

Company Registration Number: 07887796 (England & Wales)

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 - 24
Independent Reporting Accountant's Report on Regularity	25 - 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27 - 28
Balance Sheet	29 - 30
Statement of Cash Flows	31
Notes to the Financial Statements	32 - 66

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Gurinder Singh Josan CBE
Ayo Ajanaku
Ninder Johal
Amber Marshall (resigned 31 August 2021)
Noel Dunne
Baljinder Kang (appointed 1 November 2021)

Trustees

Gurinder Singh Josan CBE, Chair
Robert Elkington, Vice Chair
Prem Gabbi
Gursharn Mahli
Baljinder Kang (resigned 5 November 2020)
Luke Hill
Shafiq Sharif
Alison Bruton (appointed 1 November 2020)
Rena Rani (appointed 1 November 2020)
Alison Young (appointed 1 September 2021)

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

Chief executive officer

Sharron Philpot

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Executive leadership team

Sharron Philpot, Chief Executive Officer
Kate Tewley, Director of Schools
Hayley Mapp, Director of Schools
Ian Kirby, Chief Operating Officer

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
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021. 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 itself moved from inadequate to outstanding during its own unique journey. We have a deep 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 total, including part time nursery pupils, the Trust is responsible for the education of just over 3,000 pupils. The Trust successfully opened its first free School, Poppyfield Primary Academy in September 2019, and was awarded its first Special School, Elm Tree Primary Academy, due to open in September 2023 in Sandwell as a primary school for autistic pupils. The trust's eleventh school is currently in pre-opening phase. Austin Park Primary is a mainstream free school planned to be opened in September 2024 in the Cofton Park area of Worcestershire.

Structure, governance and management

a. 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, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

c. 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.

d. 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 began a recruitment process for up to three new trustees through the Academy Ambassadors programme as it sought to increase the professional skills on the board. The process has been robust and rigorous to ensure the right people, with the right skills and experiences have joined the board. The number of trustees is nine.

e. Policies 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 local governors have access to throughout the year. All Governors and Trustees also have access to NGA training material. All training and development is based on the annual skills' audit undertaken by all Governors and Trustees. Induction processes have been developed to ensure trustees have a clear understanding of the board, their role and the Trust as a whole.

f. Organisational structure

An updated scheme of delegation was published in summer 2021 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 (academy councillors), the executive, headteachers, and business managers. The chief executive also undertakes the role of accounting officer and leads the executive team, consisting of two heads of school 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 central core team of the Trust are line managed by the executive, and regularly join a leaders' forum so that there is consistency of approach and clear communication through all levels of leadership at Trust level.

Until September 2021, the Trust was organised into three regional hubs. Each hub consisted of several academies, each with a substantive headteacher, overseen by an executive headteacher. Each school has its own local governing body (known as academy councils). The naming as 'academy council', makes 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, standards and health and safety.

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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

From September 2021, the hub model has been removed. By removal of the executive head teacher model, it allows more autonomy and places trust in the substantive head teachers at each school to lead their school in line with the trust's approach, but with a focus on their own individual context and need. It also allows the executive team to take a more strategic approach across the whole trust, working with individual schools on their improvement journey.

g. Arrangements for setting pay and remuneration of key management personnel

An external expert appraises the CEO 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 performance, the outcome is shared with the CEO who is invited to join the meeting and informed of the decision.

The CEO undertakes appraisals for the executive (Directors and Schools and COO) Challenging targets which align to the strategic plan and vision of the Trust will be set, and the executive will be held to account through mid year and end of year meetings to discuss progress towards these, and evidence to support this. The chief executive will then make recommendations to the Trust pay and performance management committee regarding pay. This committee will make the final decisions on the pay of all members of the executive leadership team.

h. Trade Union facility time

In accordance with the provision of the Trade Union regulations 2017, the Trust does not have any union officials and therefore no current employee spends any time on facility time or any paid trade union activities.

i. Related parties and other connected charities and organisations

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. There is a Trust conflicts of interests policy, developed and agreed by Trustees.

j. Engagement with employees (including disabled persons)

Our Trust believes in equality and welcomes applications from disabled persons. Appointment will be based on merit and robust processes which promote equality for all. For employees who may become disabled, all advice will be sought to enable appropriate adaptations to be made to enable them to effectively fulfil their role.

Through ongoing wellbeing work, the Trust seeks to listen to all employees and school wellbeing groups and whole trust survey aid understanding and prioritise future work regarding our staff.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

k. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to — (a) the likely consequences of any decision in the long term, (b) the interests of the company's employees, (c) the need to foster the company's business relationships with suppliers, customers and others, (d) the impact of the company's operations on the community and the environment, (e) the desirability of the company maintaining a reputation for high standards of business conduct, and (f) the need to act fairly as between members of the company. All decisions are made by the board of Victoria Academies Trust, which includes engagement with our key stakeholders, and are in line with our FIDES values and our overall purpose 'To make people become the best they can be'. This includes not only our pupils but the staff and communities within which we operate. The Trustees' report below goes into greater depth the key areas of success through engagement with our stakeholders.

Objectives and activities

a. 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), those that we sponsor that are on the journey to excellence, and free schools, built and developed from new, we are aiming to build a family of like minded schools who share our passion for real, immersive and purposeful learning.

Our core purpose is to ensure that all our people (pupils, staff, parents, academy councillors, 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 based on the Latin word FIDES, the ancient Roman goddess of Trust 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

Our values help us to model and articulate the behaviours that we expect from our people in order to fulfil our vision.

