

Company Registration Number: 07887796 (England and Wales)

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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VICTORIA ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Gurinder Singh Josan CBE
Ayo Ajanaku
Ninder Johal
Amber Marshall
Noel Dunne

Trustees

Gurinder Singh Josan CBE, Chair
Robert Elkington, Vice Chair
Andrew Morrish, Chief Executive
Deidre Leeming
Herman Stewart (resigned 25 October 2018)
Perveen Dhami (resigned 14 February 2019)
Luke Hill
Shafiq Sharif
Prem Gabbi (appointed 14 December 2018)
Sharon Mahli (appointed 7 December 2018)
Baljinder Kang (appointed 7 December 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

Ian Kirby (resigned 12 November 2018, reappointed 20 June 2019)
Roland Roberts (appointed 12 November 2018, resigned 1 September 2019)

Chief executive officer

Andrew Morrish - absent since April 2019
Sharron Philpot - Acting CEO since April 2019

Executive leadership team

Andrew Morrish, Chief Executive Officer
Kate Tewley, Director & Executive Headteacher
Sharron Philpot, Director & Executive Headteacher & Acting CEO since April 2019
Hayley Mapp, Director & Executive Headteacher
Ian Kirby, Chief Operating Officer
Charlotte Davis, Director & Executive Headteacher (resigned 31 August 2019)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Advisers (continued)

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

Internal auditors

Bishop Fleming
1-3 College Yard
Worcester
Worcestershire
WR1 2LB

VICTORIA ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 nine 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 social enterprises across a number of our schools and are working on ensuring all of our schools have a social enterprise.

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 which successfully opened in September 2019 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.

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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 three new trustees through the Academy Ambassadors programme as it sought to increase the professional skills on the board. The recruitment process was rigorous and robust and following interviews in Autumn 2018, three new trustees were appointed with Finance and Human Resources experience. This maintains the number of trustees at nine.

Policies and procedures adopted for the induction and training of Trustees

The trustees were 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 also undertakes the role of accounting officer and leads the executive team, consisting of three executive headteachers and the 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, finance and risk and health and safety. During 2019-20 an education standards 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 needs according to a skills gap. The academy councils are supported by our own head of governance.

Pay policy for key management personnel

The procedure for setting the pay of the executive team continued as per previous arrangements. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Connected organisations, including related party relationships

All related party transactions are reported and disclosed as required by the academies accounts directive. There were no related party transactions during the year.

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 any connected party, that 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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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)

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 2018-19 were:

- Improve professional learning and development so that leadership capacity is increased;
- Develop the curriculum so that it becomes digitally-rich;
- Improve well-being so that staff feel more valued and engaged;
- Improve governance at local level so that academies can focus on core business;
- Improve financial security so that all units remain viable;
- Create sustainable hubs, including operations and financial security, so that capacity allows for growth;
- Expand into the free school market so that we ensure a steady and viable pipeline during the next 5 years; and
- Ensure values-led year-on-year revenue growth of at least 1%.

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TRUSTEES' REPORT (continued)
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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 their 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 2018-19 plan was effectively delivered by the executive team in line with strategic direction and vision.

A summary of the key achievements and successes include:

- Delivery of a CPD entitlement model ('Pathways') that identifies bespoke professional development pathways on a number of platforms including for teachers, leaders and governors;
- The deployment of iPads in our Apple Ready Classrooms (ARC's) as part of our digital strategy;
- The development of our staff wellbeing charter and the initiation of the staff wellbeing working group;
- Academy Councils in place to provide focus and rigor of 3C's and FIDES supported by our Head of Governance;
- Financial reporting improved with the implementation of financial KPI's and Integrated Curriculum and Financial Planning (ICFP);
- Through effective cost management and efficiencies and overall financial surplus has been achieved;
- Successful set-up of Poppyfield Primary Academy, our first free school; and
- Sustainable growth that continues at an organic rate through increasing pupils in school as well as taking opportunities for additional funding including Schools Nursery Capital Funding.

During the year we held our annual StandingOut conference, at Edgbaston cricket ground in Birmingham. Every member of staff from all eight schools attended including many academy councillors, members and trustees. The event continues to go from strength to strength and serves as a great showcase to all that the trust believes in.

