

Company Registration Number: 07887796 (England and Wales)

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

CONTENTS

Page

1-2

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

3-11

12-14

15

16

17-18

19-21

ANNUAL REPORT AND FINANCIAL STATEMENTS

22

FOR THE YEAR ENDED 31 AUGUST 2018

23

24

25-26

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Assurance Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 53

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Lynn Richardson (resigned 16 March 2018)
Gurinder Singh Josan
Ayo Ajanaku
Ninder Johal
Amber Marshall
Noel Dunne (appointed 16 March 2018)

Trustees

Gurinder Singh Josan, Chair
Robert Elkington
Andrew Morrish, Chief Executive
Deidre Leeming
Herman Stewart
Perveen Dhani
Luke Hill
Shafiq Sharif (appointed 17 October 2017)
Carl Doherty (resigned 6 July 2018)
Noel Dunne (resigned 6 July 2018)

Company registered number

07887796

Company name

Victoria Academies Trust

Principal and Registered office

Victoria Academies Trust
Ballot Street
Smethwick
West Midlands
B66 2HH

Company secretary

Ruth Mashiter (resigned 20 July 2018)
Ian Kirby (appointed 20 July 2018, resigned 12 November 2018)
Roland Roberts (appointed 12 November 2018)

Chief executive officer

Andrew Morrish

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Executive leadership team

Andrew Morrish, Chief Executive
Kate Tewley, Executive Headteacher
Sharron Philpot, Executive Headteacher
Charlotte Davis, Executive Headteacher
Hayley Mapp, Executive Headteacher
Ian Kirby, Director of Finance and Operations

Independent auditor

Crowe U.K. 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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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

Victoria Academies Trust is an established multi-academy trust created on 1st January 2014. It began as a single academy and is named after the founder school, Victoria Park Academy in Smethwick. It became the first primary school in the local authority (Sandwell) to convert to an academy in April 2012. Almost two years later it became the lead school and sponsor within Victoria Academies Trust. The trust currently operates eight primary schools for pupils aged 3 – 11.

The trust has a proven track record for transforming schools, regardless of where they are on their improvement journey. At any one time, typically half of our schools will have been in special measures at some point. Our sponsor academy, Victoria Park Academy, was shortlisted for TES School of the Year having previously gone from special measures to outstanding in exactly 1000 days. We have a unique understanding therefore of the challenges that schools and their communities face when transforming the life chances of our families.

All of our schools are within 45 minutes driving time from Victoria Park Academy. Our academies serve challenging communities across a number of local authorities in the West Midlands, including Birmingham, Sandwell, Staffordshire, Walsall and Worcestershire. In addition to our schools, we run an award-winning social enterprise called Ballot Street as well as a school-centred initial teacher training (SCITT) partnership, Central England Teacher Training, both based at Victoria Park Academy. Our central services and support team are all based at the trust offices at Victoria Park Academy.

During 2017-18, two new schools joined the trust. The academies heralded the opening of our new Kidderminster hub (Worcestershire) which we plan to expand over the coming years. Birchen Coppice Academy joined the trust on 1st December 2017 as our third sponsored academy with Foley Park Academy joining two months later as a converter (rated good at its previous inspection). In total, including part-time nursery pupils, the trust is responsible for the education of just over 3,000 pupils. In summer 2018, the trust was awarded its first free school – due to open in September 2019 - and will operate as Poppyfield Primary Academy in Cannock, Staffordshire.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Victoria Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Victoria Academies Trust. During the reporting period, the trust established a trading arm called Victoria Enterprises C.I.C. that will incorporate the individual academy social enterprises such as Ballot Street (based at Victoria Park Academy) and Woodbury Community Café at Birchen Coppice Academy.

Details of the trustees who served during the year are included in the Reference and administrative details on page 1.

Members' liability

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

The board recruited a new trustee through the Academy Ambassadors programme as it sought to appoint a director with the necessary skillset in marketing. The recruitment process was rigorous and robust and following interviews in Autumn 2017, the new trustee was appointed in October 2017 taking the number of trustees to nine.

Policies and procedures adopted for the induction and training of Trustees

The new trustee was inducted as part of the training and support provided by the Academy Ambassadors programme. The trust also has its own governance training and support programme that all trustees and governors have access to throughout the year. All training and development is based on the annual skills' audit undertaken by all governors and trustees.

Organisational structure

A new scheme of delegation was published in summer 2018 and is available on the trust website. The scheme serves as an accountability framework for decision making at all levels across the trust including members, trustees, local governors, the executive, headteachers, heads of school and business managers. The chief executive continues as accounting officer and leads the executive team, consisting of four executive headteachers and the director of finance and operations, now chief operating officer. To complement the work of the executive, a headteacher forum also meets frequently to ensure consistency and alignment across the schools, hubs and trust as a whole.

The trust is organised into four regional hubs. Each hub consists of several academies, each with a substantive headteacher or head of school, overseen by an executive headteacher. During 2018, the trust replaced local governing bodies with academy councils to make clear the fact that all governance flows only from the board. The new scheme of delegation and academy council handbook clarifies succinctly the difference in roles through explicit terms of reference, including for the committees of the board: Performance management and pay, audit and risk and health and safety. During 2018-19 an education scrutiny committee will be established.

Each academy council has been appointed by the board, including chair and vice-chair. Parents and staff continue to be elected under the usual way plus up to four community councillors based on an assessment of need according to a skills gap. In summer 2018, the board ended its arrangement as planned with an out-sourced clerking service (and company secretary) and recruited its own head of governance and company secretary (who commenced duties in November 2018). The Director of Finance and Operations (who is not a trustee) acted as company secretary during the interim.