Our vision is the future we intend to create, it paints a picture of our goals and aspirations. Our vision should be the heartbeat running through our schools and communities. It should be understandable, relatable and authentic.

*"Our people will be **brilliant, courageous and kind. Ambition and innovation** are at the heart of all that we do as we strive **to become the best we can be**".*

*Our strapline tells of what we want to achieve: "**Being the best we can be**".*

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Our annual strategic plan has a number of key objectives and strategic priorities that are driven by our values and core purpose and linked to our four long term goals:

1. To continually improve our schools
2. To invest in our school communities
3. To grow and value our colleagues
4. To prepare our children for the future

b. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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. 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 2020-21 were:

- To close any gaps for pupils across all schools
- To ensure all staff have the knowledge and skills to deliver the curriculum intent
- To ensure our people continue to be the best they can be and feel valued, trusted, safe and supported
- To improve financial security so that the trust and all units remain viable
- To ensure strong and effective governance at all levels across the trust
- To provide an efficient and effective support for academies to enable improvement and growth)
- To continue expansion of the trust
- To increase the revenue from non-ESFA sources
- To continue to develop our staff to be the best they can be

a. 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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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 ongoing global Covid-19 pandemic affected progress towards some of these targets. The board were kept informed through regular briefing and papers. The virtual meetings policy continued so that governance at board and local level could continue.

Primary schools were closed to all but designated children from January to March 2021. Robust remote learning plans were developed and delivered, and high quality learning was provided. However, learning at home for many of our pupils is not as effective as learning in school and so this situation impacted considerably on Trust and school progress towards some of the key performance indicators and strategic planning targets.

A board away day was not possible, and so instead a series of short virtual meetings were held to agree control measures and risk assessments, and also to assess progress towards the strategic priorities and to discuss priorities for the coming year. These also included meetings to look at our vision, values and strategic long plan. A summary of the key achievements and successes include:

- All schools implemented Thinking Differently approach with regards to provision for disadvantaged children.
- History in the Making Challenge pack successfully completed as a 'return to school' approach in Autumn term.
- Covid 'catch up' plans have been developed and implemented, and will continue into the coming year as part of 'recovery' plans.
- Diversity network continued through the year. Leaders received training in diversity and inclusion. Curriculum has been refined in terms of diversity and equality.
- Subject leaders continued to access CPD and networks and developed in their roles.
- Consistent assessment systems in place across all schools.
- Pathways CPD model developed and launched and accessed across the trust, a career pathways matrix mapped out and CPD matched to needs of staff
- Wellbeing surveys completed, with each school implementing their own action plans
- Procurement processes taken place across a number of areas
- HT induction programme designed and delivered
- New trust structure developed for September 2021, along with revised vision and long term strategic plan
- Recruitment of two further trustees
- Governance training platform developed and launched to trustees and ACs, continued support of ACs in local governance during covid times
- Compliance tracker developed and implemented for H&S
- Central education team developed to provide enhanced in school support
- Successful bid for Austin Park Primary
- Developed marketing and branding material to pursue Partner School approach
- Business development strategy developed and key areas beginning to be actioned (limited opportunities due to covid issues)

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. 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.

Although there continues to be ongoing uncertainties around Covid-19, Trustees are confident with the minimal financial impact this has had to date, that by including this in its Risk Register, it remains high priority and does not impact on the Trust continuing to be a going concern.

c. Promoting the success of the company

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to — a) the likely consequences of any decision in the long term, b) the interests of the company's employees, c) the need to foster the company's business relationships with suppliers, customers and others, d) the impact of the company's operations on the community and the environment, e) the desirability of the company maintaining a reputation for high standards of business conduct, and f) the need to act fairly as between members of the company.

Trustees have promoted the success of the Trust through internal and external networks and through its AGM and associated documentation.

As highlighted in the structure, governance and management section above all decisions made by Victoria Academies Trust are made in line with FIDES values and our overall purpose - 'To make people become the best they can be'. The likely consequences of any decision in the long run are thoroughly analysed by the Board of Trustees before approving a decision. This would include opportunities to expand the Trust through expansion of its current schools, working with schools as part of a Trust Partnership agreement and applying for further schools to join the Trust; performance management and pay; and education decisions.

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 2021 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 2021, total expenditure of £19,606,576 (2020: £18,176,516) was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

expenditure for the year was £471,227 (2020: excess of expenditure over income of £227,255). These figures exclude the actuarial gains and losses on the Local Government Pension Scheme (see note 25 to the accounts).

At 31 August 2021 the net book value of fixed assets was £29,446,098 (2020: £28,601,255) 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 each Academy.

a. Reserves policy

The Academy Trust 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 (circa £1.5m). 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 £1,848,697 (2020: £1,181,684).

Free reserves are above the required levels. This is due primarily to the time of grant receipts. For year-end August 2021 the trust received pre-opening grants for Elm Tree and Austin Park totalling £250k. These grants are to cover the pre-opening phase of the projects and as such the expenditure will be incurred over the next few years. The Trust was also successfully bid for a TCaF grant of £96k this was awarded in July 2021 with expenditure to be completed by 31 March 2022. All of this grant was unspent at year-end.

b. Investment policy

The Trustee Body 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, most funds have been held in the Academy current accounts or fixed term deposits.

c. 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 ongoing and managed by the Trust during the academic year is the COVID-19 pandemic and ensuring we can keep pupils, staff and the wider school community safe whilst maximising the education available to pupils. The Trust has put in place a rigorous risk assessment and management process run by the executive leadership team and reviewed and approved by the Trust Board and the teaching unions. The risk assessment process will continue for the next academic year.