At 31 August 2019 Victoria Academies Trust Teacher Training, formally Central England Teacher Training, ceased operation in its current operating model. The Trust has partnered with Birmingham University with its School's Direct Programme which will see student teachers from Birmingham University placed in Trust schools for the coming year. The Trust will be recruiting and placing trainees from September 2020, with Birmingham University providing taught sessions and being the awarding body.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL REVIEW

Victoria Academies Trust's primary source of funding comes via the ESFA by way of the General Annual Grant. The expenditure incurred is mainly staff costs; however, it also utilises the grant to maintain and expand 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 2019 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 2019, total expenditure of £17,828,013 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £829,889. These figures exclude the actuarial gains and losses on the Local Government Pension Scheme (see note 23 to the accounts).

At 31 August 2019 the net book value of fixed assets was £28,731,644 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 academy councils, 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 and 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 £700,389 (2018: £566,779).

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 Trust Board is responsible for setting investment policy. This day to day responsibility for managing this function is delegated to the chief operating officer. 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 or fixed term deposits.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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. 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 materials providing regulatory guidance including, but not limited to:

[www.fundraisingregulator.org.uk/code/key principles](http://www.fundraisingregulator.org.uk/code/key%20principles)
www.legislation.gov.uk/ukpga/2016/4/section/13/enacted
[www.gov.uk/government/publications/charities and fundraising cc20](http://www.gov.uk/government/publications/charities%20and%20fundraising)

Future developments

Our 2019-20 strategic plan identifies nine key objectives. These include:

1. To close the attainment gap for disadvantaged pupils across all schools;
2. Expand and refine the trust vision for curriculum;
3. Develop the curriculum so that it becomes digitally-rich;
4. Improve financial security so that the trust and all units remain viable;
5. To ensure strong and effective governance at all levels across the trust;
6. To provide an efficient and effective support for academies to enable improvement and growth;
7. Continue expansion into the free school market so that we ensure a steady and viable pipeline;
8. Improve well-being so that staff feel more valued and engaged;
9. To continue to develop strong and effective leadership across the trust.

Funds held as custodian

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

Agency arrangements

The Academy Trust has acted 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 27 of the financial statements.

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TRUSTEES' REPORT (continued)
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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 19 December 2019 and signed on its behalf by:



Gurinder Singh Josan, CBE
Chair of Trustees

VICTORIA ACADEMIES TRUST
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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 Josan CBE, Chair	6	6
Robert Elkington, Vice Chair	6	6
Andrew Morrish	4	6
Deidre Leeming	3	6
Herman Stewart	1	1
Perveen Dhani	1	3
Luke Hill	6	6
Shafiq Sharif	5	6
Prem Gabbi	4	4
Sharon Mahli	4	5
Baljinder Kang	4	5

The audit and risk committee is a sub-committee of the main board of trustees. The committee has taken delegated responsibility on behalf of the Board for ensuring that there is a framework for financial scrutiny and accountability. It examines and reviews all systems and methods of control both financial and otherwise including the process of risk management and review. The committee ensures that systems are in place for whistleblowing and the prevention of fraud. It also ensures compliance with all aspects of the law, relevant regulations and good practice.

During the year Prem Gabbi joined the committee, who is a qualified accountant.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gurinder Singh Josan CBE	2	2
Luke Hill	2	2
Andrew Morrish	1	1
Prem Gabbi	1	1
Herman Stewart	0	1

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GOVERNANCE STATEMENT (continued)

The Health and Safety Committee is also a sub-committee of the main board of trustees. This committee takes delegated responsibility on behalf of the Board to assist them in the discharge of their health and safety responsibilities. The Committee shall take all reasonable and practicable steps to maintain a safe and healthy working environment which complies with statutory requirements. It will ensure that there is a clear health and safety policy and procedure across the Trust and all Academies which is available to all staff and that the policy is implemented and reviewed at appropriate intervals. The committee monitors the effectiveness of the safety content of employee training and ensures that staff are adequately trained to perform their jobs in a safe manner. The committee will ensure that all serious incidents, accidents or ill health involving Trust staff are adequately investigated and, where necessary, that the appropriate enforcing authority is informed.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Shafiq Sharif	2	2
Perveen Dhmi	0	1
Andrew Morrish	1	1
Robert Elkington	2	2
Baljinder Kang	1	1