Pay policy for key management personnel

The procedure for setting the pay of the executive team continued as per previous arrangements. The board delegate all pay and performance related decisions to the performance management and pay committee as per the scheme of delegation. In order to ensure openness and rigour, the board commission an external expert to

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

advise the committee and to ensure the process is fair, consistent and quality assured.

The external expert appraises each member of the executive, including the chief executive, and meets with the trustee-appointed committee to advise on the extent to which previously agreed objectives have been met and that proposed new objectives are sufficiently challenging and aligned with the strategic plan and vision of the trust. The committee will discuss the findings and recommendations of the external expert with a particular focus on ensuring judgements are supported by relevant evidence and may, if required, discuss aspects with the member of staff concerned. Staff employed on the payroll (including the chief executive) are not present during any discussions relating to pay. Once a decision has been made - taking into account the advice from the external expert and trustees' own evaluation of the impact of each individual's performance - the outcome is shared with the appraisee who is invited to join the meeting and informed of the decision.

Connected organisations, including related party relationships

All related party transactions are reported and disclosed as required by the academies accounts directive. The only related party transaction reported in this period in regard to paying for the services of the firm that a trustee is employed, is in relation to the provision of legal services. The legal firm is not required to provide these at cost, as the employee is not the managing partner on the work, as per the ESFA guidelines.

The law firm has provided legal services since 2012, with the trustee in question joining the board in 2017. The board are satisfied that appropriate measures are in place to manage any conflict of interest including completing an annual register of interests, requirement to declare interests in meetings and if a discussion is required in regard to the procurement of legal services, the trustee will be requested to withdraw.

OBJECTIVES AND ACTIVITIES

Objectives, strategies and activities

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.

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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 values help us to model and articulate the behaviours that we expect from our staff in order to fulfil our vision. Our vision statement therefore aims to describe the future in a way that is tangible and real. It is values-led and underpins all that we choose to measure, such as our scorecard and strategic priorities.

Everything that we do is designed to ensure we fulfil our core purpose which is to *make our people become the best they can be*. We do this in two ways:

1. Through an audacious and ambitious goal to *become the organisation most known across the world that transforms its academies into brilliant, pioneering schools that stand out through innovation and social change*.
2. With a compelling vision that helps describe how we will meet our goal. In essence, it becomes our Charter.

Our vision statement consists of six key strands:

"We will create a family of pioneering schools that celebrate diversity and commit to excellence ensuring our values and beliefs drive all that we do.

We will become known internationally as a trust that is committed to the development of a whole education, where children can flourish and become changemakers.

We are committed to social change and exist in order to enhance the communities that we serve.

We do this by creating exceptional schools that are relentless in their pursuit of being the best they can be.

We are driven by our core values to deliver a world-class education, with a strong sense of social responsibility.

Above all we want all our people to be brilliant, courageous and kind, where loyalty and tenacity are at the heart of all that we do as we strive to become the best we can be."

Our annual strategic plan has a number of key objectives and strategic priorities that are driven by our values and core purpose. The plan has three main strategic themes:

1. Great schools (Education)
2. Great services (Systems and Support)
3. Great future (Sustainability and Growth)

The board use a scorecard to determine the extent to which an academy meets the minimum requirements of a *great school*. Similar scorecards are being developed for *great services* and *great future*.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Performance throughout the year is monitored and evaluated at a number of levels. Internal monitoring is carried out by the executive 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, including an external review on the impact our values are having across the trust at all levels. 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.

Our main strategic priorities during 2017-18 were:

- Unlocking leadership capacity through an entitlement model (called 'Pathways')
- Securing great local governance through the establishment of academy councils
- Ensuring consistency and alignment across the schools through the establishment of the hub model
- Ensuring high quality teacher assessment through agreed approaches to assessment
- Ensuring progress measures exceed national through improved teaching and learning
- Improving financial security through a long-term financial plan
- Improving operational support through building an effective central services team
- Enabling growth through organic and values-led trust expansion.

Key performance indicators

Throughout the year, the executive leadership team and board continue to monitor progress towards the success criteria identified for each of the above objectives. The chief executive officer provides the board with a progress and impact update as part of his report at each trustees' meeting. Each trustee is linked with an academy and makes at least one visit to the school (including attending an academy council meeting) and reports back to the board. As a result, trustees know their academy (and community) well. The board hold an annual strategic away day where they evaluate the impact of the annual plan and then use the outcomes from this to inform strategic priorities for the following year. At the annual review, the board were satisfied that the 2017-18 plan was effectively delivered by the executive team in line with strategic direction and vision.

A summary of the key achievements and successes include:

- The building of a CPD entitlement model ('Pathways') that identifies bespoke professional development pathways on a number of platforms including for teachers, leaders and governors.
- The creation of academy councils, including a comprehensive academy council handbook ('A guide to great governance') and scheme of delegation.
- The establishment of a hub model, each with an executive headteacher who leads on a thematic area across the trust as a director.
- A comprehensive audit of teacher assessment with clear next steps for 2018-19 on standardising our approach to assessment across the schools.
- Progress measures for all schools exceeding national in reading, writing and maths (excluding the most recent sponsored academy). Other worthy achievements include:
 - o Every academy who was part of the trust prior to September 2017 increasing progress scores in

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- o reading in 2018
- o Every school judged good or better having positive progress scores in KS2 reading, writing and maths, compared to just one school in 2017
- o Combined outcomes for end of KS2 for all schools (include those with legacy issues) improving by five percentage points on 2017 and closing on national
- Reduction overall of academy in deficits with significant additional income secured through successful condition improvement and MAT development and improvement fund applications (CIF and MDIF).
- Improved central services team through effective CPD, appraisal and line management by the director of finance and operations (appointed in the summer prior to the start of the reporting year).
- Sustainable growth that continues at an organic rate through the successful on-boarding of two new academies, once sponsored and one a converter. In addition, the trust was awarded a new free school.