The key education priority which has the biggest risk and uncertainty is the improvement required at Birchen Coppice Academy. The school joined the Trust in December 2017 and whilst progress has been made it is still at the beginning of its improvement journey with considerable time and resources required to ensure it reaches the required education standards.

The principal financial risk relates to the deficits of Rowley Park Academy and Birchen Coppice Academy. Further information is covered in note 18.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

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 ongoing and managed by the Trust during the academic year is the COVID-19 pandemic and ensuring we can keep pupils, staff and the wider school community safe whilst maximising the education available to pupils. The Trust has put in place a rigorous risk assessment and management process run by the executive leadership team and reviewed and approved by the Trust Board and the teaching unions. The risk assessment process will continue for the next academic year.

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VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	4,171,279	3,692,797
Energy consumption breakdown (kWh):		
Gas	3,384,798	2,970,514
Electricity	785,642	654,516
Transport fuel	839	56,942
Business use/rental vehicles	-	10,825
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	622.36	546.19
Owned transport - mini buses	0.21	14.50
Total scope 1	622.57	560.69
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	183.16	152.59
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned vehicles	-	2.76
Water consumption	26.24	13.68
Total gross emissions (in tonnes of CO2 equivalent):	831.97	729.72
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.26	0.23

Water consumption should be managed to monitor spending, but it also has a carbon footprint of its own, due to the energy used to bring it up to drinking quality standards, distribute it, and to treat it after use.

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

The Academy Trust utilised the Salix Energy Efficiency Fund (SEEF) and entered into Salix loans during the year to support energy saving LED lighting projects.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

Our 2021-22 strategic plan identifies eight key objectives. These include:

1. To ensure that the Recovery Premium is effectively used so that all pupils make accelerated progress;
2. To improve the effectiveness of assessment across all foundation subjects so that it is consistent across all schools;
3. To create a target operating model and associated KPIs understood by all schools;
4. To develop a fit for purpose HR function;
5. To re-establish links with external partners so that RIP is integral to schools' curriculums;
6. Key opportunities for growth and expansion are acted upon;
7. Further enhance pathways so that it is the CPD platform of choice;
8. Schools have an effective wellbeing offer for all children.

Covid-19 continues to be an area which could impact on progress towards objectives, and the board will be kept updated on issues and implications through reports and papers at each meeting. Areas such as pupils and staff isolations and quarantine, local and national restrictions and the ongoing potential financial implications around staffing, health and safety and resources will be closely monitored.

Funds held as custodian on behalf of others

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

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2021 and signed on its behalf by:



Gurinder Singh Josan CBE
Chair of Trustees

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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	4	6
Prem Gabbi	4	6
Gursharn Mahli	3	6
Baljinder Kang	0	2
Luke Hill	4	6
Shafiq Sharif	5	6
Alison Bruton	3	5
Rena Rani	3	5
Alison Young	0	0

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.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gurinder Singh Josan CBE	4	4
Luke Hill	4	4
Prem Gabbi	4	4
Alison Young	0	0

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Shafiq Sharif	2	2
Robert Elkington	2	2
Baljinder Kang	0	1
Rena Rani	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. The committee will conduct the performance review in accordance with statutory requirements and set performance objectives for the CEO. It will review the prior year performance objectives and will decide whether or not to award pay progression (salaries) for the CEO. It will also determine if any pay adjustments are required due to a change in duties for the executive team. It will also moderate the performance management of the Executive Leadership Team performed by the CEO, and of other teaching staff performed by executive leaders or designated school leaders.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gurinder Singh Josan	2	2
Gursharn Mahli	1	2
Luke Hill	1	1
Shafiq Sharif	1	1
Trevor Sutcliffe (external expert)	1	1

The Standards Committee is also a sub committee of the main Board of Trustees. The objective of the committee is: to take delegated responsibility on behalf of the Board for ensuring that there is a framework for scrutiny of standards and overall performance for each Academy and across the Trust, to examine and review systems and procedures for school improvement and to ensure compliance with all aspects of standards and achievement in each academy.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sharon Mahli	1	2
Robert Elkington	2	2
Alison Bruton	2	2

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- identifying and reducing inefficient processes within the Trust;
- identifying savings within the executive team and deployment of an expanded central team;
- reducing procurement costs through utilising the Trust's economies of scale; and
- restricting the number of new hires by reallocating staff resources across Trust schools.

The governance of the Trust was enhanced during the year with the recruitment two new trustees and also the recent recruitment of a further Trustee with specific SEND experience to support the Elm Tree opening.

Challenges around Covid-19 continue, although to date these challenges have not as yet impacted financially or on the value for money of our Trust.

Governance Reviews

There were no formal reviews of governance undertaken other than as part of the formal self evaluation process. However, on an ongoing basis our head of governance continues to support Trustees and academy councillors, quality assuring meetings and minutes. A refined Academy Council Handbook and reviewed Scheme of Delegation ensures clarity and consistency of approach, and so governance is stronger than in previous years. A newly introduced in-house Governance Training Platform provides bespoke and on demand training for governors at all levels within the trust tailored to the specific needs of trustees and academy councillors.

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 210 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 school made an in-year surplus and as such the overall deficit has started to reduce.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 on-going 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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:

- live data dashboard
- 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; and
- identification and management of risks and issues.

