

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

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VICTORIA ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

Noel Dunne, Director
Rob Elkington, Director
Ninder Johal, Director
Gurinder Singh Josan , Director (appointed 2 January 2015)
Andrew Morrish, Chief Executive
Lynn Richardson, Chairman

Company secretary

Pauline Perla

Chief executive officer

Andrew Morrish

Principal and Registered office

Victoria Academies Trust
Ballot Street
Smethwick
West Midlands
B66 3HH

Company registered number

07887796

Independent auditor

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

Bankers

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors

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

Senior management team

Andrew Morrish, Chief Executive Officer
Alison Bevan, Director of Finance and Operations (Appointed 1 September 2015)
Hayley Mapp, Director of Teaching and Learning
Lisa Worgan, Curriculum Director (Appointed 1 September 2015)
Chris Randall, Director of Teacher Training

VICTORIA ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Victoria Academies Trust (the Academy Trust) for the ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates 5 primary academies in the Midlands, specifically in Smethwick, Stafford and Birmingham. Its academies have a combined pupil capacity of 1680 pupils (excluding nursery) and had a roll of 1582 in the school census on 1 October 2015. This report covers 4 academies within the Trust and a fifth academy that joined the Trust on 1 August 2015.

Structure, governance and management

CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Victoria Academies Trust are also the directors of the charitable company for the purposes of company law. Members delegate responsibility to the Governors for the charitable activities of St Georges Church of England Academy Newtown.

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 Academy Trust purchases indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

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.

VICTORIA ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

ORGANISATIONAL STRUCTURE

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

Objectives and Activities

OBJECTS AND AIMS

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

- To continue to grow at a rate of 1 or 2 new schools per year up to a maximum of 12 – 15 schools.
- To create local hubs of schools organised in triads, each led by an Executive Principal.
- To sponsor a special measures school approximately every 18 months and to have it removed from category within a further 18 months.
- To ensure that sponsored academies are transformed into outstanding schools within one full inspection cycle following removal from category.
- To increase the membership of the proportion of good and outstanding schools so that the capacity to support each other increases.
- To ensure the trust continues to develop future leaders from within who are able to lead schools within the trust.
- To ensure the trust continues to develop and grow its own teachers from within who are able to transfer from school to school.
- To increase the core School Improvement Team so that it has the capacity to provide high quality school improvement support to all schools.
- To generate sufficient income through SCITT activities to enable the trust to open its own dedicated teacher training centre by 2018.
- To ensure that the trust remains financially viable through an appropriate top-slice that enables the provision of high quality services to academies such as payroll, HR and financial support.

PUBLIC BENEFIT

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

VICTORIA ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

Achievement is above national average across the trust with 92% and 42% of pupils achieving a Level 4+ or Level 5 respectively in the 2015 KS2 SATs (Northfield Manor Academy not included). Progress is significantly above average with 97% of pupils meeting or exceeding expected levels of progress (two whole levels). Of particular note are the following:

- 100% achieving a level 4 in reading at Victoria Park Academy and Rowley Park Academy with Victoria Park Academy also achieving 100% in mathematics;
- Typically two-thirds of pupils at Victoria Park Academy achieving a level 5 in reading and mathematics;
- 100% of pupils making or exceeding expected rates of progress at Victoria Park Academy in all three subjects and in reading and writing at Rowley Park Academy.

2015 KS2 SATs results:

Attainment

	Devonshire Junior Academy	Rowley Park Academy	Victoria Park Academy	Average
Level 4+	90	100	100	97%
Level 5	33	44	65	47%
Level 6	0	0	0	0%
Level 4+	83	83	95	87%
Level 5	20	28	38	29%
Level 6	0	6	5	4%
Level 4+	89	89	100	93%
Level 5	35	39	67	47%
Level 6	0	19	18	12%
Average L4+	87%	91%	98%	92%
Average L5+	18%	45%	64%	42%

Progress

	DJA	RPA	VPA	Average
2+ levels	93	100	100	98%
2+ levels	96	100	100	99%
2+levels	89	94	100	94%
Average	93%	98%	100%	97%

Note: The above information does not include Devonshire Infant Academy (no KS2).

KEY PERFORMANCE INDICATORS

The main objectives of the trust during its first year of operation were:

- To sponsor an academy and ensure that it improves rapidly and sustainably;
- To increase the size of the trust in order to increase capacity for further growth;
- To ensure the delivery of high quality core services.

