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**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Noel Dunne  
Andrew Morrish  
Lynn Richardson  
Rob Elkington  
Gurinder Singh Josan

**Trustees**

Noel Dunne  
Rob Elkington  
Gurinder Singh Josan, Chair from 6 October 2016  
Andrew Morrish, Chief Executive  
Lynn Richardson, Chair to 6 October 2016 (resigned 6 October 2016)  
Deidre Leeming (appointed 6 October 2016)  
Herman Stewart (appointed 3 February 2017)  
Carl Doherty (appointed 10 May 2017)  
Perveen Dhami (appointed 10 May 2017)  
Luke Hill (appointed 10 May 2017)

**Company registered number**

07887796

**Company name**

Victoria Academies Trust

**Principal and Registered office**

Victoria Academies Trust  
Ballot Street  
Smethwick  
West Midlands  
B66 3HH

**Company secretary**

Pauline Perla (resigned 19/07/2017)  
Ruth Mashiter (appointed 19/07/2017)

**Chief executive officer**

Andrew Morrish

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Executive leadership team**

Andrew Morrish, Chief Executive  
Kate Tewley, Executive Headteacher  
Sharron Philpot, Executive Headteacher  
Hayley Mapp, Head of School  
Sharon Gibson, Head of School  
Sandra Pennington, Head of School  
Michaela Crawford, Head of School  
Louise Fowler, Director Teacher and Learning  
Lisa Wogan, Director Curriculum and Innovation  
Ian Kirby, Director Finance and Operations

**Independent auditor**

Crowe Clark Whitehill LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Lloyds Bank  
Solihull Business Centre  
Shirley  
Solihull  
West Midlands  
B90 3BW

**Solicitors**

Anthony Collins Solicitors  
145 Edmund Street  
Birmingham  
West Midlands  
B3 2ES

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**VICTORIA ACADEMIES TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and Auditor's Report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates six primary Academies in the Midlands, specifically in Smethwick, Stafford, Walsall and Birmingham. Its Academies have a combined pupil capacity of 2,301 pupils (excluding nursery) and had a roll of 2,207 in the school census on 1 October 2017. This report covers all six academies within the Trust.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy Trust 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 academy trust. The trustees of Victoria Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Victoria Academies Trust.

Details of the Trustees who served during the 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 Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Trust also purchased and maintained liability insurance for its Trustees.

### **Method of recruitment and appointment or election of Trustees**

The Trustees are recruited by the Members who will determine the recruitment process, ensuring that the skills and experience of potential candidates are matched to the requirements of the Board.

### **Policies and procedures adopted for the induction and training of Trustees**

Induction training is provided for new Trustees from Anthony Collins Solicitors.

### **Organisational structure**

The Trustees assume full responsibility for overseeing the strategic direction of the Trust. The Directors will be accountable for the entire business operation of the Trust. The strategic direction for each individual Academy will be set by a local governing body that will be responsible for all elements of governance at the school. Although the Board will have overall control of the Trust, it is important that at the local level Academies are free to self-govern. Such local governance will include holding the Academy to account, challenge and support as well as improvement planning. This is set out in the scheme of delegation and may vary from school to school. The Chief Executive assumes the role of Accounting Officer.

**VICTORIA ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Pay policy for key management personnel**

Remuneration of key management personnel is agreed by Directors; there is an agreed staffing structure and for each post there is an agreed salary range which staff can progress through by successful performance management. The Academy Trust follows the national salary ranges for teachers and National Joint Council (NJC) pay ranges and Local Council Single Status grading structure for support staff.

**Connected organisations, including related party relationships**

No related party transactions took place in the period of account (2015: £nil), other than certain trustees' remuneration and expenses already disclosed in note 13.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

1. To be a healthy, sustainable and high-performing Trust that is a leader both nationally and internationally in the education space.
2. To ensure that all member schools are outstanding and are beacons of innovations, excellence and social enterprise.
3. To be the market leader in transforming failing schools into world-class sponsored academies.

**Objectives, strategies and activities**

Victoria Academies is an established primary-only Multi Academy Trust (MAT) created on 1st January 2014. It began as a single academy and is named after the founder school, Victoria Park Academy in the West Midlands. Having previously been in special measures, the school was transformed into an outstanding academy in exactly 1,000 days. Victoria Park became the first primary school in the local authority (Sandwell) to convert to an academy in 2012. Two years later it became the lead school and sponsor within Victoria Academies and founded the Trust with two local converter academies.

We are a values-led trust. At any one time, typically half of our schools will have been in special measures at some point. We have a unique understanding therefore of the challenges that schools and their communities face when transforming the life chances of our families. With a blend of high performing schools (converter academies) and those that we sponsor that are on the journey to excellence, we are aiming to build a family of like-minded pioneering schools who share our passion for real, immersive and purposeful learning.

All of our schools are within a 40 minutes' drive from Victoria Park Academy in Smethwick. Our academies serve challenging communities across a number of local authorities in the West Midlands. In addition to Victoria Park, the trust consists of three partner schools: Devonshire Infant Academy, Smethwick; Devonshire Junior Academy, Smethwick, and; Northfield Manor Academy, Birmingham. Our two sponsored academies are Rowley Park Academy, Staffordshire (who joined in September 2014) and Fibbersley Park Academy, Walsall (who joined in October 2016). Academy orders have been issued by the RSC for two further schools to join, one sponsored and one a partner (converter).