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:

- Payroll
- Health & Safety compliance
- VAT

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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool; and
- 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 committee 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 10 December 2021
their behalf by:

and signed on



Gurinder Singh Josan CBE
Chair of Trustees



Sharron Philpot
Accounting Officer

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Victoria Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2020.

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.



Sharron Philpot

Accounting Officer

Date: 10 December 2021

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 10/12/2021 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 2021 which comprise the Statement of Financial Activities, 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 including the Strategic 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 including the Strategic 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.

Responsibilities of trustees

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, 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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

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: 15 December 2021

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 23 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 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 ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Victoria Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Crowe U.K. LLP

Reporting Accountant

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

Date: 15 December 2021

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	-	-	1,457,496	1,457,496	605,938
Other trading activities	6	191,591	-	-	191,591	300,312
Investments	7	521	-	-	521	2,385
Charitable activities	5	133,768	18,294,427	-	18,428,195	17,040,626
Total income		325,880	18,294,427	1,457,496	20,077,803	17,949,261
Expenditure on:						
Charitable activities	8	61,382	18,939,434	605,760	19,606,576	18,176,283
Teaching schools		-	-	-	-	233
Total expenditure		61,382	18,939,434	605,760	19,606,576	18,176,516
Net income/(expenditure)		264,498	(645,007)	851,736	471,227	(227,255)
Transfers between funds	18	-	(150,536)	150,536	-	-
Net movement in funds before other recognised gains/(losses)		264,498	(795,543)	1,002,272	471,227	(227,255)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,504,000)	-	(2,504,000)	(2,773,000)
Net movement in funds		264,498	(3,299,543)	1,002,272	(2,032,773)	(3,000,255)

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	-	(16,370,316)	29,328,832	12,958,516	15,958,771
Net movement in funds	264,498	(3,299,543)	1,002,272	(2,032,773)	(3,000,255)
Total funds carried forward	<u>264,498</u>	<u>(19,669,859)</u>	<u>30,331,104</u>	<u>10,925,743</u>	<u>12,958,516</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 66 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	29,446,098	28,601,255
		<u>29,446,098</u>	<u>28,601,255</u>
Current assets			
Debtors	15	2,418,877	1,500,317
Cash at bank and in hand		2,290,522	1,667,304
		<u>4,709,399</u>	<u>3,167,621</u>
Creditors: amounts falling due within one year	16	(1,885,667)	(1,187,597)
Net current assets		2,823,732	1,980,024
Total assets less current liabilities		32,269,830	30,581,279
Creditors: amounts falling due after more than one year	17	(90,029)	(70,763)
Net assets excluding pension liability		32,179,801	30,510,516
Defined benefit pension scheme liability	26	(21,254,058)	(17,552,000)
Total net assets		10,925,743	12,958,516

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	30,331,104	29,328,832
Restricted income funds	18	1,584,199	1,181,684
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	31,915,303	30,510,516
Pension reserve	18	(21,254,058)	(17,552,000)
		<hr/>	<hr/>
Total restricted funds	18	10,661,245	12,958,516
Unrestricted income funds	18	264,498	-
		<hr/>	<hr/>
Total funds		10,925,743	12,958,516
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 27 to 66 were approved by the Trustees, and authorised for issue on 10 December 2021 and are signed on their behalf, by:



Gurinder Singh Josan CBE
Chair of Trustees

The notes on pages 32 to 66 form part of these financial statements.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	633,757	<i>(320,830)</i>
Cash flows from investing activities	22	7,414	<i>198,713</i>
Cash flows from financing activities	21	(17,953)	<i>89,823</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		623,218	<i>(32,294)</i>
Cash and cash equivalents at the beginning of the year		1,667,304	<i>1,699,598</i>
Cash and cash equivalents at the end of the year	23, 24	<u>2,290,522</u>	<i><u>1,667,304</u></i>

The notes on pages 32 to 66 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 2021

1. General information

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

2. 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, are set out below.

2.1 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 historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Victoria Academies Trust meets the definition of a public benefit entity under FRS 102.

2.2 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 2021

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 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.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.5 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 institution with whom the funds are deposited.

2.6 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 Part 11, chapter 3 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.

2.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 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. 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 each asset, 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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.9 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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

2.10 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 bases 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's wholly owned subsidiary 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 - salix loans, trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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 instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.11 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 the 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.

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

3. Critical accounting estimates and areas of judgment

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 judgments which would have a material impact on the financial statements.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Fixed asset donations	-	142,336	142,336
Capital Grants	-	1,315,160	1,315,160
	<u>-</u>	<u>1,457,496</u>	<u>1,457,496</u>
	<u>-</u>	<u>1,457,496</u>	<u>1,457,496</u>
	<u>-</u>	<u>1,457,496</u>	<u>1,457,496</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	1,951	-	1,951
Capital Grants	-	603,987	603,987
	<u>1,951</u>	<u>603,987</u>	<u>605,938</u>
	<u>1,951</u>	<u>603,987</u>	<u>605,938</u>
	<u>1,951</u>	<u>603,987</u>	<u>605,938</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	-	13,258,845	13,258,845
Other DfE/ESFA grants			
Start Up Grant	-	250,000	250,000
Teachers' pension and pay grant	-	588,591	588,591
Pupil Premium	-	1,435,685	1,435,685
SEN funding	-	856,555	856,555
Other DfE/ESFA Grants	-	360,666	360,666
	-	16,750,342	16,750,342
Other Government grants			
Early years funding	-	778,031	778,031
UIFSM	-	483,382	483,382
	-	1,261,413	1,261,413
Other income from the Academy Trust's direct costs	133,768	-	133,768
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	238,312	238,312
	-	238,312	238,312
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	44,360	44,360
	-	44,360	44,360
	133,768	18,294,427	18,428,195