VICTORIA ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Overall, progress towards achieving the objectives has been good. The trust has increased from two schools to four, with a fifth in the process of joining at the end of 2014/15. As a result, growth has been consistent with the values and business objectives of the trust as identified in the business plan. The trust consists of an appropriate balance of partner and sponsored schools with sufficient capacity to continue to expand. The sponsor school is now well-placed to secure a good outcome at its first inspection and has improved rapidly with outcomes that are high compared to national averages. The 'top-slice' charge has allowed the core team to deliver high quality support, including school improvement. The recruitment at the end of 2014/15 of a Finance Director has further enhanced the long term security of the trust.

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 Accounting Policies.

Financial review

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2015, total expenditure of £7,874,177 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £2,093,848. These figures exclude the actuarial gains and losses on the Local Government Pension Scheme (see note 25 to the accounts). The excess expenditure is due to the deficit inherited on the Academy's converting in the financial year (£2,913,000).

At 31 August 2015 the net book value of fixed assets was £11,314,871 and movements in tangible fixed assets are shown in note 15 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 Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy Trust is holding reserves at 31 August 2015 of £7,574,021.

This comprises:

Restricted Fund deficit of £4,697,000 is the deficit on the defined benefit pension scheme.

Unrestricted Funds of £956,150

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Restricted Fixed Asset Funds of £11,314,871

The total free reserves of the Academy Trust at 31 August 2015 is £956,150.

The Finance Committee has reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy Trust to continue to operate within its financial resources, and to cover unexpected urgent work.

Rowley Park currently has a deficit fund carried forward of £103,724 as at 31 August 2015. Rowley Park was taken into the Trust when the school was in special measures. It is a 1 form entry school with number of pupils in receipt of free school meals above average. The school was at 69% pupil capacity on conversion, and the Trust inherited a structural in- year deficit budget position. An application to the EfA for financial support was not successful.

During the accounting period the number of staff has reduced by 8 and pupil numbers have increased by 6%. The school continues to attract pupils from the local area and staffing costs continue to be reviewed. However, due to the lagged nature of funding this will take time to filter through to an in year balanced budget and a positive impact on reserves.

INVESTMENT POLICY AND PERFORMANCE

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

The Trust Strategic Plan consists of nice strands across the three main themes, each with a number of published targets:

- To ensure that all pupils make at least good progress so that all academies continue to improve and are judged good or better
- To ensure that the quality of teaching over time is improving and is at least good with no inadequate teaching
- To ensure that leadership across the Trust as all levels is consistently good or better and makes a positive impact on the quality of provision and outcomes for all learners.
- To ensure that each Academy curriculum is challenge based, real and purposeful and based on children's interests
- To ensure that governance at all levels provides the necessary rigour, challenge and support to allow our schools and teacher training to thrive
- To ensure that the Trust is financially viable in the long term and meets all of the requirements of the Academies Financial Handbook
- To ensure that a complete set of HR policies and procedures are in place across the Trust.
- To utilise fully the premises and assets of the Trust so that each individual academy maximises its potential in terms of educational and community use.
- To continue to expand and develop the Trust so that it remains a sustainable and high-performing company consistent with its values and core purpose
- To formalise partnerships and collaborations with key organisations that allow the Trust to develop its strategic objectives
- To ensure that all the necessary legal structures are in place to protect and develop the Trust's commercial interests and ventures.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has 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.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 15.12.15 and signed on the board's behalf by:



Rob Elkington
Trustee

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 Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Noel Dunne, Director	5	5
Rob Elkington, Director	5	5
Ninder Johal, Director	1	5
Gurinder Singh Josan , Director	3	5
Andrew Morrish, Chief Executive	5	5
Lynn Richardson, Chairman	5	5

Governance reviews:

The Trust will carry out a governance review in the next financial year. Reviews have been carried out at Rowley Park Academy and Victoria Park Academy have both received NCTL reviews, conducted by the CEO in his capacity as an NLE. Skills audits are in place for both Trustees and Governors. All LGBs will also be reviewed in the next year.

REVIEW OF VALUE FOR MONEY

As accounting officer the chief executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

During the course of the reporting period the Trust has continued to review its expenditure and allocation of resources to ensure that value for money is obtained. In particular in the following areas:

- Staff have been utilised across the Trust to support those schools in more challenging circumstances. This has minimised the need to increase headcount across the Trust and used existing skills and developed staff by expanding their roles.
- The Trust have reviewed the provision of external audit services and through a process of competitive tender have appointed the current auditors as they offered the best value for money and most appropriate skills and expertise.