During the year we held our third annual StandingOut conference, this time at Edgbaston cricket ground in Birmingham. Every member of staff from all eight schools attended included governors and trustees. The event continues to go from strength to strength and serves as a great showcase to all that the trust believes in. We also launched our new trust journal called Pioneer that aims to celebrate our values and share best practice across the trust. Copies of issues one and two are available on the trust website.

In addition to two new schools joining the trust, Victoria Park Academy completed expansion building work and increased from two-forms of entry to three. Approval was given to expand Birchen Coppice Academy from 1.5 forms of entry to two. The expansion of Fibbersley Park Academy from two to three-forms of entry was also completed at the end of the reporting year. In effect the net gain of these expansions brings a further 2.5 forms of entry into the trust, equivalent to an average sized primary school.

One of the trust schools underwent a one-day inspection during the reporting period (July 2018). Northfield Manor Academy, Birmingham remain a good school. The SCITT (Central England Teacher Training) also completed its first two-part inspection in September 2017 and was judged to be good overall.

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 ESFA 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.

Other funding from the Department for Education (DfE) is received 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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust has also received grants for capital works from the DfE/ESFA. 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.

During the year ended 31 August 2018, total expenditure of £16,667,110 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

(excluding restricted fixed asset funds) was £2,614,046. These figures exclude the actuarial gains and losses on the Local Government Pension Scheme (see note 22 to the accounts).

At 31 August 2018 the net book value of fixed assets was £28,081,669 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 £566,779 (2017: £952,626).

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 Risks and Issues of the Trust are managed, via delegation from the Trust Board, by the Audit and Risk Committee, with the Board receiving a summary of risks on a periodic basis. The principal risk is the under capacity of pupils at both Birchen Coppice Academy and Rowley Park Academy, lagged funding and the impact this has on the Trust's reserves and other schools within the Trust.

Fundraising

The Trust is mindful/aware of the requirements of the Charities (Protection and Social Investments) Act 2016, primarily fundraising is undertaken by staff or parents and no professional fundraisers work with the Trust currently. Methods to generate income have included bid writing e.g. breakfast club bids, play equipment, MDIF, raffles and PTA activities. PTA groups work closely with their respective academy who provides oversight and represents the Trust to ensure its values and ethos are understood and put into practice.

Fundraising is recognised as an important aspect to support income generation and provides alternative sources of income, outside public sector funding. All funds are paid directly into the Trust central bank account, all school fund bank accounts have been closed. No fundraising complaints have been received, but if they were the complaints policy would be followed.

The Trust is mindful of the requirement to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Trustees have access to reference

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

materials providing regulatory guidance including, but not limited to:

www.fundraisingregulator.org.uk/code/key-principles

www.legislation.gov.uk/ukpga/2016/4/section/13/enacted

www.gov.uk/government/publications/charities-and-fundraising-cc20

Future developments

Our 2018-19 strategic plan identifies eight key objectives, a number of which continue from the previous plan. These include:

1. Improving professional learning and development so that leadership capacity is increased by embedding a core entitlement offer (year two of two);
2. Developing the curriculum so that it becomes digitally-rich by deploying 1:1 iPads and Apple-ready classrooms (a four-year strategy);
3. Improving well-being so that staff feel more valued and engaged by developing a well-being charter;
4. Improving governance at local level so that academies can focus on core business by embedding academy councils (year two of two);
5. Improving financial security so that all units remain viable by achieving balanced budgets (year two of four);
6. Creating sustainable hubs so that capacity allows for growth by continuing to build the central operations team (year two of two);
7. Expanding further into the free school market so that we continue to grow organically;
8. Ensuring year-on-year revenue growth of at least 1% by exploiting new funding opportunities.

Funds held as custodian

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

Employee involvement and employment of the disabled

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

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

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

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

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 7 December 2018 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
Gurinder Singh Josa, Chair	6	6
Robert Elkington	6	6
Andrew Morrish	6	6
Deidre Leeming	3	6
Herman Stewart	4	6
Perveen Dhami	3	6
Luke Hill	4	6
Shafiq Sharif	3	4
Carl Doherty	3	6
Noel Dunne	0	4

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 appropriate.

The Accounting Officer for the Academy Trust has 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
- restricting the number of new hires by reallocating staff resources across Trust schools

The governance of the trust was enhanced during the year with the introduction of the Academy Councils and Academy Council Handbook. In addition, the Director of Governance was appointed and the Head of Governance recruited to provide the necessary skills to ensure a strong and robust governance framework is in place and maintained.

Recruitment is underway to strengthen the board with additional trustees with specific skills in finance, HR and legal.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Challenges continue to be experienced, over the 12-month period in relation to our sponsored academies and their finances. Further information is provided on the next page.

Governance Reviews

There were no formal reviews of governance undertaken other than as part of the formal self-evaluation process. However, in implementing the Academy Council's Trustees conducted a significant review of local governance across the academies and with the Academy Council Handbook and improved Scheme of Delegation, governance is stronger than in previous years.