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the Academy Trust's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant	-	12,678,140	12,678,140
Other DfE/ESFA grants			
Start Up Grant	-	57,250	57,250
Pupil Premium	-	1,389,376	1,389,376
Teachers' pension and pay grant	-	552,266	552,266
SEN funding	-	582,978	582,978
Other DfE/ESFA Grants	-	208,423	208,423
	-	15,468,433	15,468,433
Other Government grants			
Early years funding	-	883,516	883,516
UIFSM	-	496,834	496,834
	-	1,380,350	1,380,350
Other income from the Academy Trust's direct costs	130,716	-	130,716
COVID-19 additional funding (DfE/ESFA)			
Other COVID-19 funding	-	13,027	13,027
	-	13,027	13,027
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	48,100	48,100
	-	48,100	48,100
	130,716	16,909,910	17,040,626

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium, Teachers' pension and pay grant and SEN funding is no longer reported under the 'Other DfE/ESFA grants' heading, but as separate lines under the 'Other DfE/ESFA grants' heading. The prior year numbers have been reclassified.

The academy received £238k of funding for catch-up premium and costs incurred in respect of this funding totalled £111k, with the remaining £127k to be spent in 2021/22.

The academy furloughed some of its catering staff and after school club staff under the government's CJRS. The funding received of £44k (2020: £48k) relates to staff costs in respect of 24 (2020: 30) members of staff which are included within note 10 below as appropriate.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	780	780
Other income	190,811	190,811
	191,591	191,591
	191,591	191,591
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Hire of facilities	3,705	3,705
Other income	296,607	296,607
	300,312	300,312
	300,312	300,312

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest received	521	521
	521	521
	521	521
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest received	2,385	2,385
	2,385	2,385
	2,385	2,385

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Academy's educational operations:				
Direct costs	12,318,081	605,760	620,866	13,544,707
Support costs	3,811,554	837,724	884,579	5,533,857
Catering - support costs	-	8,744	519,268	528,012
Victoria Academies Teacher Training - direct costs	-	-	-	-
	<u>16,129,635</u>	<u>1,452,228</u>	<u>2,024,713</u>	<u>19,606,576</u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Academy's educational operations				
Direct costs	11,509,433	538,048	546,337	12,593,818
Support costs	3,396,001	731,372	918,334	5,045,707
Catering - support costs	-	12,401	524,357	536,758
Victoria Academies Teacher Training - direct costs	25	-	208	233
	<u>14,905,484</u>	<u>1,281,821</u>	<u>1,989,211</u>	<u>18,176,516</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Analysis of support costs

	Academy's educational operations	Catering	Total
	£	£	£
Staff costs	3,811,554	-	3,811,554
Technology costs	102,139	-	102,139
Premises costs	837,724	8,744	846,468
Other support costs	756,015	519,268	1,275,283
Governance costs	26,425	-	26,425
Total 2021	<u>5,533,857</u>	<u>528,012</u>	<u>6,061,869</u>

	<i>Academy's educational operations</i>	<i>Catering</i>	<i>Total</i>
	£	£	£
Staff costs	3,396,001	-	3,396,001
Technology costs	103,124	-	103,124
Premises costs	731,372	12,401	743,773
Other support costs	791,690	524,357	1,316,047
Governance costs	23,520	-	23,520
<i>Total 2020</i>	<u>5,045,707</u>	<u>536,758</u>	<u>5,582,465</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Depreciation of tangible fixed assets: owned by the charity	605,760	538,048
Operating lease rentals	87,910	83,670
Auditor's remuneration - audit	15,750	15,025
Auditor's remuneration - non audit	3,800	3,635
	<u>713,220</u>	<u>640,378</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	10,835,882	10,421,976
Social security costs	983,828	872,013
Pension costs	3,874,523	3,250,560
	<u>15,694,233</u>	<u>14,544,549</u>
Supply teacher costs	419,551	343,629
Staff restructuring costs	15,851	17,281
	<u>16,129,635</u>	<u>14,905,459</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	15,851	7,281
Severance payments	-	10,000
	<u>-</u>	<u>10,000</u>

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

There was no (2020: one) non-statutory/non-contractual severance payment included in staff costs during the year totalling £nil (2020: £10,000). Individually, the payments were £nil (2020: £10,000).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	151	139
Administration and support	427	416
Management	13	13
	<u>591</u>	<u>568</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	10	<i>2</i>
In the band £80,001 - £90,000	-	<i>3</i>
In the band £90,001 - £100,000	2	<i>1</i>
In the band £100,001 - £110,000	1	<i>-</i>
	=====	<i>=====</i>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £488,459 (2020: £492,073).

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. 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 the following basis:

The Academy Trust charges for these services on a percentage basis (5% - 7%) applied to the GAG income received by each constituent academy. 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:

	2021	<i>2020</i>
	£	<i>£</i>
Victoria Park Academy	211,188	<i>156,876</i>
Rowley Park Academy	64,020	<i>49,512</i>
Devonshire Infant Academy	111,324	<i>86,220</i>
Devonshire Junior Academy	132,744	<i>118,296</i>
Northfield Manor Primary Academy	155,736	<i>115,500</i>
Fibbersley Park Primary Academy	180,672	<i>139,164</i>
Birchen Coppice Primary Academy	120,468	<i>95,988</i>
Foley Park Primary Academy	71,652	<i>51,624</i>
Poppyfield Primary Academy	21,948	<i>12,914</i>
Total	1,069,752	<i>826,094</i>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Andrew Morrish, former CEO and Accounting officer	Remuneration	N/a	<i>85,000 - 90,000</i>
	Pension contributions paid	N/a	<i>10,000 - 15,000</i>

During the year ended 31 August 2021, no Trustee expenses have been incurred (*2020 - £NIL*).

