

**Company Registration No. 09449979 (England and Wales)**

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' STRATEGIC REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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# **VIKING ACADEMY TRUST**

## **(FORMERLY CHILTON ACADEMY TRUST)**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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#### **Trustees**

R Macfarlane (Chairman)  
N J Budge (Resigned 31 August 2016)  
M G Butler  
C N Dale (Resigned 31 August 2016)  
R S Farr (Resigned 31 August 2016)  
R J Harrison (Resigned 22 February 2016)  
C A Isaac (Resigned 31 August 2016)  
A R O'Grady (Resigned 31 August 2016)  
N S Roby  
N J Rowland-Hill  
E A Somers-James  
P Votta (Appointed 1 September 2016)  
R Curtis (Appointed 1 September 2016)  
J Cleverdon (Appointed 1 September 2016)

#### **Members**

R Macfarlane  
N J Rowland-Hill  
P W Graham  
R S Farr  
A Emby (appointed 20 May 2016)

#### **Senior leadership team 1 September 2015 to 31 August 2016**

K Law	- Acting Headteacher - Chilton Primary School
N Budge	- Head of School - Ramsgate Free School
H Whitworth	- Acting Deputy Headteacher / EYFS+KS1 Leader
M Brooks	- SENCO
V Sutherland	- Business Manager
C Isaac	- KS2 Leader

#### **From 1 September 2016**

M Lewis	- Executive Headteacher
K Law	- Head of School - Chilton Primary School
N Budge	- Head of School - Ramsgate Free School
D Walker	- Head of Upper School - Upton Junior School
D Arthur	- Head of Lower School - Upton Junior School
V Sutherland	- Trust Business Manager

#### **Company registration number**

09449979 (England and Wales)

#### **Registered office**

Chilton Primary School  
Chilton Lane  
Ramsgate  
Kent  
CT11 0LQ

# **VIKING ACADEMY TRUST** **(FORMERLY CHILTON ACADEMY TRUST)** **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Academies operated</b>	<b>Location</b>	<b>Executive Principal</b>
Chilton Primary School	Kent	K Law - Head of School
Ramsgate Free School	Kent	N Budge - Head of School
Upton Junior School (Upper) From 1 September 2016	Kent	D Walker - Head of School
Upton Junior School (Lower) from 1 September 2016	Kent	D Arthur - Head of School

<b>Independent auditor</b>	Wilkins Kennedy FKC Stourside Place Station Road Ashford Kent TN23 1PP
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<b>Bankers</b>	NatWest plc. 53 High Street Ramsgate Kent CT11 9AG
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**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operate two academies for pupils aged 4 to 11 serving a catchment area in Ramsgate, Kent.

Chilton Primary School has a pupil capacity of 420 and had a roll of 414 in the school census on 22 May 2015.

Ramsgate Free School has a capacity of 120, Reception and Year 3, and opened on 1 September 2015 with 37 children.

**Structure, governance and management**

Constitution

The 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.

On 24 March 2016 the name of the Academy was changed from Chilton Academy Trust to Viking Academy Trust.

The trustees of Viking Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

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

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Method of recruitment and appointment or election of trustees

The members of the academy trust shall comprise no less than 3 persons and shall be the initial subscribers to the Memorandum of Association. The subsequent members shall comprise the chairman of the Trustees, the vice chairman of the Trustees provided that at any time the minimum number of Members is not less than 3. No employee of the academy trust can be a member.

The number of Trustees shall be not less than 3, but shall not be subject to a maximum. The first Trustees shall be those named in the initial Memorandum. The academy trust shall have the following Trustees; up to 6 Trustees appointed by the members under Article 50; the chairman of each local governing body; the vice-chairman of the Chilton Primary School local governing body; the Executive Head Teacher; 2 staff trustees; and a minimum for 2 parent trustees. The number of employees who can be trustees must not exceed one third of all Trustees. The Trustees may appoint up to 3 co-opted trustees.

From 1 September 2016, the Constitution has been amended to incorporate Upton Junior School. The structure of Governance underwent a reconstitution in May 2016 to prepare for the Multi Academy Trust Governance Structure. As of 1 September 2016 a new Scheme of Delegation has been approved by the Board of Trustees alongside the new Governance Structure.