Deficit Recovery Plans

Two of our sponsored academies have significant deficits. Rowley Park, a smaller-than-average primary school which was sponsored in September 2014; and Birchen Coppice, a one-half-form entry primary school which the trust sponsored in December 2017.

When Rowley Park was taken into the trust it was in special measures. At the school's 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 the target of having more than 200 pupils (including nursery) by the end of the academic year. The staff structure continues to be monitored to ensure it represents value for money and cost saving efforts are being made in all areas of the budget. The 5 year budget forecast predicts 2018/19 academic year to be the last year of significant deficit before the school operates within its income.

Significant trust reserves were invested into Birchen Coppice to start its transformation from special measures. Significant staff reductions were made last year and will continue this coming year to ensure there is a value for money staffing structure. The DfE has approved its expansion to two-form-entry which will enable an increase in pupil allocation numbers by 105 pupils. Deficits are expected over the next couple of years whilst investment continues to ensure the school completes its transformation. The school is expected to return to surplus once it is a full established two-form-entry primary school.

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

Capacity to Handle Risk

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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, monthly management accounts reviewed by the Chair and financial reports which are reviewed and agreed by the Board of Trustees on a bi-monthly basis;
- 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 LLP, our external auditors, to perform additional checks. During the year extended assurance visits were conducted in the following areas:

- IT backups and security
- Governance and transparency
- Fixed assets

To enhance independence new internal auditors, Bishop Fleming LLP, have been appointed for the 2018/19 academic year.

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.

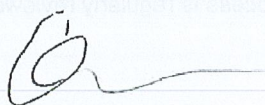
Review of Effectiveness

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:

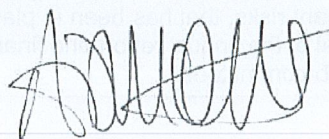
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Crowe U.K. 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 7 December 2018 and signed on their behalf, by:



Gurinder Singh Josan
Chair of Trustees



Andrew Morrish
Accounting Officer

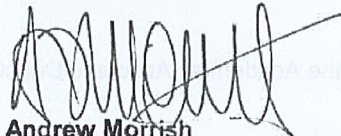
VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Andrew Morrish
Accounting Officer

Date: 7 December 2018



Chairman of Trustees

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2018 and signed on its behalf by:



Gurinder Singh Josan
Chair of Trustees

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Victoria Academies Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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)

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

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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

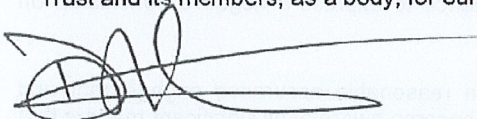
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Academy 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.



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

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

Date:

7 December 2018

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 9 June 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Victoria Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Care UK LLP

Crowe U.K. LLP

Reporting Accountant

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

Date:

7 December 2018

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	56,152	(1,386,330)	12,651,911	11,321,733	4,048,439
Charitable activities:	3					
Other charitable activities		245,969	14,366,100	-	14,612,069	11,966,204
CETT	27	-	81,000	-	81,000	157,500
Other trading activities	4	240,924	-	-	240,924	293,125
Investments	5	1,677	-	-	1,677	2,582
TOTAL INCOME		544,722	13,060,770	12,651,911	26,257,403	16,467,850
EXPENDITURE ON:						
Other charitable activities		702,485	15,388,496	447,572	16,538,553	13,546,443
CETT	27	-	128,557	-	128,557	156,976
TOTAL EXPENDITURE	6	702,485	15,517,053	447,572	16,667,110	13,703,419
NET BEFORE TRANSFERS		(157,763)	(2,456,283)	12,204,339	9,590,293	2,764,431
Transfers between Funds	17	(346,551)	110,750	235,801	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(504,314)	(2,345,533)	12,440,140	9,590,293	2,764,431
Actuarial gains on defined benefit pension schemes	22	-	1,752,000	-	1,752,000	569,000
NET MOVEMENT IN FUNDS		(504,314)	(593,533)	12,440,140	11,342,293	3,333,431
RECONCILIATION OF FUNDS:						
Total funds brought forward		952,101	(10,075,475)	16,519,240	7,395,866	4,062,435
TOTAL FUNDS CARRIED FORWARD		447,787	(10,669,008)	28,959,380	18,738,159	7,395,866

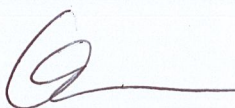
The notes on pages 25 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	14		28,081,669	16,339,917
CURRENT ASSETS				
Debtors	15	1,284,202	421,057	
Cash at bank and in hand		1,408,086	1,861,470	
		<u>2,692,288</u>	<u>2,282,527</u>	
CREDITORS: amounts falling due within one year	16	(1,247,798)	(1,150,578)	
NET CURRENT ASSETS			<u>1,444,490</u>	<u>1,131,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,526,159</u>	<u>17,471,866</u>
Defined benefit pension scheme liability	22	(10,788,000)	(10,788,000)	(10,076,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>18,738,159</u>	<u>7,395,866</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	118,992	525	
Restricted fixed asset funds	17	28,959,380	16,519,240	
Restricted income funds excluding pension liability		29,078,372	16,519,765	
Pension reserve		(10,788,000)	(10,076,000)	
Total restricted income funds		<u>18,290,372</u>	<u>6,443,765</u>	
Unrestricted income funds	17	447,787	952,101	
TOTAL FUNDS			<u>18,738,159</u>	<u>7,395,866</u>