The Trust also provides school-centred initial teacher training (SCITT) through Central England Teacher Training (CETT) based at Victoria Park Academy. The Trust also operates an award-winning social enterprise (Ballot Street) operating out of Victoria Park Academy. The Trust plans to incorporate the business into a trading arm during 2017-18 as a community interest company.

**VICTORIA ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Our central services and support team are all based at the trust offices at Victoria Park Academy. Led by the Chief Executive, the team continues to expand and currently includes the Director of Finance and Operations, Financial Controller, a team of Finance Assistants plus a number of Executive Directors and Headteachers.

Our core purpose is to ensure that all our people (pupils, staff, parents, governors, trustees, members) become the best they can be. This is our reason for being and why we created the Trust in the first place. To help us fulfil our purpose, we have a number of core values that drive all that we do. These serve as our guiding principles and are built around five key beliefs (or tenets) based on the Latin word FIDES, the ancient Roman goddess of trust (as in to confide). Fides was also the guardian of good faith (bona fide) and honesty.

Our five core values, along with how we believe people should behave to achieve them are:

Loyalty by	Focusing on family
Tenacity by	Insisting on excellence
Kindness by	Doing good as you go
Courage by	Embracing innovation
Brilliance by	Seizing success

FIDES therefore helps us ensure that the organisational behaviours across the family of schools are consistent and of the highest standard. We expect all our people to abide by these values.

Our annual strategic plan has a number of key objectives and strategic priorities that are driven by our values and core purpose. During 2016-17, the board identified three main pillars: education, services and growth. Across these, a number of strategic priorities were identified, including: teaching, learning, leadership, curriculum, self-evaluation, initial teacher education, financial viability, premises and assets, expansion, and membership.

#### **Public benefit**

The Trustees have complied with their duty to have due regard to the guidance on the public benefit published by the Charity Commission in exercising their powers and duties.

### **STRATEGIC REPORT**

#### **Achievements and performance**

Performance throughout year is monitored and evaluated at a number of levels. Internal monitoring is carried out by the executive leadership team through termly school improvement conversations using our self-evaluation framework. In turn, each academy produces its own rigorous self-evaluation summary and subsequent academy improvement plan. In addition, external monitoring conducted by an independent consultancy company ensures the necessary external rigour. This includes an annual challenge partner visit and associated report. This complements our triannual peer review process, last completed in 2016. Our robust performance management systems ensure that this drives appraisal. An external consultant is commissioned to ensure that the process is robust and rigorous. His annual report to the board provides the necessary quality assurance across the group, ensuring appraisal objectives are challenging and consistent.

In order to improve governance across the Trust, the number of members was increased from three to five, with the chief executive standing down having previously been a member. In addition, the board increased from five trustees to nine (with a tenth joining in 2017/18). This ensures the board has greater depth and capacity, for example through the creation of two new committees: audit and risk and pay and remuneration. The board meet at least twice per term in addition to attendance at the trust annual conference and strategic away day.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Key performance indicators**

Of the 27 key performance indicators agreed by the board, almost all of them were achieved. These include: improved pupil outcomes across the MAT and at individual school level; strong inspection outcomes; robust self-evaluation; organic growth consistent with strategy and values; robust governance, and; secure financial control (including the appointment of a new Director of Finance and Operations).

Two of the academies were inspected by Ofsted during 2016/17. Rowley Park Academy received its first full inspection since converting as a sponsored academy having been in special measures in 2014. HMI judged the school as being good overall. Leadership and Management, Behaviour (as part of Personal Development) and EYFS were all judged to be outstanding. Devonshire Junior Academy received a one-day inspection and remain a good school. In addition, the SCITT was inspected between May 2017 and September 2017 by Ofsted as a new provider and was judged to be good overall.

One of our key strategic priorities was to improve the rigour of financial control across the Trust. This was achieved in a number of ways: (1) the appointment of a new Director of Finance and Operations, with a formal accountancy qualification; (2) the appointment of a new Financial Controller; (3) training and quality assurance of all business managers across the group, and; (3) implementation of new industry-standard financial management software across all academies.

**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.

**FINANCIAL REVIEW**

Victoria Academies Trust's primary source of funding comes via the EFA in way of the General Annual Grant. The expenditure incurred is mainly staff costs; however, it also utilises the grant to maintain the buildings and provide resources.

Pupil Premium is used to provide a variety of intervention strategies in each school. The most recent reports on spending can be found on each school's website.

The Trust has also received grants for capital works from the EFA, which are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by a depreciation charge over the useful life of the assets as defined in the finance policy.

The main sources of income for the Trust are grants from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by an annual depreciation charge over the useful life of the assets concerned as defined in the Academy's accounting policies.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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During the year ended 31 August 2017, total expenditure of £13,703,419 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £2,324,304. These figures exclude the actuarial gains and losses on the Local Government Pension Scheme (see note 22 to the accounts).

At 31 August 2017 the net book value of fixed assets was £16,339,917 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

### **Reserves policy**

The Academy Trust, in conjunction with local governing bodies, review resources and recognise the need to have sufficient reserves to protect against possible reductions or delays in funding streams. The aim is to carry forward sufficient funds to meet the Academy's long term capital projects, ensuring that this does not affect the day to day operational activities. The Academy Trust has decided that a consolidated reserve level of one month's average operating costs for all schools including CETT and the central services, is appropriate. This is made up of restricted and unrestricted reserves. Sums over this amount may be allocated to major projects, in line with the Trust Strategic Plan.