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GOVERNANCE STATEMENT (continued)

- The provision of payroll services has been reviewed and the requirement to streamline to one payroll provider has been identified. Through a competitive tender process the one provider has been awarded the contract which will streamline processes and increase efficiencies within the Trust.

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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks, through reports from the chief executive, 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

- payroll systems
- purchases systems
- fixed assets
- cash controls
- income
- testing of control account/ bank reconciliations.

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GOVERNANCE STATEMENT (continued)

On a quarterly basis, the auditor reports to the board of trustees on 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.

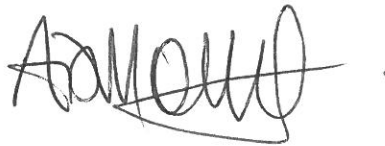
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by Crowe Clark Whitehill and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15.12.15 and signed on its behalf, by:

Rob Elkington
Trustee



Andrew Morrish
Accounting Officer



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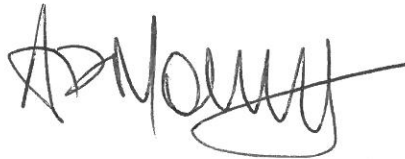
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Victoria Academies Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 (2014).

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 EFA.

Andrew Morrish
Accounting Officer



Date: 15.12.15

VICTORIA ACADEMIES TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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;
- 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 EFA/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 15.12.15 and signed on its behalf by:



Rob Elkington
Trustee

VICTORIA ACADEMIES TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTORIA ACADEMIES TRUST

We have audited the financial statements of Victoria Academies Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

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 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

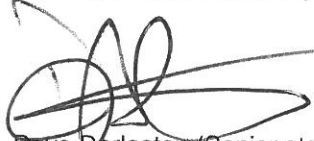
VICTORIA ACADEMIES TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTORIA ACADEMIES TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.



Dave Darlaston (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

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

Date:

15 December 2015

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 9 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Victoria Academies Trust and EFA 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 EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF VICTORIA ACADEMIES TRUST'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Victoria Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VICTORIA
ACADEMIES TRUST AND THE EDUCATION 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Crowe Clark Whitehill LLP

Statutory Auditor

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

Date: 15 December 2015

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	As restated Restated Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Buildings inherited from local authority on conversion	2	-	7,309,000	-	7,309,000	1,021,000
Pension inherited from local authority on conversion	2	(2,913,000)	-	-	(2,913,000)	(408,000)
Funds inherited from local authority on conversion	2	-	-	775,620	775,620	17,005
Other voluntary income	2	15,775	-	91,632	107,407	27,288
Activities for generating funds	3	-	-	104,487	104,487	121,942
Investment income	4	-	-	1,052	1,052	395
Incoming resources from charitable activities	5	7,301,343	101,790	203,445	7,606,578	2,510,517
TOTAL INCOMING RESOURCES		4,404,118	7,410,790	1,176,236	12,991,144	3,290,147
RESOURCES EXPENDED						
Charitable activities		7,461,644	199,975	181,766	7,843,385	2,830,208
Governance costs	9	30,792	-	-	30,792	10,339
TOTAL RESOURCES EXPENDED	6	7,492,436	199,975	181,766	7,874,177	2,840,547
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(3,088,318)	7,210,815	994,470	5,116,967	449,600
Transfers between Funds	19	269,677	128,614	(398,291)	-	-
NET INCOMING RESOURCES BEFORE REVALUATIONS		(2,818,641)	7,339,429	596,179	5,116,967	449,600
Gains and losses on revaluations of investment assets		(141,000)	-	-	(141,000)	(228,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(2,959,641)	7,339,429	596,179	4,975,967	221,600
Total funds at 1 September 2014		(1,737,359)	3,975,442	359,971	2,598,054	9,725,637
Prior year adjustment (Note 18)		-	-	-	-	(7,349,183)
		(4,697,000)	11,314,871	956,150	7,574,021	2,598,054

All of the Academy Trust's activities derive from acquisitions in the current financial year.