The new Governance Structure has considered the Viking Academy Trust strategy for growth and the model for governance in place as of 1 September 2016 has allowed for additional schools to join the MAT in 2017.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to any post which is held ex-officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected for three consecutive periods, serving a maximum of 12 years.

During the period under review, the Board of Trustees held 5 meetings.

As vacancies occur nominations and elections are organised to fill parent and staff Governance positions. Other members of governance have been nominated by the Trustees. The Governance Handbook and Scheme of Delegation sets out the procedures the Multi Academy Trust will undertake as of 1 September 2016.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction will provide training in charity and educational, legal and financial matters. Governors have regular training particularly in academy trust and financial management matters.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Organisational structure

The Board of Trustees had several committees including:

Finance, Personnel and Health and Safety (including audit)  
Curriculum and Standards

All Committees are formally constituted with Terms of Reference and comprise appropriately qualified and experienced members. Governors delegate specific responsibilities to its Committees, the activities of which are reported to and discussed at full Governing Body meetings. There is a local governing body for each school in the MAT which reports to the full Governing Body.

The Board of Trustees annually reviews Committee management and membership to ensure effectiveness. The Board of Trustees monitors the financial procedures and processes in the school.

The Board of Trustees determines the general policy of the school. The internal organisation and management of the school is delegated to the Executive Head Teacher supported by the Senior Leadership Team.

The organisational structure of the Board of Trustees has been reviewed as part of the reconstitution as of 1 September 2016.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees abides by the requirements of all relevant national and local agreements with particular reference to:

- School Teachers' Pay and Conditions Document, including due regard to relevant guidance documents and accompanying circulars
- Conditions of Employment for School Teachers in England and Wales
- Kent Scheme Conditions of Service

Those on the leadership spine play a critical role in the life of the school. They inspire confidence in those around them and work with others to create a shared strategic vision which motivates pupils and staff. They take the lead in enhancing standards of teaching and learning and value enthusiasm and innovation in others. They have the confidence and ability to make management and organisational decisions and ensure equity, access and entitlement to learning.

The Board of Trustees confirms the membership of the school's Leadership team and the salary scales will be determined by the Pay Committee, taking into due account the respective levels of responsibilities, recruitment and retention issues, internal differentials throughout the school and affordability.

A successful performance appraisal review for teaching staff, as prescribed by the appraisal regulations, involves a performance appraisal management process of:

- Assessment against the relevant standards
- Performance objectives
- Classroom observation (where relevant)
- Other evidence

The Board of Trustees ensures that suitable arrangements are in place to assess the total contributions of all support staff and use the assessment to determine annual pay decisions in accordance with the Kent Range.

# **VIKING ACADEMY TRUST (FORMERLY CHILTON ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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## Related parties and other connected charities and organisations

Chilton Primary School and Ramsgate Free School work within a soft federation with Little Ellington Infant and Priory Infant Schools known as the "West Ramsgate Achievement Partnership". As a group of Ramsgate schools, this is a collaborative working together to improve the quality of educational provision and therefore outcomes for Ramsgate children. The group also collaborates with two other Ramsgate schools – St. Laurence Junior Academy and Christchurch Junior School from the BRESIC group.

This soft federation ceased as of 31 August 2016 in light of the priorities of the newly formed Viling Multi Academy Trust.

Chilton Primary School works with the East Kent Learning Alliance (EKLA) which is a teaching school. Kate Law (Acting Head of Chilton Primary School as of 1 September 2015) is a Specialist Leader of Education deployed by EKLA. She worked with a range of staff from other schools who submit requests to EKLA and also delivers training courses to classroom based staff and school leaders.

## **Objectives and activities**

### Objects and aims

The principal activity of Viking Academy Trust is to advance for the public benefit, education in the United Kingdom, by providing an outstanding free education to children aged 4 – 11 years. There is a long tradition of providing the highest quality of education that would meet the needs of every child and enable them to achieve their personal best. Funding is obtained from the Department of Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

### Objectives, strategies and activities

The core objectives are as follows:

- to ensure the quality of educational provision;
- to challenge and monitor the performance of the schools;
- to manage the schools' finances and property – ensuring that the income and property are used only for the purposes set out in the Articles of Association and the Funding agreement;
- to employ high quality staff.