The Performance Management & Pay Committee is also a sub-committee of the main board of trustees. The objective of the annual PMAP is: to approve the trust pay policy and review on an annual basis, to approve trust wide pay recommendations based on changes in national deals e.g. teachers pay rises and NJC pay scale. The committee take delegated responsibility on behalf of the Board for ensuring that there is a framework for performance management and pay reviews for the CEO and COO. The committee will conduct the performance review in accordance with statutory requirements and set performance objectives for the CEO and COO. It will review the prior year performance objectives and make discretionary pay awards (bonuses) based on the performance relative to those objectives. The committee will decide whether or not to award pay progression (salaries) for the CEO and COO and will determine if any pay adjustments are required due to a change in duties for CEO and COO. It will also moderate the performance management of Executive Headteachers performed by the CEO.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gurinder Singh Josan CBE	1	1
Luke Hill	1	1
Deidre Leeming	1	1
Andrew Morrish	1	1
Ian Wigston (external expert)	1	1

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 Acting 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 utilising the trusts economies of scale; and
- restricting the number of new hires by reallocating staff resources across Trust schools.

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GOVERNANCE STATEMENT (continued)

The governance of the trust was enhanced during the year with the recruitment of three new trustees with specific skills that have enhanced the make-up of the board.

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.

Discretionary Payment to Director & Executive Headteacher

Following the commencement of an independent investigation, Mrs Charlotte Davis has taken the decision to step down from her roles within the trust early with effect from 31 August 2019. This agreement required a discretionary payment to be made of three months' pay. The employing trust considered this to be the most efficient use of resources and time that would otherwise be expended on the investigation and any subsequent proceedings. In doing so, the trust confirms no disciplinary action has been taken against the employee concerned.

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 Councils, Trustees conducted a significant review of local governance across the academies 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 two 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 schools latest Ofsted inspection, it was rated Good with Outstanding for 'Effectiveness of leadership and management' and 'Early years provision'.

The school continues to attract more pupils with 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.

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 fully 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

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 2018 to 31 August 2019 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.

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 Bishop Fleming as independent internal auditors, to perform additional checks. During the year extended assurance visits were conducted in the following areas:

- Bank and Petty Cash
- Budgets and Financial Monitoring
- Compliance
- Credit Card

On a termly basis, the finance, 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.

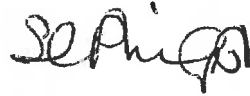
VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 19 December 2019 and signed on their behalf,
by:



Gurinder Singh Josan CBE
Chair of Trustees



Sharron Philpot
Acting Accounting Officer

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Acting 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 2018.

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 2018.

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 was the Accounting Officer during the year but has been absent since April 2019 and is absent at the date of signing this report.

I, as Acting Accounting Officer, am signing this report on his behalf.



Sharron Philpot
Acting Accounting Officer

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019;
- 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 19 December 2019 and signed on its behalf by:



Gurinder Singh Josan CBE
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 2019 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 2018 to 2019 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 2019 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 2018 to 2019 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 (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), 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: 20/12/19 .

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 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Crowe U.K. LLP

Reporting Accountant

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

Date: *20/12/19* .

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	2	8,790	-	792,221	801,011	11,321,733
Charitable activities:	3					
Other charitable activities		230,033	15,912,386	-	16,142,419	14,612,069
Victoria Academies Teacher Training	28	-	32,320	-	32,320	81,000
Other trading activities	4	303,614	-	-	303,614	240,924
Investments	5	3,261	-	-	3,261	1,677
TOTAL INCOME		545,698	15,944,706	792,221	17,282,625	26,257,403
EXPENDITURE ON:						
Other charitable activities		806,973	16,416,633	507,160	17,730,766	16,538,553
Victoria Academies Teacher Training	28	-	96,687	560	97,247	128,557
TOTAL EXPENDITURE	6	806,973	16,513,320	507,720	17,828,013	16,667,110
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	(261,275)	(568,614)	284,501	(545,388)	9,590,293
		-	32,551	(32,551)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(261,275)	(536,063)	251,950	(545,388)	9,590,293
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(2,234,000)	-	(2,234,000)	1,752,000
NET MOVEMENT IN FUNDS		(261,275)	(2,770,063)	251,950	(2,779,388)	11,342,293
RECONCILIATION OF FUNDS:						
Total funds brought forward		447,787	(10,669,008)	28,959,380	18,738,159	7,395,866
TOTAL FUNDS CARRIED FORWARD		186,512	(13,439,071)	29,211,330	15,958,771	18,738,159