13. 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. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the combined insurance premium.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets

	Freehold property and improvements £	Long-term leasehold property and land £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2020	13,305,735	16,369,544	25,000	730,934	446,501	30,877,714
Additions	1,206,320	-	-	67,642	176,641	1,450,603
At 31 August 2021	<u>14,512,055</u>	<u>16,369,544</u>	<u>25,000</u>	<u>798,576</u>	<u>623,142</u>	<u>32,328,317</u>
Depreciation						
At 1 September 2020	991,308	469,761	20,000	475,766	319,624	2,276,459
Charge for the year	240,325	138,951	2,500	95,590	128,394	605,760
At 31 August 2021	<u>1,231,633</u>	<u>608,712</u>	<u>22,500</u>	<u>571,356</u>	<u>448,018</u>	<u>2,882,219</u>
Net book value						
At 31 August 2021	<u><u>13,280,422</u></u>	<u><u>15,760,832</u></u>	<u><u>2,500</u></u>	<u><u>227,220</u></u>	<u><u>175,124</u></u>	<u><u>29,446,098</u></u>
At 31 August 2020	<u><u>12,314,427</u></u>	<u><u>15,899,783</u></u>	<u><u>5,000</u></u>	<u><u>255,168</u></u>	<u><u>126,877</u></u>	<u><u>28,601,255</u></u>

The Academy Trust's transactions relating to land and buildings additions relate to:

- Nursery extension works at Victoria Park Academy amounting to £254k, funded by a CIF grant from the ESFA.
- Roofings works at Devonshire Infant Academy and Devonshire Junior Academy amounting to £128k and £182k respectively, funded by CIF grants from the ESFA.
- Fire reform works at Foley Park Academy, Victoria Park Academy, Devonshire Infant Academy and Devonshire Junior Academy, amounting to £56k, £161k, £103k and £116k respectively, funded by CIF grants from the ESFA.
- Toilet refurbishment works at Foley Park Academy, amounting to £90k and funded by Worcestershire County Council.
- Various other improvements across the schools within the Trust amounting to £116k, funded by the Academy Trust.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	4,315	140
VAT repayable	219,303	68,906
Prepayments and accrued income	2,195,259	1,431,271
	<u>2,418,877</u>	<u>1,500,317</u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Salix loans (note 17)	17,953	19,060
Trade creditors	1,026,741	352,525
Other taxation and social security	229,034	207,671
Other creditors	255,678	237,569
Accruals and deferred income	356,261	370,772
	1,885,667	1,187,597
	1,885,667	1,187,597
	2021	2020
	£	£
Deferred income at 1 September 2020	247,378	263,119
Resources deferred during the year	236,484	247,378
Amounts released from previous periods	(247,378)	(263,119)
	236,484	247,378
	236,484	247,378

At the balance sheet date, the Trust is holding grants received in advance for the provision of infant free school meals and a post opening grant in relation to Poppyfield Primary Academy. (2020: grants received in advance for the provision of infant free school meals and a post opening up grant in relation to Poppyfield Primary Academy).

17. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Salix loan	53,917	70,763
Other creditors	36,112	-
	36,112	-
	36,112	-

Salix loans under the Salix Energy Efficiency Fund (SEEF) were entered into by the Trust to support energy saving LED lighting projects and are repayable over 6 years in 12 half-yearly equal instalments at 0% interest. The repayments are made through a reduction in monthly GAG payments.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	-	325,880	(61,382)	-	-	264,498
Restricted general funds						
General Annual Grant (GAG)	1,181,684	13,258,845	(13,135,809)	(150,536)	-	1,154,184
Start Up Grant	-	250,000	(43,274)	-	-	206,726
Teachers' pension and pay grant	-	588,591	(588,591)	-	-	-
Pupil premium	-	1,435,685	(1,435,685)	-	-	-
SEN funding	-	856,555	(856,555)	-	-	-
Other Dfe/ESFA Grants	-	360,666	(264,282)	-	-	96,384
LA: early years funding	-	778,031	(778,031)	-	-	-
LA: UIFSM	-	483,382	(483,382)	-	-	-
COVID-19 catch up premium	-	238,312	(111,407)	-	-	126,905
CJRS grant	-	44,360	(44,360)	-	-	-
Pension reserve	(17,552,000)	-	(1,198,058)	-	(2,504,000)	(21,254,058)
	(16,370,316)	18,294,427	(18,939,434)	(150,536)	(2,504,000)	(19,669,859)
Restricted fixed asset funds						
Restricted Fixed Assets	28,601,255	-	(605,760)	1,450,603	-	29,446,098
DfE/ESFA capital grants	817,400	1,315,160	-	(1,175,684)	-	956,876
Fixed assets purchased with Salix loan	(89,823)	-	-	17,953	-	(71,870)
Donated fixed assets	-	142,336	-	(142,336)	-	-

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	29,328,832	1,457,496	(605,760)	150,536	-	30,331,104
Total Restricted funds	12,958,516	19,751,923	(19,545,194)	-	(2,504,000)	10,661,245
Total funds	12,958,516	20,077,803	(19,606,576)	-	(2,504,000)	10,925,743

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 £1,043,477 (2020: £817,400) of unspent income from the Conditional Improvement Fund grants and School Nurseries Capital Fund grant awarded and recognised in full in income during the year. There is also a Salix loan of £(71,870) (2020: £89,823) for energy efficiency fixed assets purchased in the year. The loan is repayable as a deduction to GAG payments issued by the DfE over 6 years. Therefore a transfer will be made for the same amount between GAG and the Restricted fixed assets fund each year to reduce the outstanding loan balance. The repayment is expected to be covered by the energy efficiency savings each year.