The financial statements on pages 22 to 53 were approved by the trustees, and authorised for issue, on 7 December 2018 and are signed on their behalf, by:


Gurinder Singh Josan
Chair of Trustees

The notes on pages 25 to 53 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(866,403)	262,412
Cash flows from investing activities:			
Bank interest		1,677	2,582
Purchase of tangible fixed assets		(777,959)	(315,456)
Capital grants from DfE/ESFA		1,090,546	439,086
Net cash provided by investing activities		314,264	126,212
Cash flows from financing activities:			
Cash received on conversion		98,755	213,874
Net cash provided by financing activities		98,755	213,874
Change in cash and cash equivalents in the year		(453,384)	602,498
Cash and cash equivalents brought forward		1,861,470	1,258,972
Cash and cash equivalents carried forward		1,408,086	1,861,470

The notes on pages 25 to 53 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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:

Freehold property	-	1% Straight line
Freehold property improvements	-	4% 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.

1.7 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.

1.8 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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 TAXATION

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

1.10 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.

1.11 FUND ACCOUNTING

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

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

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 FINANCIAL INSTRUMENTS

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

1.14 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 Birchen Coppice Primary School and Foley Park Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion 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.

1.15 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 26.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.16 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For valuation of the land and buildings in relation to converted academies, the Trust intended to use the desktop valuations provided by the Department for Education (DfE), however these are not available at the date of signing the audit report. Therefore, where an academy trust occupies premises on a long lease, in order to determine an appropriate fair value for the asset on acquisition an estimate is made using insurance values and other Local Authority school values on a £/sqm basis together with other factors such as condition of the building. The trust believes this method provides a reasonable and reliable estimate of the current value.

Critical areas of judgment:

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Buildings inherited from local authority conversion	-	-	10,041,535	10,041,535	5,003,179
Pension obligation inherited from local authority conversion	-	(1,433,000)	-	(1,433,000)	(1,612,000)
Funds inherited from local authority conversion	52,085	46,670	-	98,755	213,874
Donated fixed assets - local authority	-	-	1,514,830	1,514,830	-
Donated fixed assets	-	-	5,000	5,000	-
Other donations	4,067	-	-	4,067	4,300
Capital grants	-	-	1,090,546	1,090,546	439,086
	<u>56,152</u>	<u>(1,386,330)</u>	<u>12,651,911</u>	<u>11,321,733</u>	<u>4,048,439</u>
<i>Total 2017</i>	<u>218,174</u>	<u>(1,612,000)</u>	<u>5,442,265</u>	<u>4,048,439</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Funding for Academy's Educational Operations	<u>245,969</u>	<u>14,366,100</u>	<u>14,612,069</u>	<u>11,966,204</u>
<i>Total 2017</i>	<u>292,207</u>	<u>11,673,997</u>	<u>11,966,204</u>	

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	11,326,588	11,326,588	9,265,066
Start up grant	-	95,000	95,000	-
Other DfE/ESFA grant	-	1,907,151	1,907,151	1,770,597
Total 2018	-	13,328,739	13,328,739	11,035,663
Other government grants				
Local authority grants	-	1,037,361	1,037,361	638,334
Total 2018	-	1,037,361	1,037,361	638,334
Other funding				
School fund income	112,588	-	112,588	137,301
Catering income	124,083	-	124,083	144,779
Other income	9,298	-	9,298	10,127
	245,969	-	245,969	292,207
Total 2018	245,969	14,366,100	14,612,069	11,966,204
Total 2017	292,207	11,673,997	11,966,204	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	22,565	-	22,565	42,463
Education Welfare provision to other schools	36,534	-	36,534	67,951
Other income	181,825	-	181,825	182,711
	240,924	-	240,924	293,125
Total 2017	293,125	-	293,125	

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest received	1,677	-	1,677	2,582
<i>Total 2017</i>	<u>2,582</u>	<u>-</u>	<u>2,582</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations					
Direct costs	10,354,348	447,565	266,696	11,068,609	9,080,325
Support costs	3,076,889	773,261	1,043,905	4,894,055	4,005,310
Catering	-	12,455	563,434	575,889	460,808
CETT	83,631	560	44,366	128,557	156,976
	<u>13,514,868</u>	<u>1,233,841</u>	<u>1,918,401</u>	<u>16,667,110</u>	<u>13,703,419</u>
<i>Total 2017</i>	<u>10,864,468</u>	<u>965,383</u>	<u>1,873,568</u>	<u>13,703,419</u>	

7. SUPPORT COSTS

	Academy's educational operations £	Catering £	Total 2018 £	Total 2017 £
Technology costs	89,034	-	89,034	50,663
Premises costs	773,261	12,455	785,716	611,995
Other support costs	933,479	563,434	1,496,913	1,331,473
Governance costs	21,392	-	21,392	19,638
Wages and salaries	1,467,426	-	1,467,426	1,171,015
National insurance	86,693	-	86,693	69,921
Pension cost	1,522,770	-	1,522,770	1,202,554
	<u>4,894,055</u>	<u>575,889</u>	<u>5,469,944</u>	<u>4,457,259</u>
<i>Total 2017</i>	<u>3,996,451</u>	<u>460,808</u>	<u>4,457,259</u>	

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. SUPPORT COSTS (continued)

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:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	447,572	353,530
Operating lease rentals	30,328	61,055
Auditor's remuneration - audit	13,750	11,200
Auditor's remuneration - non audit	3,275	9,438