The notes on pages 21 to 43 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07887796

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	Restated 2014 £
FIXED ASSETS				
Tangible assets	15		11,314,871	3,975,442
CURRENT ASSETS				
Debtors	16	501,297		101,560
Cash at bank and in hand		1,099,597		360,048
		<u>1,600,894</u>		<u>461,608</u>
CREDITORS: amounts falling due within one year	17	(644,744)		(358,996)
NET CURRENT ASSETS			956,150	102,612
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,271,021</u>	<u>4,078,054</u>
Defined benefit pension scheme liability	25	(4,697,000)		(1,480,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>7,574,021</u>	<u>2,598,054</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	19	-	(257,359)	
Restricted fixed asset funds	19	11,314,871	3,975,442	
Restricted funds excluding pension liability		<u>11,314,871</u>	<u>3,718,083</u>	
Pension reserve		<u>(4,697,000)</u>	<u>(1,480,000)</u>	
Total restricted funds			6,617,871	2,238,083
Unrestricted funds	19		956,150	359,971
TOTAL FUNDS			<u>7,574,021</u>	<u>2,598,054</u>

The financial statements were approved by the Trustees, and authorised for issue, on 15.12.15 and are signed on their behalf, by:

Rob Elkington
Trustee



The notes on pages 21 to 43 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	832,306	271,977
Returns on investments and servicing of finance	22	1,052	395
Capital expenditure and financial investment	22	(128,614)	(54,745)
Cash transferred on conversion to an academy trust	24	34,805	17,005
INCREASE IN CASH IN THE YEAR		739,549	234,632

All of the cash flows are derived from acquisitions in the current financial year.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	739,549	234,632
MOVEMENT IN NET FUNDS IN THE YEAR	739,549	234,632
Net funds at 1 September 2014	360,048	125,416
NET FUNDS AT 31 AUGUST 2015	1,099,597	360,048

The notes on pages 21 to 43 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy Trust being notified of an impending distribution or the legacy being received.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

Freehold property	-	1% Straight line
Motor vehicles	-	10% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	25% Straight line

1.7 Operating leases

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

1.8 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.

1.9 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

VICTORIA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Devonshire Infant Academy, Devonshire Junior Academy and Northfield Manor Primary Academy to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Victoria Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. VOLUNTARY INCOME

	Restricted funds	Unrestricted funds	Total funds 2015	<i>Restated Total funds 2014</i>
	£	£	£	£
Buildings inherited from local authority on conversion	7,309,000	-	7,309,000	1,021,000
Pension inherited from local authority on conversion	(2,913,000)	-	(2,913,000)	(408,000)
Funds inherited from local authority on conversion	-	775,620	775,620	17,005
Total funds transferred on conversion	<u>4,396,000</u>	<u>775,620</u>	<u>5,171,620</u>	<u>630,005</u>
Heritage Grant	9,700	-	9,700	-
Lottery income	6,075	-	6,075	-
Trade union refund	-	17,652	17,652	-
University income	-	21,523	21,523	-
Other donations	-	52,457	52,457	27,288
Voluntary income	<u><u>4,411,775</u></u>	<u><u>867,252</u></u>	<u><u>5,279,027</u></u>	<u><u>657,293</u></u>

VICTORIA ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	<i>Restated Total funds 2014 £</i>
Hire of facilities	-	12,616	12,616	1,804
Education Welfare provision to other schools	-	65,093	65,093	42,470
Behaviour Support provision to other schools	-	764	764	58,075
School Improvement Consultancy provision to other schools	-	7,329	7,329	7,755
Other income	-	18,685	18,685	11,838
	<u>-</u>	<u>104,487</u>	<u>104,487</u>	<u>121,942</u>

4. INVESTMENT INCOME

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	<i>Restated Total funds 2014 £</i>
Investment income	-	1,052	1,052	395
	<u>-</u>	<u>1,052</u>	<u>1,052</u>	<u>395</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	<i>Restated Total funds 2014 £</i>
Funding for Academy's Educational Operations	7,403,133	203,445	7,606,578	2,510,517
	<u>7,403,133</u>	<u>203,445</u>	<u>7,606,578</u>	<u>2,510,517</u>