The notes on pages 26 to 52 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	14		28,731,644		28,081,669
CURRENT ASSETS					
Debtors	15	925,693		1,284,202	
Cash at bank and in hand		1,699,598		1,408,086	
		<u>2,625,291</u>		<u>2,692,288</u>	
CREDITORS: amounts falling due within one year	16	<u>(1,404,164)</u>		<u>(1,247,798)</u>	
NET CURRENT ASSETS			<u>1,221,127</u>		<u>1,444,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,952,771</u>		<u>29,526,159</u>
Defined benefit pension scheme liability	23		<u>(13,994,000)</u>		<u>(10,788,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>15,958,771</u></u>		<u><u>18,738,159</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	513,877		118,992	
Restricted fixed asset funds	17	29,211,330		28,959,380	
Restricted income funds excluding pension liability		<u>29,725,207</u>		<u>29,078,372</u>	
Pension reserve	17	<u>(13,952,948)</u>		<u>(10,788,000)</u>	
Total restricted income funds			<u>15,772,259</u>		<u>18,290,372</u>
Unrestricted income funds	17		<u>186,512</u>		<u>447,787</u>
TOTAL FUNDS			<u><u>15,958,771</u></u>		<u><u>18,738,159</u></u>

The financial statements on pages 23 to 52 were approved by the trustees, and authorised for issue, on 19 December 2019 and are signed on their behalf, by:



Gurinder Singh Josan
Chair of Trustees

The notes on pages 26 to 52 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	668,237	(866,403)
Cash flows from investing activities:			
Bank interest		3,261	1,677
Purchase of tangible fixed assets		(1,157,695)	(777,959)
Capital grants from DfE/ESFA		777,709	1,090,546
Net cash (used in)/provided by investing activities		(376,725)	314,264
Cash flows from financing activities:			
Cash received on conversion		-	98,755
Net cash provided by financing activities		-	98,755
Change in cash and cash equivalents in the year		291,512	(453,384)
Cash and cash equivalents brought forward		1,408,086	1,861,470
Cash and cash equivalents carried forward	20	1,699,598	1,408,086

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Victoria Academies Trust constitutes a public benefit entity as defined by FRS 102.

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 2019

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 2019

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 2019

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 23, 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 2019

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 AGENCY ARRANGEMENTS

The Academy Trust acted 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 27.

VICTORIA ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.15 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 23, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Buildings inherited from local authority conversion	-	-	-	-	10,041,535
Pension obligation inherited from local authority conversion	-	-	-	-	(1,433,000)
Funds inherited from local authority conversion	-	-	-	-	98,755
Donated fixed assets - local authority	-	-	14,512	14,512	1,514,830
Donated fixed assets	-	-	-	-	5,000
Other donations	8,790	-	-	8,790	4,067
Capital grants	-	-	777,709	777,709	1,090,546
	<u>8,790</u>	<u>-</u>	<u>792,221</u>	<u>801,011</u>	<u>11,321,733</u>
<i>Total 2018</i>	<u>56,152</u>	<u>(1,386,330)</u>	<u>12,651,911</u>	<u>11,321,733</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funding for Academy's Educational Operations	<u>230,033</u>	<u>15,912,386</u>	<u>16,142,419</u>	<u>14,612,069</u>
<i>Total 2018</i>	<u>245,969</u>	<u>14,366,100</u>	<u>14,612,069</u>	

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	12,318,838	12,318,838	11,326,588
Start up grant	-	25,000	25,000	95,000
Other DfE/ESFA grant	-	2,260,023	2,260,023	1,907,151
Total 2019	-	14,603,861	14,603,861	13,328,739
Other government grants				
Local authority grants	-	1,308,525	1,308,525	1,037,361
Total 2019	-	1,308,525	1,308,525	1,037,361
Other funding				
School fund income	93,216	-	93,216	112,588
Catering income	127,819	-	127,819	124,083
Other income	8,998	-	8,998	9,298
	230,033	-	230,033	245,969
Total 2019	230,033	15,912,386	16,142,419	14,612,069
<i>Total 2018</i>	<i>245,969</i>	<i>14,366,100</i>	<i>14,612,069</i>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	18,471	-	18,471	22,565
Education Welfare provision to other schools	3,410	-	3,410	14,793
Other income	281,733	-	281,733	203,566
	303,614	-	303,614	240,924
<i>Total 2018</i>	<i>240,924</i>	<i>-</i>	<i>240,924</i>	