The free reserves of the Academy Trust are £952,626 (2016: £947,623).

The Trustees have reviewed these reserves and believe they are adequate to provide sufficient working capital for the Academy Trust to continue to operate within its financial resources, to cover unexpected urgent work and possible investment for trust expansion.

### **Investment policy and performance**

The Trustee Body is responsible for setting investment policy. This day to day responsibility for managing this function is delegated to the Director of Finance and Operations. In the current economic climate of reducing income, with low interest rates, and in view of the capital projects undertaken by the Academy Trust, the majority of funds have been held in the Academy current accounts.

### **Principal risks and uncertainties**

The Board receive a summary of risks through the CEO's report on a periodic basis with advice been sought from external advisers as required. The principal risk is the under capacity of pupils at Rowley Park Academy, lagged funding and the impact this has on the Trust's reserves and other schools within the Trust.

### **Future developments**

Our 2017-18 strategic plan identifies a number of published strategic priorities. These include:

- Developing a CPD entitlement framework for all 450+ staff;
- Establishing academy councils (to replace local governing bodies);
- Improving systems of teacher assessment across the academies;
- Completing a five-year finance and operations plan;
- Building a high quality central services team that remains fit-for-purpose;
- Continuing to build the hub model ensuring sustainable growth.

Two new academies will join the Trust during this period, one of which will become our third sponsored academy. The recently introduced hub model will ensure that capacity remains strong to bring in a number of new academies throughout the year.

**VICTORIA ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Funds held as custodian**

There are no Funds held as Custodian Trustee on behalf of others.

**Agency arrangements**

The Academy Trust acts as an agent in distributing bursary funds from government bodies. Payments received and subsequent disbursements are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. Agency arrangements have been disclosed in note 26 of the financial statements.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 8 December 2017 and signed on its behalf by:

**Gurinder Singh Josan**  
**Chair of Trustees**

**VICTORIA ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Victoria Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 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
Noel Dunne	3	6
Rob Elkington	5	6
Gurinder Singh Josan	6	6
Andrew Morrish, Chief Executive	6	6
Lynn Richardson	0	0
Deidre Leeming	6	6
Herman Stewart	4	4
Carl Doherty	2	2
Perveen Dhani	2	2
Luke Hill	2	2

**Review of Value for Money**

As Accounting Officer, the Chief Executive 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 available.

The Accounting Officer for the academy trust has specifically delivered improved value for money during the year by:

- identifying and reducing inefficient processes within the trust
- reducing procurement costs through utilizing the trusts economies of scale
- reducing the number of new hires by reallocating staff resources across Trust schools

The governance of the trust was enhanced during the year with the recruitment of four new trustees, bringing the total to nine, to increase the breadth of the boards expertise. Competencies of all Governors are considered prior to the inclusion onto the governing body through the recruitment process. The Trust board receives all relevant papers one week in advance of the meeting. Each meeting is duly minuted and attendance records are kept (see tables below). All data provided to the board is generated from the core management and finance systems.

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**GOVERNANCE STATEMENT (continued)**

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Challenges continue to be experienced, over the 12 month period in relation to Rowley Park and its financial deficit. Further information is provided on the next page.

A new trust board sub-committee for Audit and Risk was established in June 2017. This enables Trustees to access relevant financial and risk data to ensure that the effectiveness of internal control is regularly monitored and reviewed. External systems audits and Responsible Officer scrutiny during the year provides assurance with reports and recommendations to maintain outstanding systems of internal control. This information is reviewed by the Accounting Officer (CEO) and Director of Finance and Operations and informs discussions with the Chair of the Board committee. LGB, Exec Heads, Headteachers are expected to ensure implementation of recommendations in a timely manner.

**Governance Reviews**

There were no formal reviews of governance undertaken other than as part of the formal self-evaluation process. Two schools were inspected by Ofsted, including the SCITT, and in all three cases governance came out strong (and outstanding in one academy). Trustees are however conducting a significant review of local governance across the academies and plan to improve this further through an improved scheme of delegation that reflects the new role of academy councils that are being introduced in 2018.

**Rowley Park Deficit Recovery Plan**

Rowley Park is a smaller-than-average primary school which was sponsored by Victoria Academies Trust in September 2014. The proportion of pupils eligible for free school meals is well above the national average.

When the school was taken into the trust it was in special measures. At the schools latest Ofsted inspection it was rated Good with Outstanding for 'Effectiveness of leadership and management' and 'Early years provision'.

The school continues to attract more pupils with 186 currently on roll with capacity for 210. The staff structure continues to be reviewed and cost saving efforts are being made in all areas of the budget. Plans for additional revenue streams are also in place. The combination of these will all have a positive effect on reserves in due course.

**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 Victoria Academies Trust for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**VICTORIA ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**The Risk and Control Framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Crowe Clark Whitehill LLP, the external auditor, to perform additional checks.