VICTORIA ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Restated Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant	5,695,844	-	5,695,844	2,211,067
Other DfE/EFA Grants	1,140,784	-	1,140,784	242,039
Capital grants	94,923	-	94,923	8,854
Academy Chain Grant	170,000	-	170,000	-
DfE Trust Grant	75,000	-	75,000	-
	<u>7,176,551</u>	<u>-</u>	<u>7,176,551</u>	<u>2,461,960</u>
Other government grants				
Local authority grants	221,652	-	221,652	-
	<u>221,652</u>	<u>-</u>	<u>221,652</u>	<u>-</u>
Other funding				
School fund income	-	98,259	98,259	-
Catering income	-	105,186	105,186	48,557
SCITT	4,930	-	4,930	-
	<u>4,930</u>	<u>203,445</u>	<u>208,375</u>	<u>48,557</u>
	<u>7,403,133</u>	<u>203,445</u>	<u>7,606,578</u>	<u>2,510,517</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Depreciation 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Restated Total 2014 £
Direct costs - Restricted	5,047,393	199,975	439,273	5,686,641	2,084,668
Support costs - Restricted	1,013,723	-	961,255	1,974,978	704,540
Support costs - Unrestricted	-	-	181,766	181,766	-
Charitable activities	<u>6,061,116</u>	<u>199,975</u>	<u>1,582,294</u>	<u>7,843,385</u>	<u>2,789,208</u>
Governance	<u>-</u>	<u>-</u>	<u>30,792</u>	<u>30,792</u>	<u>10,339</u>
	<u>6,061,116</u>	<u>199,975</u>	<u>1,613,086</u>	<u>7,874,177</u>	<u>2,799,547</u>

VICTORIA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. DIRECT COSTS

	Restricted £	Total 2015 £	<i>Restated Total 2014 £</i>
Educational supplies	373,894	373,894	126,163
Staff development	41,217	41,217	14,884
Educational consultancy	24,162	24,162	-
Wages and salaries	4,184,407	4,184,407	1,239,056
National insurance	259,587	259,587	200,096
Pension cost	603,399	603,399	394,173
Depreciation	199,975	199,975	110,296
	<u>5,686,641</u>	<u>5,686,641</u>	<u>2,084,668</u>

8. SUPPORT COSTS

	Restricted £	Unrestricted £	Total 2015 £	<i>Restated Total 2014 £</i>
Technology costs	31,047	-	31,047	-
Recruitment and support	17,022	-	17,022	3,029
Maintenance of premises and equipment	144,614	-	144,614	44,005
Cleaning	40,762	-	40,762	3,500
Rent and rates	64,671	-	64,671	11,725
Energy costs	83,826	-	83,826	38,796
Insurance	42,759	-	42,759	10,081
Security and transport	12,915	-	12,915	8,581
Other support costs	339,828	76,580	416,408	215,190
Catering	183,811	105,186	288,997	52,694
Wages and salaries	739,648	-	739,648	243,646
National insurance	32,746	-	32,746	16,224
Pension cost	241,329	-	241,329	98,069
	<u>1,974,978</u>	<u>181,766</u>	<u>2,156,744</u>	<u>745,540</u>

VICTORIA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	<i>Restated Total funds 2014 £</i>
Governance Auditors' remuneration	8,775	8,775	3,000
Governance Auditors' non audit costs	2,000	2,000	-
Governance legal costs	12,053	12,053	7,339
Governor services	4,339	4,339	-
Prior auditor fees	3,625	3,625	-
	<u>30,792</u>	<u>30,792</u>	<u>10,339</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	<i>Restated 2014 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	199,975	110,296
Auditor's remuneration	8,775	6,000
Auditor's remuneration - non-audit	2,000	600
Operating lease rentals:		
- other operating leases	72,605	1,195
	<u>72,605</u>	<u>1,195</u>

VICTORIA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. CENTRAL SERVICES

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

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

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

The actual amounts charged during the year were as follows:

Name of academy	2015 £
Victoria Park Academy	50,942
Rowley Park Academy	65,069
Devonshire Infant Academy	38,245
Devonshire Junior Academy	56,132
Northfield Manor Primary Academy	4,866
Total	<u>215,254</u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,711,901	1,377,221
Social security costs	292,333	216,320
Other pension costs (Note 25)	844,728	492,242
	<u>5,848,962</u>	<u>2,085,783</u>
Supply teacher costs	193,654	105,481
Staff severance payments	18,500	-
	<u>6,061,116</u>	<u>2,191,264</u>

b. Staff severance payments

Included in staff costs is a non-statutory/non-contractual severance payment of £18,500 paid to one employee.