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. CENTRAL SERVICES

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

- Financial services - including audit and annual accounts preparation
- Educational support services - including four Executive Heads, Educational Welfare Officers and Head of Curriculum and Learning
- Professional Development – including the Trust annual conference, subscription to education support companies, leadership development and training
- Academy Growth support – including applications for new schools, due diligence on potential new joiners, organic growth of current academies
- Legal services
- IT licences and support
- Others as arising

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

The Academy Trust charges for these services on a percentage basis (5% - 7%) applied to the GAG 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:

	2018	2017
	£	£
Victoria Park Academy	109,716	96,684
Rowley Park Academy	40,440	34,602
Devonshire Infant Academy	66,132	60,556
Devonshire Junior Academy	77,940	70,675
Northfield Manor Primary Academy	121,608	88,163
Fibbersley Park Primary Academy	144,840	150,000
Birchen Coppice Primary Academy	60,662	-
Foley Park Primary Academy	22,944	-
	<u>644,282</u>	<u>500,680</u>
Total		

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	9,405,098	7,547,926
Social security costs	778,834	639,855
Operating costs of defined benefit pension schemes	2,840,541	2,202,512
	<u>13,024,473</u>	<u>10,390,293</u>
Supply teacher costs	439,164	456,675
Staff restructuring costs	51,231	17,500
	<u>13,514,868</u>	<u>10,864,468</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	51,231	17,500

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

There were four non-statutory/non-contractual severance payments included in staff costs during the year totalling £51,231 (2017: two totalling £17,500). Individually, the payments were: £8,600 made on 25 October 2017, £9,000 made on 8 December 2017, £24,031 made on 26 January 2018 and £9,600 made on 7 June 2018 (2017: £8,500 and £9,000).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	135	108
Administration and support	307	232
Management	12	10
	<u>454</u>	<u>350</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	0
In the band £120,001 - £130,000	0	1
In the band £140,000 - £150,000	1	0

e. Key management personnel

The key management personnel of the Academy Trust comprise the executive leadership 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 £581,953 (2017: £524,492).

11. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Anthony Collins Solicitors LLP -- a company in which Mrs Perveen Dhami (a trustee) is an employee

- The academy trust purchased legal services from Anthony Collins Solicitors LLP totalling £21,444
- No amounts were outstanding at the balance sheet date
- In entering the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2017
- The academy trust made the purchase at arms' length
- The trustee is an employee of the law firm and not the partner directly managing the work related to VAT. As such the cost element does not apply.

There were no further related party transactions that took place in the financial period 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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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:

		2018 £	2017 £
A Morrish, CEO	Remuneration	145,000-150,000	130,000-135,000
	Pension contributions paid	20,000-25,000	20,000-25,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

14. TANGIBLE FIXED ASSETS

	Freehold property and improvements £	Long-term leasehold property and land £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 September 2017	11,627,614	5,003,179	25,000	400,932	358,258	17,414,983
Additions	569,962	-	-	83,799	124,198	777,959
Donations	-	1,324,830	-	45,000	-	1,369,830
Transfer on conversion	-	10,041,535	-	-	-	10,041,535
At 31 August 2018	12,197,576	16,369,544	25,000	529,731	482,456	29,604,307
DEPRECIATION						
At 1 September 2017	471,793	52,898	12,500	326,029	211,846	1,075,066
Charge for the year	236,797	50,032	2,500	43,763	114,480	447,572
At 31 August 2018	708,590	102,930	15,000	369,792	326,326	1,522,638
NET BOOK VALUE						
At 31 August 2018	11,488,986	16,266,614	10,000	159,939	156,130	28,081,669
At 31 August 2017	11,155,821	4,950,281	12,500	74,903	146,412	16,339,917

Victoria Academies Trust entered into a 125 year lease agreement with Worcestershire County Council on 1 December 2017 for the land and buildings of Birchen Coppice Primary School, and on 1 February 2018 for the land and buildings of Foley Park Primary School.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. DEBTORS

	2018 £	2017 £
Trade debtors	12,712	12,574
VAT repayable	109,345	77,894
Other debtors	-	7,654
Prepayments and accrued income	1,162,145	322,935
	<u>1,284,202</u>	<u>421,057</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	425,681	430,558
Other taxation and social security	207,161	171,673
Other creditors	292,990	151,863
Accruals and deferred income	321,966	396,484
	<u>1,247,798</u>	<u>1,150,578</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	256,610	130,152
Resources deferred during the year	249,735	256,610
Amounts released from previous years	(256,610)	(130,152)
Deferred income at 31 August 2018	<u>249,735</u>	<u>256,610</u>

At the balance sheet date the Academy trust is holding grants received in advance for the provision of infant free school meals and SEN income.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds - all funds	952,101	544,722	(702,485)	(346,551)	-	447,787
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	11,326,588	(11,379,314)	52,726	-	-
Other DfE/ESFA grants	-	2,002,151	(1,894,151)	-	-	108,000
Other restricted funds	-	1,037,361	(1,037,361)	-	-	-
CETT	525	81,000	(128,557)	58,024	-	10,992
Funds inherited on conversion	-	46,670	(46,670)	-	-	-
Pension reserve	(10,076,000)	(1,433,000)	(1,031,000)	-	1,752,000	(10,788,000)
	<u>(10,075,475)</u>	<u>13,060,770</u>	<u>(15,517,053)</u>	<u>110,750</u>	<u>1,752,000</u>	<u>(10,669,008)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Assets	16,519,240	-	(447,572)	12,010,001	-	28,081,669
Assets transferred on Academy conversion	-	10,041,535	-	(10,041,535)	-	-
DfE/ESFA capital grants	-	1,090,546	-	(270,396)	-	820,150
Donations from LA	-	1,514,830	-	(1,457,269)	-	57,561
Donations - other	-	5,000	-	(5,000)	-	-
	<u>16,519,240</u>	<u>12,651,911</u>	<u>(447,572)</u>	<u>235,801</u>	<u>-</u>	<u>28,959,380</u>
Total restricted funds	<u>6,443,765</u>	<u>25,712,681</u>	<u>(15,964,625)</u>	<u>346,551</u>	<u>1,752,000</u>	<u>18,290,372</u>
Total of funds	<u>7,395,866</u>	<u>26,257,403</u>	<u>(16,667,110)</u>	<u>-</u>	<u>1,752,000</u>	<u>18,738,159</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.