VICTORIA ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest received	3,261	-	3,261	1,677
<i>Total 2018</i>	1,677	-	1,677	

6. EXPENDITURE

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	<i>Total 2018 £</i>
Academy's educational operations					
Direct costs	11,062,597	507,160	1,448,236	13,017,993	11,068,609
Support costs	3,203,234	754,454	122,315	4,080,003	4,894,055
Catering	-	8,841	623,929	632,770	575,889
Victoria Academies Teacher Training	74,502	560	22,185	97,247	128,557
	14,340,333	1,271,015	2,216,665	17,828,013	16,667,110
<i>Total 2018</i>	13,514,868	1,233,841	1,918,401	16,667,110	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. SUPPORT COSTS

	Academy's educational operations £	Catering £	Total 2019 £	Total 2018 £
Technology costs	110,350	-	110,350	89,034
Premises costs	754,454	8,841	763,295	785,716
Other support costs	942,260	623,929	1,566,189	1,496,913
Governance costs	41,705	-	41,705	21,392
Wages and salaries	1,583,593	-	1,583,593	1,467,426
National insurance	94,891	-	94,891	86,693
Pension cost	552,750	-	552,750	1,522,770
	<u>4,080,003</u>	<u>632,770</u>	<u>4,712,773</u>	<u>5,469,944</u>
<i>Total 2018</i>	<u>4,894,055</u>	<u>575,889</u>	<u>5,469,944</u>	

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	507,720	447,572
Operating lease rentals	92,236	30,328
Auditor's remuneration - audit	13,750	13,750
Auditor's remuneration - non audit	3,275	3,275
	<u>616,981</u>	<u>504,918</u>

VICTORIA ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. CENTRAL SERVICES

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

- Financial services - including central trust finance team, audit and annual accounts preparation
- Educational support services - including educational welfare officers, Head of Curriculum, Head of Early Years, Education Psychologist and Head of SEND
- 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 a percentage basis (5% - 7%) applied to the GAG income received by each constituent academy. In addition, on a school by school basis academies were recharged for Executive Head time. Any surplus generated is held as a contingency reserve for use in future periods.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Victoria Park Academy	176,174	109,716
Rowley Park Academy	57,660	40,440
Devonshire Infant Academy	104,642	66,132
Devonshire Junior Academy	122,174	77,940
Northfield Manor Primary Academy	139,909	121,608
Fibbersley Park Primary Academy	194,906	144,840
Birchen Coppice Primary Academy	121,461	60,662
Foley Park Primary Academy	64,997	22,944
	981,923	644,282
Total	981,923	644,282

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	10,116,360	9,405,098
Social security costs	805,385	778,834
Operating costs of defined benefit pension schemes	2,894,945	2,840,541
	<u>13,816,690</u>	<u>13,024,473</u>
Supply teacher costs	522,244	439,164
Staff restructuring costs	1,399	51,231
	<u>14,340,333</u>	<u>13,514,868</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	1,399	51,231

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

There was one non-statutory/non-contractual severance payment included in staff costs during the year totalling £1,399 (2018: four totalling £51,231). Individually, the payments were: £1,399 (2018: £8,600, £9,000, £24,031 and £9,600).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	130	135
Administration and support	358	307
Management	15	12
	<u>503</u>	<u>454</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	4	1
In the band £90,001 - £100,000	0	1
In the band £140,000 - £150,000	1	1

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 £712,811 (2018: £581,953).

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.

There were no 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

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the combined insurance premium.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. TRUSTEES' REMUNERATION AND EXPENSES

One trustee 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:

		2019	2018
		£	£
A Morrish, CEO	Remuneration	145,000-150,000	145,000-150,000
	Pension contributions paid	20,000-25,000	20,000-25,000