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**VICTORIA ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems

On a termly basis, the audit and risk committee meets to review the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

As Accounting Officer, the Chief Executive 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 auditor;
- the financial management and governance self-assessment process;
- 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 Crowe Clark Whitehill LLP 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 8 December 2017 and signed on their behalf, by:

**Gurinder Singh Josan**  
**Chair of Trustees**

**Andrew Morrish**  
**Accounting Officer**

**VICTORIA ACADEMIES TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**Andrew Morrish**  
**Accounting Officer**

Date: 8 December 2017

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**VICTORIA ACADEMIES TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 8 December 2017 and signed on its behalf by:

**Gurinder Singh Josan**  
**Chair of Trustees**



**VICTORIA ACADEMIES TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
VICTORIA ACADEMIES TRUST**

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**Opinion**

We have audited the financial statements of Victoria Academies Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
VICTORIA ACADEMIES TRUST**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
VICTORIA ACADEMIES TRUST**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust's 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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

Dave Darlaston (Senior Statutory Auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG  
Date:

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VICTORIA ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 9 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Victoria Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Victoria Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Victoria Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Victoria Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Victoria Academies Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Victoria Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VICTORIA  
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Crowe Clark Whitehill LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date:

DRAFT

**VICTORIA ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	218,174	(1,612,000)	5,442,265	4,048,439	157,895
Charitable activities:	3					
Teaching School		-	157,500	-	157,500	196,818
Other charitable activities		292,207	11,673,997	-	11,966,204	9,579,071
Other trading activities	4	293,125	-	-	293,125	136,067
Investments	5	2,582	-	-	2,582	2,108
<b>TOTAL INCOME</b>		<b>806,088</b>	<b>10,219,497</b>	<b>5,442,265</b>	<b>16,467,850</b>	<b>10,071,959</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Teaching School		-	156,976	-	156,976	182,314
Other charitable activities		608,691	12,584,222	353,530	13,546,443	10,295,231
<b>TOTAL EXPENDITURE</b>	6	<b>608,691</b>	<b>12,741,198</b>	<b>353,530</b>	<b>13,703,419</b>	<b>10,477,545</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	197,397 (76,607)	(2,521,701) 20,914	5,088,735 55,693	2,764,431 -	(405,586) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	569,000	-	569,000	(3,106,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>120,790</b>	<b>(1,931,787)</b>	<b>5,144,428</b>	<b>3,333,431</b>	<b>(3,511,586)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		831,311	(8,143,688)	11,374,812	4,062,435	7,574,021
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>952,101</b>	<b>(10,075,475)</b>	<b>16,519,240</b>	<b>7,395,866</b>	<b>4,062,435</b>

The notes on pages 23 to 47 form part of these financial statements.

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07887796**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		16,339,917		11,374,812
<b>CURRENT ASSETS</b>					
Debtors	15	421,057		417,046	
Cash at bank and in hand		1,861,470		1,258,972	
			<u>2,282,527</u>		<u>1,676,018</u>
<b>CREDITORS:</b> amounts falling due within one year	16	<u>(1,150,578)</u>		<u>(728,395)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,131,949</u>		<u>947,623</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	22		<u>(10,076,000)</u>		<u>(8,260,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>7,395,866</u>		<u>4,062,435</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	525		116,312	
Restricted fixed asset funds	17	16,519,240		11,374,812	
Restricted income funds excluding pension liability		<u>16,519,765</u>		<u>11,491,124</u>	
Pension reserve		<u>(10,076,000)</u>		<u>(8,260,000)</u>	
Total restricted income funds			<u>6,443,765</u>		<u>3,231,124</u>
Unrestricted income funds	17		<u>952,101</u>		<u>831,311</u>
<b>TOTAL FUNDS</b>			<u>7,395,866</u>		<u>4,062,435</u>

The financial statements on pages 20 to 47 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:

**Gurinder Singh Josan**  
**Chair of Trustees**

**VICTORIA ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>262,412</u>	<u>336,745</u>
<b>Cash flows from investing activities:</b>			
Bank interest		2,582	2,108
Purchase of tangible fixed assets		(315,456)	(336,933)
Capital grants from DfE/ESFA		439,086	157,455
<b>Net cash provided by/(used in) investing activities</b>		<u>126,212</u>	<u>(177,370)</u>
<b>Cash flows from financing activities:</b>			
Cash received on conversion		213,874	-
<b>Net cash provided by financing activities</b>		<u>213,874</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		<b>602,498</b>	<b>159,375</b>
Cash and cash equivalents brought forward		<u>1,258,972</u>	<u>1,099,597</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>1,861,470</u></u>	<u><u>1,258,972</u></u>

The notes on pages 23 to 47 form part of these financial statements.



**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

**1.2 COMPANY STATUS**

The Academy Trust is a company limited by guarantee and is incorporated in England and Wales, registered number 07887796. The address of the registered office is Victoria Academies Trust, Ballot Street, Smethwick, West Midlands, B66 3HH.

**1.3 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.5 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.

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.

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

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	1% Straight line
Freehold property improvements	-	20% Straight line
Long term leasehold	-	1% Straight line
Motor vehicles	-	10% Straight line
Fixtures and fittings	-	20% 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 incorporating Income and Expenditure Account.

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 DEBTORS**

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

**1.8 CASH AT BANK AND IN HAND**

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

**1.9 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.11 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.

**1.12 TAXATION**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 FUND ACCOUNTING**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

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

**VICTORIA ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.15 FINANCIAL INSTRUMENTS**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs 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 instruments. Amounts due to the Academy Trust are held at face value less any impairment.