VICTORIA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. STAFF (continued)

c. Staff numbers

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

	2015	<i>2014</i>
	No.	<i>No.</i>
Teachers	72	<i>28</i>
Administration and support	144	<i>59</i>
Management	13	<i>6</i>
	229	<i>93</i>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £70,001 - £80,000	1	<i>0</i>
In the band £110,001 - £120,000	0	<i>1</i>
In the band £120,001 - £130,000	1	<i>0</i>

Both of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2015, pension contributions for these members of staff amounted to £29,250 (2014: £14,295)

13. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015	<i>2014</i>
	£	<i>£</i>
A Morrish, CEO/Principal - Remuneration	125,000-130,000	<i>115,000-120,000</i>
A Morrish, CEO/Principal - Employer's pension contributions	15,000-20,000	<i>10,000-15,000</i>

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

VICTORIA ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £456 (2014 - £886). The cost of this insurance is included in the total insurance cost.

15. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	3,836,083	25,000	282,179	76,749	4,220,011
Additions	93,142	-	25,283	111,979	230,404
Transfer on conversion	7,309,000	-	-	-	7,309,000
At 31 August 2015	11,238,225	25,000	307,462	188,728	11,759,415
Depreciation					
At 1 September 2014	69,478	5,000	133,196	36,895	244,569
Charge for the year	99,820	2,500	61,492	36,163	199,975
At 31 August 2015	169,298	7,500	194,688	73,058	444,544
Net book value					
At 31 August 2015	11,068,927	17,500	112,774	115,670	11,314,871
At 31 August 2014	3,766,605	20,000	148,983	39,854	3,975,442

Included in land and buildings is freehold land at valuation of £1,300,000 (2014 - £217,000) which is not depreciated.

16. DEBTORS

	2015 £	2014 £
Trade debtors	2,194	-
Other debtors	303,805	80,880
Prepayments and accrued income	195,298	20,680
	501,297	101,560

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**NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Trade creditors	212,212	62,600
Other taxation and social security	83,030	52,027
Other creditors	89,985	42,317
Accruals and deferred income	259,517	202,052
	<u>644,744</u>	<u>358,996</u>

Deferred income

Deferred income at 1 September 2014	29,053
Resources deferred during the year	109,132
Amounts released from previous years	(29,053)
Deferred income at 31 August 2015	<u>109,132</u>

At the balance sheet date the Academy trust is holding £109,132 of grants received in advance for the provision of infant free school meals.

18. PRIOR YEAR ADJUSTMENT

A prior period adjustment has been made to restate the value of the land and buildings for Victoria Park Primary Academy and Rowley Park Academy transferred on conversion. They were originally introduced at the insurance value and depreciation was charged on the whole amount. They are now shown at valuation cost and depreciation has been recalculated to only be charged on the buildings transferred as land is not depreciated. The impact is a reduction in the Restricted Fixed Asset Funds brought forward by £7,438,783.

£7,349,183 of the adjustment affects the 2014 reserves brought forward. This is a result of reducing the valuation for Victoria Park Primary Academy by £7,456,000 and reducing depreciation charged by £106,817.

£89,600 of the adjustment has been processed through the 2014 income and expenditure lines on the Statement of Financial Activities which is a result of reducing the valuation for Rowley Park Academy by £165,000 and reducing depreciation charged by £75,400.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Restated Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	359,971	1,176,236	(181,766)	(398,291)	-	956,150
Restricted funds						
General Annual Grant (GAG)	(294,953)	5,695,844	(5,670,568)	269,677	-	-
Other DfE/EFA Grants	37,594	1,385,784	(1,423,378)	-	-	-
Other restricted funds	-	235,490	(235,490)	-	-	-
Pension reserve	(1,480,000)	(2,913,000)	(163,000)	-	(141,000)	(4,697,000)
	<u>(1,737,359)</u>	<u>4,404,118</u>	<u>(7,492,436)</u>	<u>269,677</u>	<u>(141,000)</u>	<u>(4,697,000)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	3,975,442	7,309,000	(199,975)	230,404	-	11,314,871
Capital grants	-	101,790	-	(101,790)	-	-
	<u>3,975,442</u>	<u>7,410,790</u>	<u>(199,975)</u>	<u>128,614</u>	<u>-</u>	<u>11,314,871</u>
Total restricted funds	<u>2,238,083</u>	<u>11,814,908</u>	<u>(7,692,411)</u>	<u>398,291</u>	<u>(141,000)</u>	<u>6,617,871</u>
Total of funds	<u>2,598,054</u>	<u>12,991,144</u>	<u>(7,874,177)</u>	<u>-</u>	<u>(141,000)</u>	<u>7,574,021</u>

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

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

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

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

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

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 2015.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Victoria Park Academy	137,726
Rowley Park Academy	(103,724)
Devonshire Infant Academy	332,957
Devonshire Junior Academy	353,989
Northfield Manor Primary Academy	235,202
	<hr/>
Total before fixed asset fund and pension reserve	956,150
Restricted fixed asset fund	11,314,871
Pension reserve	(4,697,000)
	<hr/>
Total	7,574,021
	<hr/>

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	103,724

Rowley Park was taken into the Trust when the school was in special measures. It is a 1 form entry school with number of pupils in receipt of free school meals above average. The school was at 69% pupil capacity on conversion, and the Trust inherited a structural in- year deficit budget position. An application to the EfA for financial support was not successful.

