balances at 31 March 2017 are represented by:	
Tangible assets	230,835
Current assets/(liabilities)	142,459
Long term liabilities	(61,746)
	<u>311,548</u>