**1.16 CONVERSION TO AN ACADEMY TRUST**

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

The assets and liabilities transferred on conversion from Fibbersley Park Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

**1.17 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing bursary funds from government bodies. Payments received and subsequent disbursements are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

**VICTORIA ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.18 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no critical judgements which would have a material impact on the financial statements.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Buildings inherited from local authority conversion	-	-	5,003,179	5,003,179	-
Pension obligation inherited from local authority conversion	-	(1,612,000)	-	(1,612,000)	-
Funds inherited from local authority conversion	213,874	-	-	213,874	-
Other donations	4,300	-	-	4,300	440
Capital grants	-	-	439,086	439,086	157,455
	<u>218,174</u>	<u>(1,612,000)</u>	<u>5,442,265</u>	<u>4,048,439</u>	<u>157,895</u>
<i>Total 2016</i>	<u>440</u>	<u>-</u>	<u>157,455</u>	<u>157,895</u>	

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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for Academy's Educational Operations	<u>292,207</u>	<u>11,831,497</u>	<u>12,123,704</u>	<u>9,775,889</u>
<i>Total 2016</i>	<u>238,159</u>	<u>9,537,730</u>	<u>9,775,889</u>	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	9,265,066	9,265,066	7,288,808
Other Dfe/EFA Grant	-	1,770,597	1,770,597	1,125,338
DfE Trust Grant	-	-	-	105,000
	<u>-</u>	<u>11,035,663</u>	<u>11,035,663</u>	<u>8,519,146</u>
<b>Other government grants</b>				
Local authority grants	-	638,334	638,334	821,766
	<u>-</u>	<u>638,334</u>	<u>638,334</u>	<u>821,766</u>
<b>Other funding</b>				
School fund income	137,301	-	137,301	112,527
Catering income	144,779	-	144,779	122,471
SCITT	-	157,500	157,500	196,818
Other income	10,127	-	10,127	3,161
	<u>292,207</u>	<u>157,500</u>	<u>449,707</u>	<u>434,977</u>
	<u>292,207</u>	<u>11,831,497</u>	<u>12,123,704</u>	<u>9,775,889</u>
<i>Total 2016</i>	<u>238,159</u>	<u>9,537,730</u>	<u>9,775,889</u>	



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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	42,463	-	42,463	27,286
Education Welfare provision to other schools	67,951	-	67,951	28,123
Other income	182,711	-	182,711	80,658
	<u>293,125</u>	<u>-</u>	<u>293,125</u>	<u>136,067</u>
<i>Total 2016</i>	<u>136,067</u>	<u>-</u>	<u>136,067</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	2,582	-	2,582	2,108
	<u>2,582</u>	<u>-</u>	<u>2,582</u>	
<i>Total 2016</i>	<u>2,108</u>	<u>-</u>	<u>2,108</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	8,324,195	352,790	403,340	9,080,325	6,925,830
Support costs	2,452,349	604,898	948,063	4,005,310	2,962,380
Teaching school:					
Direct costs	63,471	560	57,593	121,624	141,256
Support costs	24,453	-	10,899	35,352	41,058
Catering	-	7,135	453,673	460,808	407,021
	<u>10,864,468</u>	<u>965,383</u>	<u>1,873,568</u>	<u>13,703,419</u>	<u>10,477,545</u>
<i>Total 2016</i>	<u>8,247,048</u>	<u>715,056</u>	<u>1,515,441</u>	<u>10,477,545</u>	

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**7. SUPPORT COSTS**

	Academy's educational operations:	Teaching school	Catering	Total 2017	Total 2016
Technology costs	50,663	1,294	-	51,957	65,869
Premises costs	604,860	38	7,135	612,033	419,306
Other support costs	877,800	8,567	453,673	1,340,040	1,011,143
Governance costs	19,638	1,000	-	20,638	52,871
Wages and salaries	1,174,073	20,002	-	1,194,075	1,009,962
National insurance	69,921	1,393	-	71,314	56,436
Pension cost	1,208,355	3,058	-	1,211,413	794,872
	<u>4,005,310</u>	<u>35,352</u>	<u>460,808</u>	<u>4,501,470</u>	<u>3,410,459</u>
<i>At 31 August 2016</i>	<u>2,962,380</u>	<u>41,058</u>	<u>407,021</u>	<u>3,410,459</u>	

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the Trust's activities. These costs will include any employee benefits for trusteeship, the cost of Trust employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	353,530	276,992
Operating lease rentals	61,055	33,517
Auditor's remuneration - audit	13,750	12,785
Auditor's remuneration - non audit	6,888	16,487
	<u>435,223</u>	<u>340,781</u>

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**9. CENTRAL SERVICES**

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

- Management services;
- Legal services;
- Educational support services;
- Maintenance and admin support services;
- Marketing, graphics and website services;

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

The Academy Trust charges for these services on a percentage basis (2% - 7%) applied to the income received by each constituent academy. Any surplus generated is held as a contingency reserve for use in future periods.

The actual amounts charged during the year were as follows:

	<b>2017</b>	<i>2016</i>
	£	£
Victoria Park Academy	<b>96,684</b>	<i>75,790</i>
Rowley Park Academy	<b>34,602</b>	<i>34,810</i>
Devonshire Infant Academy	<b>60,556</b>	<i>53,654</i>
Devonshire Junior Academy	<b>70,675</b>	<i>51,989</i>
Northfield Manor Primary Academy	<b>88,163</b>	<i>79,670</i>
Fibbersley Park Primary Academy	<b>150,000</b>	<i>-</i>
	<b>500,680</b>	<i>295,913</i>
Total	<b>500,680</b>	<i>295,913</i>

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,565,426	6,038,415
Social security costs	631,349	411,757
Operating costs of defined benefit pension schemes	2,202,512	1,613,341
	<u>10,399,287</u>	<u>8,063,513</u>
Apprenticeship levy	8,506	-
Supply teacher costs	456,675	183,535
	<u><u>10,864,468</u></u>	<u><u>8,247,048</u></u>

There were two non-statutory/non-contractual severance payments included in staff costs during the year of £8,500 and £9,000 (2016: none).