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018 - £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 2018	12,197,576	16,369,544	25,000	529,731	482,456	29,604,307
Additions	896,546	-	-	88,550	172,599	1,157,695
Disposals	-	-	-	(49,889)	(242,058)	(291,947)
At 31 August 2019	<u>13,094,122</u>	<u>16,369,544</u>	<u>25,000</u>	<u>568,392</u>	<u>412,997</u>	<u>30,470,055</u>
DEPRECIATION						
At 1 September 2018	619,671	191,849	15,000	369,792	326,326	1,522,638
Charge for the year	179,583	138,951	2,500	61,680	125,006	507,720
On disposals	-	-	-	(49,889)	(242,058)	(291,947)
At 31 August 2019	<u>799,254</u>	<u>330,800</u>	<u>17,500</u>	<u>381,583</u>	<u>209,274</u>	<u>1,738,411</u>
NET BOOK VALUE						
At 31 August 2019	<u>12,294,868</u>	<u>16,038,744</u>	<u>7,500</u>	<u>186,809</u>	<u>203,723</u>	<u>28,731,644</u>
At 31 August 2018	<u>11,577,905</u>	<u>16,177,695</u>	<u>10,000</u>	<u>159,939</u>	<u>156,130</u>	<u>28,081,669</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. DEBTORS

	2019	2018
	£	£
Trade debtors	3,304	12,712
VAT repayable	91,012	109,345
Prepayments and accrued income	831,377	1,162,145
	925,693	1,284,202
	925,693	1,284,202

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	454,509	425,681
Other taxation and social security	213,297	207,161
Other creditors	202,959	292,990
Accruals and deferred income	533,399	321,966
	1,404,164	1,247,798
	1,404,164	1,247,798

	2019	2018
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2018	256,610	256,610
Resources deferred during the year	263,119	249,735
Amounts released from previous years	(256,610)	(256,610)
	263,119	249,735
Deferred income at 31 August 2019	263,119	249,735

At the balance sheet date the Academy trust is holding grants received in advance for the provision of infant free school meals, trip income and a start up grant from the Local Authority in relation to Poppyfields Primary Academy (opened September 2019) (2018: infant free school meals and SEN income).

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds - all funds	447,787	545,698	(806,973)	-	-	186,512
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	12,318,838	(11,781,717)	(8,501)	-	528,620
Start up grant	-	25,000	(25,000)	-	-	-
Other DfE/ESFA grants	108,000	2,260,023	(2,368,023)	-	-	-
Other restricted funds	-	1,308,525	(1,269,333)	-	-	39,192
VATT	10,992	32,320	(97,247)	-	-	(53,935)
Pension reserve	(10,788,000)	-	(972,000)	41,052	(2,234,000)	(13,952,948)
	<u>(10,669,008)</u>	<u>15,944,706</u>	<u>(16,513,320)</u>	<u>32,551</u>	<u>(2,234,000)</u>	<u>(13,439,071)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Assets	28,081,669	-	(507,720)	1,157,695	-	28,731,644
DfE/ESFA capital grants	820,150	777,709	-	(1,118,173)	-	479,686
Donations from LA	57,561	14,512	-	(72,073)	-	-
	<u>28,959,380</u>	<u>792,221</u>	<u>(507,720)</u>	<u>(32,551)</u>	<u>-</u>	<u>29,211,330</u>
Total restricted funds	<u>18,290,372</u>	<u>16,736,927</u>	<u>(17,021,040)</u>	<u>-</u>	<u>(2,234,000)</u>	<u>15,772,259</u>
Total of funds	<u>18,738,159</u>	<u>17,282,625</u>	<u>(17,828,013)</u>	<u>-</u>	<u>(2,234,000)</u>	<u>15,958,771</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 Trustees.

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

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

Included within Restricted fixed asset funds is £479,686 (2018: £877,711) of unspent income from the Conditional Improvement Fund grant and School Nurseries Capital Fund grant awarded and recognised in full in income during the year.

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17. STATEMENT OF FUNDS (continued)

Transfers represent maintenance expenditure (funded from Devolved Formula Capital) to the General Annual Grant and accrued LGPS pension deficits from the General Annual Grant to the Pension reserve.

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 2019.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £	<i>Total 2018 £</i>
Victoria Park Academy	718,568	407,996
Rowley Park Academy	(786,538)	(667,187)
Devonshire Infant Academy	357,275	383,551
Devonshire Junior Academy	597,125	516,693
Northfield Manor Primary Academy	171,888	76,872
Fibbersley Park Academy	56,414	47,400
Birchen Coppice Academy	(417,633)	(303,959)
Foley Park Academy	8,580	9,596
Victoria Academies Teacher Training 'VATT'	(53,375)	10,992
Victoria Academies Trust	48,085	84,825
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	700,389	566,779
Restricted fixed asset fund	29,211,330	28,959,380
Pension reserve	(13,952,948)	(10,788,000)
	<hr/>	<hr/>
Total	15,958,771	18,738,159

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	(786,538)
Birchen Coppice Academy	(417,633)
Victoria Academies Teacher Training 'VATT'	(53,375)

Rowley Park Academy continues to attract more pupils and 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.