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

During the accounting period the number of staff has reduced by 8 and pupil numbers have increased by 6%. The school continues to attract pupils from the local area and staffing costs continue to be reviewed. However, due to the lagged nature of funding this will take time to filter through to an in year balanced budget and a positive impact on reserves.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. 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 £
Victoria Park Academy	1,554,338	332,938	176,548	314,519	2,378,343
Rowley Park Academy	719,459	145,298	66,707	214,533	1,145,997
Devonshire Infant Academy	1,165,486	154,448	40,280	258,115	1,618,329
Devonshire Junior Academy	1,180,342	201,922	85,151	318,569	1,785,984
Northfield Manor Primary Academy	116,495	16,117	5,208	25,998	163,818
Victoria Academy Trust	311,273	163,000	-	107,458	581,731
	<u>5,047,393</u>	<u>1,013,723</u>	<u>373,894</u>	<u>1,239,192</u>	<u>7,674,202</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Restated Total funds 2014 £
Tangible fixed assets	-	11,314,871	-	11,314,871	3,975,442
Current assets	644,744	-	956,150	1,600,894	461,608
Creditors due within one year	(644,744)	-	-	(644,744)	(358,996)
Provisions for liabilities and charges	(4,697,000)	-	-	(4,697,000)	(1,480,000)
	<u>(4,697,000)</u>	<u>11,314,871</u>	<u>956,150</u>	<u>7,574,021</u>	<u>2,598,054</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	<i>Restated</i> 2014 £
Net incoming resources before revaluations	5,116,967	449,600
Returns on investments and servicing of finance	(1,052)	(395)
Depreciation of tangible fixed assets	199,975	110,296
Capital grants from DfE	(101,790)	(8,854)
(Increase)/decrease in debtors	(399,737)	39,088
Increase in creditors	285,748	267,247
Cash transfer on conversion	(34,805)	(17,005)
Fixed assets transfer on conversion	(7,309,000)	(1,021,000)
Pension liability transfer on conversion	2,913,000	408,000
FRS17 pension cost less contributions payable	47,000	15,000
FRS17 pension finance income	116,000	30,000
Net cash inflow from operations	832,306	271,977

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,052	395
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(230,404)	(63,599)
Capital grants from DfE	101,790	8,854
Net cash outflow capital expenditure	(128,614)	(54,745)

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	360,048	739,549	-	1,099,597
Net funds	360,048	739,549	-	1,099,597

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. CONVERSION TO AN ACADEMY TRUST

Devonshire Infant Academy

On 1st September 2014 Devonshire Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Victoria Academies Trust from Devonshire Infant School for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds	Restricted fixed asset funds	Unrestricted funds	Total funds
	£	£	£	£
Freehold land and buildings	-	2,101,000	-	2,101,000
LGPS pension deficit	(1,442,000)	-	-	(1,442,000)
Budget surplus on LA funds	-	-	272,130	272,130
School fund balance	-	-	22,868	22,868
Net assets/(liabilities)	<u>(1,442,000)</u>	<u>2,101,000</u>	<u>294,998</u>	<u>953,998</u>

The above net assets include £294,998 that were transferred as cash.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

Devonshire Junior Academy

On 1st September 2014 Devonshire Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Victoria Academies Trust from Devonshire Junior School for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds	Restricted fixed asset funds	Unrestricted funds	Total funds
	£	£	£	£
Freehold land and buildings	-	1,917,000	-	1,917,000
LGPS pension deficit	(501,000)	-	-	-
Budget surplus on LA funds	-	-	235,285	235,285
School fund balance	-	-	1,725	1,725
Net assets/(liabilities)	<u>(501,000)</u>	<u>1,917,000</u>	<u>237,010</u>	<u>2,154,010</u>

The above net assets include £235,285 that were transferred as cash.