Transfers represent maintenance expenditure (funded from Devolved Formula Capital) to the General Annual Grant, Fixed assets purchased out of GAG from the General Annual Grant and accrued LGPS pension deficits from the General Annual Grant to the Pension reserve.

The start up grant relates to Elm Tree Primary Academy which is due to open in September 2022.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds - all funds	186,512	434,819	(622,610)	1,279	-	-
Restricted general funds						
General Annual Grant (GAG)	528,620	12,678,140	(11,959,118)	(65,958)	-	1,181,684
Start Up Grant	-	57,250	(57,250)	-	-	-
Teachers' pension and pay grant	39,192	152,005	(191,197)	-	-	-
Pupil premium	-	1,389,376	(1,389,376)	-	-	-
SEN funding	-	56,963	(56,963)	-	-	-
Other Dfe/ESFA Grants	-	582,978	(582,978)	-	-	-
LA: early years funding	-	1,380,350	(1,380,350)	-	-	-
DfE Trust Grant	-	552,266	(552,266)	-	-	-
VATT	(53,935)	-	(233)	54,168	-	-
Coronavirus Job Retention Scheme grant	-	48,100	(48,100)	-	-	-
Coronavirus exceptional support	-	13,027	(13,027)	-	-	-
Pension reserve	(13,952,948)	-	(785,000)	(41,052)	(2,773,000)	(17,552,000)
	<u>(13,439,071)</u>	<u>16,910,455</u>	<u>(17,015,858)</u>	<u>(52,842)</u>	<u>(2,773,000)</u>	<u>(16,370,316)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	28,731,644	-	(538,048)	407,659	-	28,601,255

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
DfE/ESFA capital grants	479,686	603,987	-	(266,273)	-	817,400
Fixed assets purchased with Salix loan	-	-	-	(89,823)	-	(89,823)
	<u>29,211,330</u>	<u>603,987</u>	<u>(538,048)</u>	<u>51,563</u>	<u>-</u>	<u>29,328,832</u>
Total Restricted funds	<u>15,772,259</u>	<u>17,514,442</u>	<u>(17,553,906)</u>	<u>(1,279)</u>	<u>(2,773,000)</u>	<u>12,958,516</u>
Total funds	<u><u>15,958,771</u></u>	<u><u>17,949,261</u></u>	<u><u>(18,176,516)</u></u>	<u><u>-</u></u>	<u><u>(2,773,000)</u></u>	<u><u>12,958,516</u></u>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Victoria Park Academy	1,093,709	962,517
Rowley Park Academy	(1,006,627)	(888,121)
Devonshire Infant Academy	377,421	372,505
Devonshire Junior Academy	616,758	657,949
Northfield Manor Primary Academy	196,206	127,142
Fibbersley Park Academy	429,682	275,403
Birchen Coppice Academy	(324,185)	(355,817)
Foley Park Academy	84,707	45,814
Poppyfield Primary Academy	7,191	(35,068)
Victoria Academies Trust	373,835	19,360
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,848,697	1,181,684
Restricted fixed asset fund	30,331,104	29,328,832
Pension reserve	(21,254,058)	(17,552,000)
	<hr/>	<hr/>
Total	10,925,743	12,958,516
	<hr/> <hr/>	<hr/> <hr/>

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Rowley Park Academy	(1,006,627)
Birchen Coppice Academy	(324,185)
	=====

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

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 210 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 school made an in-year surplus and as such the overall deficit has started to reduce.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Total cost analysis by academy

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 2021 £
Victoria Park Academy	2,205,557	518,033	123,985	357,306	3,204,881
Rowley Park Academy	837,399	111,286	32,656	236,845	1,218,186
Devonshire Infant Academy	1,428,998	277,027	38,610	157,761	1,902,396
Devonshire Junior Academy	1,366,403	265,547	93,496	250,793	1,976,239
Northfield Manor Primary Academy	1,613,733	368,306	122,374	363,432	2,467,845
Fibbersley Park Academy	2,062,923	342,748	97,688	223,619	2,726,978
Birchen Coppice Academy	1,118,269	245,718	40,002	196,022	1,600,011
Foley Park Academy	841,262	172,595	32,354	132,595	1,178,806
Poppyfield Academy	298,205	37,213	24,972	100,220	460,610
Victoria Academies Teacher Training (VATT)	-	-	-	-	-
Victoria Academies Trust	545,332	1,473,081	12,399	234,052	2,264,864
Academy Trust	12,318,081	3,811,554	618,536	2,252,645	19,000,816