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 funding and funding in turn. 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 fully established two form entry primary school.

Victoria Academies Teacher Training ceased operation shortly after the year end. The deficit was transferred into Victoria Academies Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 depreciation £	Total 2019 £	Total 2018 £
Victoria Park Academy	1,832,829	480,275	29,647	362,364	2,705,115	2,694,165
Rowley Park Academy	795,352	141,985	47,196	238,219	1,222,752	1,267,375
Devonshire Infant Academy	1,262,994	248,235	30,437	286,065	1,827,731	1,637,533
Devonshire Junior Academy	1,229,903	233,622	35,409	249,324	1,748,258	1,795,834
Northfield Manor Primary Academy	1,512,805	190,095	23,444	396,242	2,122,586	2,182,152
Fibbersley Park Academy	1,853,125	284,441	89,834	395,860	2,623,260	2,615,144
Birchen Coppice Primary Academy	1,209,057	226,407	47,840	284,924	1,768,228	1,407,745
Foley Park Primary Academy	774,784	160,911	17,222	162,161	1,115,078	669,904
VATT	56,875	17,627	-	22,185	96,687	128,557
Victoria Academies Trust	1,563,748	265,263	20,106	241,481	2,090,598	1,821,129
	<u>12,091,472</u>	<u>2,248,861</u>	<u>341,135</u>	<u>2,638,825</u>	<u>17,320,293</u>	<u>16,219,538</u>

VICTORIA ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
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)	-	-	-
VATT	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><u>7,395,866</u></u>	<u><u>26,257,403</u></u>	<u><u>(16,667,110)</u></u>	<u><u>-</u></u>	<u><u>1,752,000</u></u>	<u><u>18,738,159</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	28,731,644	28,731,644
Current assets	186,512	1,877,243	561,536	2,625,291
Creditors due within one year	-	(1,322,314)	(81,850)	(1,404,164)
Provisions for liabilities and charges	-	(13,994,000)	-	(13,994,000)
	<u>186,512</u>	<u>(13,439,071)</u>	<u>29,211,330</u>	<u>15,958,771</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(545,388)	9,590,293
Adjustment for:		
Depreciation charges	507,720	447,572
Returns on investments and servicing of finance	(3,261)	(1,677)
Decrease/(increase) in debtors	358,509	(863,146)
Increase in creditors	156,366	97,221
Capital grants from DfE and other capital income	(777,709)	(1,090,546)
Defined benefit pension scheme obligation inherited	-	1,433,000
Defined benefit pension scheme cost less contributions payable	692,000	747,000
Defined benefit pension scheme finance cost	280,000	284,000
Donation of fixed assets	-	(1,369,830)
Fixed assets transfer on conversion	-	(10,041,535)
Cash transferred on conversion of an academy	-	(98,755)
Net cash provided by/(used in) operating activities	668,237	(866,403)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	1,699,598	1,408,086
Total	1,699,598	1,408,086

21. CONTINGENT LIABILITIES

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

22. CAPITAL COMMITMENTS

At 31 August 2019 the Academy Trust had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	197,984	-

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23. 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. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £199,279 were payable to the schemes at 31 August 2019 (2018 - 203,339) and are included within creditors.

Teachers' Pension Scheme

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £699,382 (2018 - £775,733) and at the year-end 110,817 (2018 - £108,790) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation

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23. PENSION COMMITMENTS (continued)

may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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 2019 was £1,357,000 (2018 - £1,066,000), of which employer's contributions totalled £1,099,000 (2018 - £826,000) and employees' contributions totalled £258,000 (2018 - £240,000). 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 trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As the scheme is in a deficit position the Academy Trust is making additional contributions. Future contributions for 2019/20 is £287,900.