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

	2017 No.	2016 No.
Teachers	108	94
Administration and support	232	231
Management	10	9
	<u>350</u>	<u>334</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1
In the band £120,001 - £130,000	1	0
In the band £130,001 - £140,000	0	1

The key management personnel of the Academy Trust comprise the senior management team, details of whom can be found on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £780,914 (2016: £754,295).

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**11. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account (2016: £nil), other than certain trustees' remuneration and expenses already disclosed in note 13.

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2017</b>	<i>2016</i>
		<b>£</b>	<i>£</i>
A Morrish, CEO	Remuneration	<b>130,000-135,000</b>	<i>130,000-135,000</i>
	Pension contributions paid	<b>20,000-25,000</b>	<i>20,000-25,000</i>

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

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**14. TANGIBLE FIXED ASSETS**

	Freehold property and improvements £	Long-term leasehold property and land £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2016	11,452,780	-	25,000	368,653	249,915	12,096,348
Additions	174,834	-	-	32,279	108,343	315,456
Transfer on conversion	-	5,003,179	-	-	-	5,003,179
At 31 August 2017	<u>11,627,614</u>	<u>5,003,179</u>	<u>25,000</u>	<u>400,932</u>	<u>358,258</u>	<u>17,414,983</u>
<b>DEPRECIATION</b>						
At 1 September 2016	307,581	-	10,000	268,419	135,536	721,536
Charge for the year	164,212	52,898	2,500	57,610	76,310	353,530
At 31 August 2017	<u>471,793</u>	<u>52,898</u>	<u>12,500</u>	<u>326,029</u>	<u>211,846</u>	<u>1,075,066</u>
<b>NET BOOK VALUE</b>						
At 31 August 2017	<u>11,155,821</u>	<u>4,950,281</u>	<u>12,500</u>	<u>74,903</u>	<u>146,412</u>	<u>16,339,917</u>
At 31 August 2016	<u>11,145,199</u>	<u>-</u>	<u>15,000</u>	<u>100,234</u>	<u>114,379</u>	<u>11,374,812</u>

Victoria Academies Trust entered into a 125 year lease agreement with Walsall Metropolitan Borough Council on the 1 October 2016 for the land and buildings of Fibbersley Park Primary Academy.

**15. DEBTORS**

	2017 £	2016 £
Trade debtors	12,574	27,101
VAT repayable	77,894	70,286
Other debtors	7,654	15,110
Prepayments and accrued income	322,935	304,549
	<u>421,057</u>	<u>417,046</u>

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**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	£	£
Trade creditors	<b>430,558</b>	245,556
Other taxation and social security	<b>171,673</b>	139,849
Other creditors	<b>151,863</b>	116,454
Accruals and deferred income	<b>396,484</b>	226,536
	<b>1,150,578</b>	728,395
	<b>1,150,578</b>	728,395
	<b>2017</b>	<b>2016</b>
	£	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	<b>130,152</b>	109,132
Resources deferred during the year	<b>256,610</b>	130,152
Amounts released from previous years	<b>(130,152)</b>	(109,132)
	<b>256,610</b>	130,152
	<b>256,610</b>	130,152

At the balance sheet date the Academy trust is holding grants received in advance for the provision of infant free school meals and a start up grant in relation to Birchen Coppice which is expected to convert and join the Trust on 1 December 2017.

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**17. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	831,311	806,088	(608,691)	(76,607)	-	952,101
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	45,444	9,107,566	(9,173,924)	20,914	-	-
Other Dfe/ESFA grants	52,110	1,770,597	(1,822,707)	-	-	-
Other restricted funds	18,758	795,834	(814,592)	-	-	-
Teaching School	-	157,500	(156,975)	-	-	525
Pension reserve	(8,260,000)	(1,612,000)	(773,000)	-	569,000	(10,076,000)
	<u>(8,143,688)</u>	<u>10,219,497</u>	<u>(12,741,198)</u>	<u>20,914</u>	<u>569,000</u>	<u>(10,075,475)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted Fixed Assets	11,374,812	439,086	(353,530)	5,058,872	-	16,519,240
Assets transferred on Academy conversion	-	5,003,179	-	(5,003,179)	-	-
	<u>11,374,812</u>	<u>5,442,265</u>	<u>(353,530)</u>	<u>55,693</u>	<u>-</u>	<u>16,519,240</u>
Total restricted funds	<u>3,231,124</u>	<u>15,661,762</u>	<u>(13,094,728)</u>	<u>76,607</u>	<u>569,000</u>	<u>6,443,765</u>
Total of funds	<u><u>4,062,435</u></u>	<u><u>16,467,850</u></u>	<u><u>(13,703,419)</u></u>	<u><u>-</u></u>	<u><u>569,000</u></u>	<u><u>7,395,866</u></u>