Included within Restricted fixed asset funds is £877,711 (2017: £179,323) of unspent income from the Conditional Improvement Fund grant awarded and recognised in full in income during the year.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Victoria Park Academy	407,996	440,466
Rowley Park Academy	(667,187)	(481,432)
Devonshire Infant Academy	383,551	371,529
Devonshire Junior Academy	516,693	406,953
Northfield Manor Primary Academy	76,872	41,586
Fibbersley Park Academy	47,400	109,519
Birchen Coppice Academy	(303,959)	-
Foley Park Academy	9,596	-
CETT	10,992	58,549
Victoria Academies Trust	84,825	5,456
Total before fixed asset fund and pension reserve	566,779	952,626
Restricted fixed asset fund	28,959,380	16,519,240
Pension reserve	(10,788,000)	(10,076,000)
Total	18,738,159	7,395,866

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

Name of academy	Amount of deficit £
Rowley Park Academy	(667,187)
Birchen Coppice Academy	(303,959)

The trust is currently going through a period of investment in our sponsored schools, specifically Rowley, Fibbersley and Birchen Coppice. Three year financial plans are in place that will see the academies return to surpluses and start to reduce the deficit.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Victoria Park Academy	1,808,948	429,620	68,741	386,856	2,694,165	2,554,891
Rowley Park Academy	830,478	161,136	56,054	219,707	1,267,375	1,192,235
Devonshire Infant Academy	1,266,338	245,597	28,048	97,550	1,637,533	1,768,979
Devonshire Junior Academy	1,285,026	244,697	42,594	223,517	1,795,834	1,787,778
Northfield Manor Primary Academy	1,524,639	233,855	21,883	401,775	2,182,152	2,255,872
Fibbersley Park Academy	1,810,771	250,528	107,781	446,064	2,615,144	2,306,426
Birchen Coppice Primary Academy	992,467	157,223	59,117	198,938	1,407,745	-
Foley Park Primary Academy	504,577	90,672	6,998	67,657	669,904	-
CETT	60,740	22,891	-	44,926	128,557	134,069
Victoria Academies Trust	331,104	1,263,561	7,744	218,720	1,821,129	1,349,639
	<u>10,415,088</u>	<u>3,099,780</u>	<u>398,960</u>	<u>2,305,710</u>	<u>16,219,538</u>	<u>13,349,889</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	831,311	806,088	(608,691)	(76,607)	-	952,101
RESTRICTED FUNDS						
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)	-	-	-
CETT	-	157,500	(156,975)	-	-	525
Pension reserve	(8,260,000)	(1,612,000)	(773,000)	-	569,000	(10,076,000)
	(8,143,688)	10,219,497	(12,741,198)	20,914	569,000	(10,075,475)

RESTRICTED FIXED ASSET FUNDS

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)	-	-
Total restricted funds	3,231,124	15,661,762	(13,094,728)	76,607	569,000	6,443,765
Total of funds	4,062,435	16,467,850	(13,703,419)	-	569,000	7,395,866

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	28,081,669	28,081,669
Current assets	447,787	1,366,791	877,711	2,692,289
Creditors due within one year	-	(1,247,799)	-	(1,247,799)
Provisions for liabilities and charges	-	(10,788,000)	-	(10,788,000)
	<u>447,787</u>	<u>(10,669,008)</u>	<u>28,959,380</u>	<u>18,738,159</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	9,590,293	2,764,431
Adjustment for:		
Depreciation charges	447,572	353,530
Returns on investments and servicing of finance	(1,677)	(2,582)
Increase in debtors	(863,146)	(4,011)
Increase in creditors	97,221	422,183
Capital grants from DfE and other capital income	(1,090,546)	(439,086)
Defined benefit pension scheme obligation inherited	1,433,000	1,612,000
Defined benefit pension scheme cost less contributions payable	747,000	568,000
Defined benefit pension scheme finance cost	284,000	205,000
Donation of fixed assets	(1,369,830)	-
Fixed assets transfer on conversion	(10,041,535)	(5,003,179)
Cash transferred on conversion of an academy	(98,755)	(213,874)
Net cash (used in)/provided by operating activities	(866,403)	262,412

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,408,086	1,861,470
Total	1,408,086	1,861,470

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. CONVERSION TO AN ACADEMY TRUST

Birchen Coppice Primary School

On 1 December 2017 Birchen Coppice 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 Birchen Coppice 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.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Leasehold land and buildings	-	-	8,639,378	8,639,378
LGPS pension deficit	-	(680,000)	-	(680,000)
Other income	9,444	-	-	9,444
Net assets	9,444	(680,000)	8,639,378	7,968,822

The above net assets include £9,444 that were transferred as cash.