Principal actuarial assumptions:

	2019	<i>2018</i>
Discount rate for scheme liabilities	1.85 %	<i>2.79 %</i>
Rate of increase in salaries	3.35 %	<i>3.45 %</i>
Rate of increase for pensions in payment / inflation	2.18 %	<i>2.28 %</i>
Inflation assumption (CPI)	2.13 %	<i>2.23 %</i>

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

	2019	<i>2018</i>
Retiring today		
Males	21.9	<i>22.4</i>
Females	24.6	<i>25.1</i>
Retiring in 20 years		
Males	23.8	<i>24.5</i>
Females	26.6	<i>27.3</i>

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FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2019	<i>Fair value at 31 August 2018</i>
	£	£
Equities	4,269,000	3,357,000
Gilts	570,000	323,000
Corporate bonds	422,000	306,000
Property	557,000	418,000
Cash and other liquid assets	235,000	189,000
Other	879,000	613,000
	<u>6,932,000</u>	<u>5,206,000</u>

The actual return on scheme assets was £384,000 (2018 - £91,000).

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

	2019	<i>2018</i>
	£	£
Current service cost	1,497,000	1,573,000
Interest on obligations	276,000	280,000
Administration expenses	4,000	4,000
Past service cost	294,000	-
	<u>2,071,000</u>	<u>1,857,000</u>

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

	2019	<i>2018</i>
	£	£
Opening defined benefit obligation	15,994,000	14,139,000
Upon conversion	-	1,433,000
Interest cost	434,000	398,000
Employee contributions	258,000	240,000
Actuarial losses/(gains)	2,454,000	(1,779,000)
Benefits paid	(5,000)	(10,000)
Current service cost	1,497,000	1,573,000
Past service costs	294,000	-
	<u>20,926,000</u>	<u>15,994,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2019 £	2018 £
Opening fair value of scheme assets	5,206,000	4,063,000
Interest income	158,000	118,000
Actuarial (losses)/gains	220,000	(27,000)
Employer contributions	1,099,000	826,000
Employee contributions	258,000	240,000
Benefits paid	(5,000)	(10,000)
Administration expenses	(4,000)	(4,000)
	<u>6,932,000</u>	<u>5,206,000</u>
Closing fair value of scheme assets	<u>6,932,000</u>	<u>5,206,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
AMOUNTS PAYABLE:		
Within 1 year	91,617	31,746
Between 1 and 5 years	117,906	25,731
	<u>209,523</u>	<u>57,477</u>
Total	<u>209,523</u>	<u>57,477</u>

25. 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. The Company has been dormant for this and the preceding year, has no assets or liabilities and has therefore not been consolidated into these accounts.

26. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. AGENCY ARRANGEMENTS

The trust distributed PGCE training bursaries to students as an agent for the NCTL in the preceding year. In the accounting period ending 31 August 2019 the Academy Trust received £NIL (2018 - £52,200) and disbursed £NIL (2018 - £52,200) from the fund. Included with other creditors at the year end is £NIL (2018: £NIL) due to be paid on behalf of students. The CETT (renamed 'Victoria Academies Teacher Training' in the year) ceased operation shortly after the year end.

The trust also distributed income to educational institutions overseas as part of the British Council's European Union programme 'Erasmus+'. In the accounting period ending 31 August 2019 the Academy trust received £24,220 (2018: £94,772) and disbursed £118,992 (2018: £NIL). Included within other creditors at the year end is £NIL (2018: £94,772) due to be paid to the institutions. The trust no longer takes part in this programme.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

28. VICTORIA ACADEMIES TEACHER TRAINING - TRADING ACCOUNT

	2019 £	2019 £	2018 £	2018 £
INCOME				
DIRECT INCOME				
VATT income	32,320		81,000	
TOTAL INCOME		32,320		81,000
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	56,875		61,085	
Direct depreciation	560		560	
Other direct costs	1		2,150	
TOTAL DIRECT EXPENDITURE	<u>57,436</u>		<u>63,795</u>	
OTHER EXPENDITURE				
Support staff costs	17,627		22,546	
Premises costs	-		64	
Other support costs	22,184		41,122	
Governance costs	-		1,030	
TOTAL OTHER EXPENDITURE	<u>39,811</u>		<u>64,762</u>	
TOTAL EXPENDITURE		<u>97,247</u>		<u>128,557</u>
DEFICIT FROM ALL SOURCES		<u>(64,927)</u>		<u>(47,557)</u>
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2018		<u>10,992</u>		<u>58,549</u>
TEACHING SCHOOL BALANCES AT 31 AUGUST 2019		<u><u>(53,935)</u></u>		<u><u>10,992</u></u>