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**17. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2015</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2016</i>
	£	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	956,150	376,774	(501,613)	-	-	831,311
	<u>956,150</u>	<u>376,774</u>	<u>(501,613)</u>	<u>-</u>	<u>-</u>	<u>831,311</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	-	7,288,808	(7,063,886)	(179,478)	-	45,444
Other Dfe/ESFA grants	-	1,020,338	(1,020,338)	-	-	-
Trust grants	-	105,000	(52,890)	-	-	52,110
Other restricted funds	-	1,123,584	(1,104,826)	-	-	18,758
Pension reserve	(4,697,000)	-	(457,000)	-	(3,106,000)	(8,260,000)
	<u>(4,697,000)</u>	<u>9,537,730</u>	<u>(9,698,940)</u>	<u>(179,478)</u>	<u>(3,106,000)</u>	<u>(8,143,688)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted Fixed Assets	11,314,871	157,455	(276,992)	179,478	-	11,374,812
	<u>11,314,871</u>	<u>157,455</u>	<u>(276,992)</u>	<u>179,478</u>	<u>-</u>	<u>11,374,812</u>
Total restricted funds	<u>6,617,871</u>	<u>9,695,185</u>	<u>(9,975,932)</u>	<u>-</u>	<u>(3,106,000)</u>	<u>3,231,124</u>
Total of funds	<u><u>7,574,021</u></u>	<u><u>10,071,959</u></u>	<u><u>(10,477,545)</u></u>	<u><u>-</u></u>	<u><u>(3,106,000)</u></u>	<u><u>4,062,435</u></u>

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

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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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**17. STATEMENT OF FUNDS (continued)**

Transfers between funds relate to amounts expended on fixed assets from the DfE grants which have been used for the acquisition of fixed assets during the year. Transfer between Unrestricted funds and the Restricted funds is the allocation of funds to cover the excess of General Annual Grant expenditure over income.

Included within Restricted Fixed Assets fund is £179,323 (£2016: £nil) of unspent income from the Conditional Improvement Fund Grant awarded and recognised in full in income during the year.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Victoria Park Academy	<b>440,466</b>	329,357
Rowley Park Academy	<b>(481,432)</b>	(305,653)
Devonshire Infant Academy	<b>371,529</b>	356,925
Devonshire Junior Academy	<b>406,953</b>	372,861
Northfield Manor Primary Academy	<b>41,586</b>	75,346
CETT	<b>58,549</b>	57,986
Victoria Academies Trust	<b>5,456</b>	60,801
Fibbersley Park Academy	<b>109,519</b>	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>952,626</b>	947,623
Restricted fixed asset fund	<b>16,519,240</b>	11,374,812
Pension reserve	<b>(10,076,000)</b>	(8,260,000)
	<hr/>	<hr/>
Total	<b>7,395,866</b>	4,062,435
	<hr/> <hr/>	<hr/> <hr/>

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

<b>Name of academy</b>	<b>Amount of deficit £</b>
Rowley Park Academy	<b>481,432</b>

The Academy Trust is taking the following action to return the academies to surplus:

Rowley Park is a smaller-than-average primary school which was sponsored by Victoria Academies Trust in September 2014. The proportion of pupils eligible for free school meals is well above the national average.

When the school was taken into the Trust it was in special measures. At the schools latest Ofsted inspection it was rated Good with Outstanding for 'Effectiveness of leadership and management' and 'Early years provision'.

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**17. STATEMENT OF FUNDS (continued)**

The school continues to attract more pupils with 186 currently on roll with capacity for 210. The staff structure continues to be reviewed and cost saving efforts are being made in all areas of the budget. Plans for additional revenue streams are also in place. The combination of these will all have a positive effect on reserves in due course.

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Victoria Park Academy	1,670,372	485,565	77,083	321,871	2,554,891	3,039,162
Rowley Park Academy	774,823	147,380	39,820	230,212	1,192,235	1,114,560
Devonshire Infant Academy	1,242,402	224,094	33,808	268,675	1,768,979	1,815,582
Devonshire Junior Academy	1,270,896	220,322	61,735	234,825	1,787,778	1,690,463
Northfield Manor Primary Academy	1,516,316	242,634	66,140	430,782	2,255,872	2,361,474
Fibbersley Park Academy	1,644,540	231,038	59,044	371,804	2,306,426	-
CETT	63,471	24,453	422	45,723	134,069	62,909
Victoria Academies Trust	986,705	119,457	2,286	241,191	1,349,639	116,403
	<u>9,169,525</u>	<u>1,694,943</u>	<u>340,338</u>	<u>2,145,083</u>	<u>13,349,889</u>	<u>10,200,553</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	16,339,917	16,339,917
Current assets	952,101	1,151,103	179,323	2,282,527
Creditors due within one year	-	(1,150,578)	-	(1,150,578)
Provisions for liabilities and charges	-	(10,076,000)	-	(10,076,000)
	<u>952,101</u>	<u>(10,075,475)</u>	<u>16,519,240</u>	<u>7,395,866</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	11,374,812	11,374,812
Current assets	831,311	844,707	-	1,676,018
Creditors due within one year	-	(728,395)	-	(728,395)
Provisions for liabilities and charges	-	(8,260,000)	-	(8,260,000)
	<u>831,311</u>	<u>(8,143,688)</u>	<u>11,374,812</u>	<u>4,062,435</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017	2016
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,764,431	(405,586)
<b>Adjustment for:</b>		
Depreciation charges	353,530	276,992
Returns on investments and servicing of finance	(2,582)	(2,108)
(Increase)/decrease in debtors	(4,011)	84,251
Increase in creditors	422,183	83,651
Capital grants from DfE and other capital income	(439,086)	(157,455)
Defined benefit pension scheme obligation inherited	1,612,000	-
Defined benefit pension scheme cost less contributions payable	568,000	276,000
Defined benefit pension scheme finance cost	205,000	181,000
Fixed assets transfer on conversion	(5,003,179)	-
Cash transferred on conversion of an academy	(213,874)	-
<b>Net cash provided by operating activities</b>	<u>262,412</u>	<u>336,745</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Cash in hand	1,861,470	1,258,972
Total	<u>1,861,470</u>	<u>1,258,972</u>