Victoria Academies Trust entered into a 125 year lease agreement with Worcestershire County Council on 1 December 2017 for the land and buildings of Birchen Coppice Primary School.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

Foley Park Primary School

On 1 February 2018 Foley 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 Foley 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,402,157	1,402,157
LGPS pension deficit	-	(753,000)	-	(753,000)
Budget surplus on LA funds	42,641	-	-	42,641
Other DfE/ESFA grants	-	18,260	-	18,260
Other government grants	-	28,410	-	28,410
Net assets/(liabilities)	42,641	(706,330)	1,402,157	738,468

The above net assets include £89,311 that were transferred as cash.

Victoria Academies Trust entered into a 125 year lease agreement with Worcestershire County Council on 1 February 2018 for the land and buildings of Foley Park Primary School.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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, Staffordshire Pension Funds for Rowley Park Academy and Worcestershire County Council Pension Fund for Birchen Coppice Primary School and Foley Park Primary School. All 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 £203,339 were payable to the schemes at 31 August 2018 (2017 - 155,234) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £775,733 (2017 - £606,247).

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).

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 2018 was £1,066,000 (2017 - £1,009,000), of which employer's contributions totalled £826,000 (2017 - £826,000) and employees' contributions totalled £240,000 (2017 - £183,000). The agreed contribution rates for future years are between 15% - 23.2% 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 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:

	2018	2017
Discount rate for scheme liabilities	2.79 %	2.58 %
Rate of increase in salaries	3.45 %	3.97 %
Rate of increase for pensions in payment / inflation	2.28 %	2.65 %
Inflation assumption (CPI)	2.23 %	2.65 %

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

	2018	2017
Retiring today		
Males	22.4	21.9
Females	25.1	24.3
Retiring in 20 years		
Males	24.5	24.0
Females	27.3	26.6

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

As the scheme is in a deficit position the Academy Trust is making additional contributions. Future contributions for 2018/19 and 2019/20 are £338,640 and £351,880.

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,357,000	2,644,000
Gilts	323,000	254,000
Corporate bonds	306,000	205,000
Property	418,000	302,000
Cash and other liquid assets	189,000	197,000
Other	613,000	461,000
Total market value of assets	<u>5,206,000</u>	<u>4,063,000</u>

The actual return on scheme assets was £91,000 (2017 - £461,000).

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

	2018 £	2017 £
Current service cost	1,573,000	1,343,529
Interest on obligations	280,000	204,000
Administration expenses	4,000	1,000
Total	<u>1,857,000</u>	<u>1,548,529</u>

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

	2018 £	2017 £
Opening defined benefit obligation	14,139,000	10,819,000
Upon conversion	1,433,000	1,612,000
Interest cost	398,000	270,000
Employee contributions	240,000	183,000
Actuarial gains	(1,779,000)	(93,000)
Benefits paid	(10,000)	(46,000)
Current service cost	1,573,000	1,394,000
Closing defined benefit obligation	<u>15,994,000</u>	<u>14,139,000</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	4,063,000	2,559,000
Interest income	118,000	66,000
Actuarial (losses)/gains	(27,000)	476,000
Employer contributions	826,000	826,000
Employee contributions	240,000	183,000
Benefits paid	(10,000)	(46,000)
Administration expenses	(4,000)	(1,000)
Closing fair value of scheme assets	<u>5,206,000</u>	<u>4,063,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	31,746	34,340
Between 1 and 5 years	25,731	44,726
Total	<u>57,477</u>	<u>79,066</u>

24. SUBSIDIARY UNDERTAKING

The trust incorporated, and solely controls, Victoria Enterprises C.I.C. (registered number 11371385), a Community Interest Company on 18 May 2018. The purpose of the company is to house the social enterprises within the trust. There has been no activity during the year, no assets or liabilities at 31 August 2018 and has therefore not been consolidated into these accounts.

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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

26. AGENCY ARRANGEMENTS

The trust distributes PGCE training bursaries to students as an agent for the NCTL. In the accounting period ending 31 August 2018 the Academy Trust received £52,200 (2017 - £43,966) and disbursed £52,200 (2017 - £52,200) from the fund. Included with other creditors at the year end is £NIL (2017: £NIL) due to be paid on behalf of students.

The trust also distributes income to educational institutions overseas as part of the British Council's European Union programme 'Erasmus+'. In the accounting period ending 31 August 2018 the Academy trust received £94,772 (2017: £NIL) and disbursed £NIL (2017: £NIL). Included within other creditors at the year end is £94,772 (2017: £NIL) due to be paid to the institutions. The creditor was paid shortly after the year end and the trust no longer take part in this programme.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

27. CENTRAL ENGLAND TEACHER TRAINING - TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
CETT income	81,000		157,500	
TOTAL INCOME		81,000		157,500
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	61,085		63,471	
Direct depreciation	560		560	
Other direct costs	2,150		57,593	
TOTAL DIRECT EXPENDITURE	63,795		121,624	
OTHER EXPENDITURE				
Support staff costs	22,546		24,453	
Technology costs	-		1,294	
Premises costs	64		37	
Other support costs	41,122		8,567	
Governance costs	1,030		1,000	
TOTAL OTHER EXPENDITURE	64,762		35,351	
TOTAL EXPENDITURE		128,557		156,975
(DEFICIT) / SURPLUS FROM ALL SOURCES		(47,557)		525
CETT BALANCES AT 1 SEPTEMBER 2017		58,549		58,024
CETT BALANCES AT 31 AUGUST 2018		10,992		58,549