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2020</i> £
Victoria Park Academy	1,976,016	505,566	70,365	334,328	2,886,275
Rowley Park Academy	827,108	109,830	37,391	217,700	1,192,029
Devonshire Infant Academy	1,332,466	272,286	31,176	214,451	1,850,379
Devonshire Junior Academy	1,300,155	259,517	82,509	155,312	1,797,493
Northfield Manor Primary Academy	1,551,636	341,843	117,771	245,202	2,256,452
Fibbersley Park Academy	1,998,497	309,895	75,879	418,985	2,803,256
Birchen Coppice Academy	1,115,907	237,789	36,426	213,448	1,603,570
Foley Park Academy	810,282	170,443	34,067	142,732	1,157,524
Poppyfield Primary Academy	217,109	48,059	9,549	99,800	374,517
Victoria Academies Teacher Training (VATT)	25	-	-	208	233
Victoria Academies Trust	380,257	1,140,773	100	195,610	1,716,740
Academy Trust	11,509,458	3,396,001	495,233	2,237,776	17,638,468

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	29,446,098	29,446,098
Current assets	264,498	3,488,025	956,876	4,709,399
Creditors due within one year	-	(1,867,714)	(17,953)	(1,885,667)
Creditors due in more than one year	-	(36,112)	(53,917)	(90,029)
Provisions for liabilities and charges	-	(21,254,058)	-	(21,254,058)
Total	264,498	(19,669,859)	30,331,104	10,925,743

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	28,601,255	28,601,255
Current assets	2,350,221	817,400	3,167,621
Creditors due within one year	(1,168,537)	(19,060)	(1,187,597)
Creditors due in more than one year	-	(70,763)	(70,763)
Provisions for liabilities and charges	(17,552,000)	-	(17,552,000)
Total	(16,370,316)	29,328,832	12,958,516

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	471,227	(227,255)
Adjustments for:		
Depreciation	605,760	538,048
Interest received	(521)	(2,385)
Decrease/ (increase) in debtors	(918,560)	(574,624)
(Decrease)/ increase in creditors	735,289	(235,627)
Capital grants from DfE and other capital income	(1,315,160)	(603,987)
Prepaid defined benefit pension deficit contributions	47,058	-
Defined benefit pension scheme cost less contributions payable	870,000	528,000
Defined benefit pension scheme finance cost	281,000	257,000
Donation of fixed assets	(142,336)	-
Net cash provided by/(used in) operating activities	633,757	(320,830)

21. Cash flows from financing activities

	2021 £	2020 £
New Salix loan	-	99,353
Repayments of Salix loan	(17,953)	(9,530)
Net cash (used in)/provided by financing activities	(17,953)	89,823

22. Cash flows from investing activities

	2021 £	2020 £
Bank interest	521	2,385
Purchase of tangible fixed assets	(1,308,267)	(407,659)
Capital grants from DfE/ESFA	1,315,160	603,987
Net cash provided by investing activities	7,414	198,713

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	<u>2,290,522</u>	<u>1,667,304</u>

24. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	1,667,304	623,218	2,290,522
Debt due within 1 year	(19,060)	1,107	(17,953)
Debt due after 1 year	(70,763)	16,846	(53,917)
	<u>1,577,481</u>	<u>641,171</u>	<u>2,218,652</u>

25. Capital commitments

	2021	2020
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>1,043,477</u>	<u>-</u>

26. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 Poppyfield Primary Academy and Worcestershire County Council Pension Fund for Birchen Coppice Primary School and Foley Park Primary School. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £253,323 were payable to the schemes at 31 August 2021 (2020 - £232,075) and are included within creditors.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,290,923 (2020 - £1,198,311).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,731,000 (2020 - £1,523,000), of which employer's contributions totalled £1,454,000 (2020 - £1,262,000) and employees' contributions totalled £ 277,000 (2020 - £261,000). The agreed contribution rates for future years are between 16.3 and 24.2 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note 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.

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 the scheme is in a deficit position the Academy Trust is making additional contributions. Future contributions for 2021/22 is £398,340 and for 2022/23 is £47,269.

Principal actuarial assumptions

	2021	2020
	%	%
Discount rate for scheme liabilities	1.69	1.72
Rate of increase in salaries	3.82	3.21
Rate of increase for pensions in payment / inflation	2.90	2.29
Inflation assumption (CPI)	2.86	2.25

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	22.0	21.9
Females	24.4	24.3
<i>Retiring in 20 years</i>		
Males	23.4	23.3
Females	26.3	26.0

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	7,809,000	5,131,000
Gilts	1,076,000	1,029,000
Corporate bonds	614,000	311,000
Property	835,000	659,000
Cash and other liquid assets	431,000	547,000
Other	1,494,000	1,156,000
Total market value of assets	12,259,000	8,833,000

The actual return on scheme assets was £1,740,000 (2020 - £635,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	2,324,000	1,790,000
Net interest	277,000	251,000
Administration expenses	4,000	6,000
Total amount recognised in the Statement of Financial Activities	2,605,000	2,047,000

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	26,385,000	20,926,000
Interest cost	434,000	395,000
Employee contributions	277,000	261,000
Actuarial losses	4,087,000	3,264,000
Benefits paid	(41,000)	(251,000)
Current service cost	2,324,000	1,790,000
At 31 August	33,466,000	26,385,000

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	8,833,000	6,932,000
Interest income	157,000	144,000
Actuarial gains	1,583,000	491,000
Employer contributions	1,406,942	1,262,000
Employee contributions	277,000	261,000
Benefits paid	(41,000)	(251,000)
Administration expenses	(4,000)	(6,000)
At 31 August	12,211,942	8,833,000

27. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	50,601	77,172
Later than 1 year and not later than 5 years	65,125	31,300
	115,726	108,472

28. Members' liability

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

VICTORIA ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. 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 the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration already disclosed in note 12.