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**21. CONVERSION TO AN ACADEMY TRUST**

On 1 October 2016 Fibbersley Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Victoria Academies Trust from Fibbersley Park Primary School for £NIL consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	£	£	£	£
Freehold/leasehold land and buildings	-	-	5,003,179	5,003,179
Budget surplus/(deficit) on LA funds	213,874	-	-	213,874
LGPS pension surplus/(deficit)	-	(1,612,000)	-	(1,612,000)
	<u>213,874</u>	<u>(1,612,000)</u>	<u>5,003,179</u>	<u>3,605,053</u>
Net assets	<u>213,874</u>	<u>(1,612,000)</u>	<u>5,003,179</u>	<u>3,605,053</u>

The above net assets include £213,874 that were transferred as cash.

Victoria Academies Trust entered into a 125 year lease agreement with Walsall Metropolitan Borough Council on the 1 October 2016 for the land and buildings of Fibbersley Park Primary Academy.

**22. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund for Victoria Park Academy, Devonshire Infant Academy, Devonshire Junior Academy, Northfield Manor Academy, Fibbersley Park Academy and Staffordshire Pension Funds for Rowley Park Academy.. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £155,234 were payable to the schemes at 31 August 2017 (2016 - 108,255) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme

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**22. PENSION COMMITMENTS (continued)**

Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (previously 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £606,247 (2016 - £143,238).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,009,000 (2016 - £585,000), of which employer's contributions totalled £826,000 (2016 - £438,000) and employees' contributions totalled £183,000 (2016 - £147,000). The agreed contribution rates for future years are between 17.2% - 22.3% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the

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**22. PENSION COMMITMENTS (continued)**

event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	<b>2017</b>	2016
Discount rate for scheme liabilities	<b>2.58 %</b>	2.16 %
Rate of increase in salaries	<b>3.97 %</b>	3.50 %
Rate of increase for pensions in payment / inflation	<b>2.65 %</b>	2.02 %
Inflation assumption (CPI)	<b>2.65 %</b>	2.02 %

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

	<b>2017</b>	2016
Retiring today		
Males	<b>21.9</b>	22.9
Females	<b>24.3</b>	25.5
Retiring in 20 years		
Males	<b>24.0</b>	25.1
Females	<b>26.6</b>	27.8

As the scheme is in a deficit position the Academy Trust is making additional contributions. Future contributions for 2017/18, 2018/19 and 2019/20 are £277,657, £288,482 and £172,072.

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

	<b>Fair value at 31 August 2017</b>	<i>Fair value at 31 August 2016</i>
	£	£
Equities	<b>2,644,000</b>	1,596,000
Gilts	<b>254,000</b>	143,000
Corporate bonds	<b>205,000</b>	231,000
Property	<b>302,000</b>	204,000
Cash and other liquid assets	<b>197,000</b>	163,000
Other	<b>461,000</b>	222,000
Total market value of assets	<b>4,063,000</b>	2,559,000

The actual return on scheme assets was £461,000 (2016 - £366,000).

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**22. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	1,343,529	714,000
Interest on obligations	204,000	180,000
Administration expenses	1,000	1,000
	<u>1,548,529</u>	<u>895,000</u>
Total	<u><u>1,548,529</u></u>	<u><u>895,000</u></u>

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

	2017 £	2016 £
Opening defined benefit obligation	10,819,000	6,268,000
Upon conversion	1,612,000	-
Interest cost	270,000	254,000
Employee contributions	183,000	147,000
Actuarial (gains)/losses	(93,000)	3,398,000
Benefits paid	(46,000)	38,000
Current service cost	1,394,000	714,000
	<u>14,139,000</u>	<u>10,819,000</u>
Closing defined benefit obligation	<u><u>14,139,000</u></u>	<u><u>10,819,000</u></u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,559,000	1,571,000
Expected return on assets	66,000	74,000
Actuarial gains	476,000	292,000
Employer contributions	826,000	438,000
Employee contributions	183,000	147,000
Benefits paid	(46,000)	38,000
Administration expenses	(1,000)	(1,000)
	<u>4,063,000</u>	<u>2,559,000</u>
Closing fair value of scheme assets	<u><u>4,063,000</u></u>	<u><u>2,559,000</u></u>



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**23. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	34,340	32,983
Between 1 and 5 years	44,726	25,447
Total	79,066	58,430

**24. POST BALANCE SHEET EVENTS**

Birchen Coppice Primary School converted and joined the Multi Academy trust on 1 December 2017.

**25. MEMBERS' LIABILITY**

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

**26. AGENCY ARRANGEMENTS**

The trust distributes PGCE training bursaries to students as an agent for the NCTL. In the accounting period ending 31 August 2017 the Academy Trust received £43,966 (2016 - £57,766) and disbursed £52,200 (2016 - £49,532) from the fund. Included with other creditors at the year end is £nil (2016: £8,234) due to be paid on behalf of students.