Northfield Manor Primary Academy

On 1st August 2015 Northfield Manor Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Victoria Academies Trust from Northfield Manor Primary School for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds	Restricted fixed asset funds	Unrestricted funds	Total funds
	£	£	£	£
Freehold land and buildings	-	3,291,000	-	3,291,000
LGPS pension deficit	(970,000)	-	-	-
Budget surplus on LA funds	-	-	233,400	233,400
School fund balance	-	-	10,212	10,212
Net assets/(liabilities)	<u>(970,000)</u>	<u>3,291,000</u>	<u>243,612</u>	<u>3,534,612</u>

The above net assets include £10,212 that were transferred as cash.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. 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 the West Midlands Pension Fund for Victoria Park Academy, Devonshire Infant Academy, Devonshire Junior Academy, Northfield Manor Primary Academy and Staffordshire Pension Funds for Rowley Park Academy. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £102,962 were payable to the scheme at 31 August 2015 (2014 - £41,847) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period

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25. PENSION COMMITMENTS (continued)

until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £545,853.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £539,564, of which employer's contributions totalled £435,372 and employees' contributions totalled £104,192. The agreed contribution rates for future years are 13.4 - 19.1% for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As described in note 24 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	988,000	6.65	548,000
Government bonds	2.50	90,000	1.45	60,000
Other bonds	3.60	162,000	3.60	113,000
Property	6.10	135,000	5.35	88,000
Cash liquidity	0.50	83,000	1.90	41,000
Other	6.50	113,000	3.50	180,000
Total market value of assets		1,571,000		1,030,000
Present value of scheme liabilities		(6,268,000)		(2,510,000)
(Deficit)/surplus in the scheme		(4,697,000)		(1,480,000)

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(6,268,000)	(2,510,000)
Fair value of scheme assets	1,571,000	1,030,000
	<u>(4,697,000)</u>	<u>(1,480,000)</u>
Net liability	<u>(4,697,000)</u>	<u>(1,480,000)</u>

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

	2015 £	2014 £
Current service cost	441,000	119,000
Interest on obligations	(73,000)	(67,000)
Expected return on scheme assets	189,000	(15,000)
	<u>557,000</u>	<u>37,000</u>
Total	<u>557,000</u>	<u>37,000</u>
Actual return on scheme assets	<u>52,000</u>	<u>75,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	2,510,000	1,360,000
Contributions by scheme participants	96,000	36,000
Assets acquired in a business combination	2,916,000	662,000
Benefits paid	(4,000)	(26,000)
Current service cost	441,000	119,000
Interest cost	189,000	67,000
Actuarial Losses	120,000	292,000
	<u>6,268,000</u>	<u>2,510,000</u>
Closing defined benefit obligation	<u>6,268,000</u>	<u>2,510,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	1,030,000	561,000
Contributions by employer	394,000	104,000
Contributions by employees	96,000	36,000
Liabilities assumed in a business combination	3,000	253,000
Benefits paid	(4,000)	(26,000)
Expected return on assets	73,000	37,000
Actuarial gains and (losses)	(21,000)	65,000
	<u>1,571,000</u>	<u>1,030,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £439,000 (2014 - £298,000).

The Academy Trust expects to contribute £521,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	62.80 %	60.50 %
Government bonds	5.60 %	4.00 %
Bonds	10.20 %	11.50 %
Property	9.00 %	8.50 %
Cash	5.20 %	3.50 %
Other	7.20 %	12.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.94 %	3.85 %
Expected return on scheme assets at 31 August	5.52 %	5.75 %
Rate of increase in salaries	4.22 %	4.18 %
Rate of increase for pensions in payment / inflation	2.44 %	2.40 %
Inflation assumption (CPI)	2.40 %	2.15 %

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

	2015	2014
Retiring today		
Males	22.8	22.5
Females	25.1	24.9
Retiring in 20 years		
Males	25.3	24.7
Females	27.7	27.2

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(6,268,000)	(2,510,000)	(1,360,000)	(1,200,000)
Scheme assets	1,571,000	1,030,000	561,000	424,000
Deficit	(4,697,000)	(1,480,000)	(799,000)	(776,000)
Experience adjustments on scheme assets	(21,000)	65,000	20,000	(4,000)

26. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £	2015 £	Other 2014 £
Expiry date:				
Within 1 year	-	-	2,770	1,912
Between 2 and 5 years	-	-	28,257	3,346

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account (2014: £nil).