### Public benefit

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

The Board of Trustees apply the regulations on admissions fairly and equally to all those who wish to attend this school. The school follows the Kent Admissions procedures.

## **Strategic report**

### **Achievements and performance**

The standards at the end of Reception and in the Year 1 phonics screen have improved from 2015 data. The system of assessment changed in 2016 for KS1 and KS2 and so direct year on year comparison cannot be made – see below for performance indicators.

Ramsgate Free School opened in 2015 therefore there can be no year on year comparison.



# **VIKING ACADEMY TRUST (FORMERLY CHILTON ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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## Key performance indicators

EYFS – 79% of children achieved a "Good Level of Development" (2015 = 72%)

79% of Year 1 pupils achieved the expected standard in the phonics screen (2015 = 70%)

KS1 (new assessment systems so no comparison to 2015 can be made)

% achieving expected standard: Reading – 88%; Writing 80%; Maths 88%; Combined – 75% (no comparison to National data is currently available)

KS2 (new assessment systems so no comparison to 2015 can be made)

Reading – 70% (National – 66%); GPS – 74% (National 72%); Maths – 70% (National 70%); Writing – 88% (National 74%). Combined R / GPS / M – 58% (National 53%)

## Ramsgate Free School

EYFS- 61.3% of the children achieved a "Good Level of Development". All groups of children made good progress throughout the year, the average was 3.65 points.

There is no Year 1 phonics screen or end of KS1 and KS2 data because the school currently only has a Reception and Year 3 class.

## 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 the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

## Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2016, total expenditure of £2,376k (2015: £1,075k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period was £118k (2015: £229k expenditure over income).

At 31 August 2016 the net book value of fixed assets was £3,382k (2015: £3,022k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Kent County Council Local Government Pension Fund, in which the Academy participates, showed a deficit of £825k (2015: £414k) at 31 August 2016. Of this sum, £444k was inherited by the Academy Trust from Kent County Council on 1 March 2015, the date the local authority's staff transferred to employment with the Academy Trust.

The Academy Trust held fund balances at 31 August 2016 of £2,868k (2015: £2,777k) comprising £2,728k (2015: £2,680k) of restricted funds and £140k (2015: £97k) of unrestricted general funds. Of the restricted funds £3,354k (2015: £3,022k) is represented by tangible fixed assets and £199k (2015: £105k) by unspent grants carried forward.

The pension reserve which is considered part of restricted funds was £825k (2015: £414k) in deficit.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £182k (2015: £133k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves is £140k (2015: £97k).

The Trust's current level of unrestricted reserves are approximately £42k (2015: £36k) below the reserves policy level of £182k (2015: £133k). In addition the Trust has a restricted fixed asset reserve of £3,354k (2015: £2,989k) which consists predominantly of the leasehold land and buildings and a restricted pension fund reserve which is in deficit to the value of £825k (2015: £414k).

Restricted general funds amount to £199k (2015: £105k) and mainly relates to the unspent start up grant in respect of Ramsgate Free School.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Trustees are satisfied that the major risks identified have been adequately mitigated where necessary through risk management. Trustees recognise that systems and risk management can only provide reasonable but not absolute assurance that major risks have been adequately managed. The Trust buys in to the EFA Risk Protection Arrangement.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Plans for future periods**

The principal task facing the Trust is to continue to provide excellent educational standards and to ensure that every child achieves his/her personal best.

Our main objectives for the future are:

- to raise pupil achievement and progress in all subjects;
- for teaching and learning to be outstanding;
- for vulnerable groups including Pupil Premium pupils to progress at the same rate as other groups, to close the gap.

**CPS plans**

When the temporary accommodation for Ramsgate Free School is removed from site, the Trust Business Manager will be submitting an application for the Conditions Improvement Fund to extend the Key Stage 1 classrooms. The project will only go ahead if the grant application is successful due to affordability.

A grant application will be made to improve the EYFS/KS1 outdoor learning area.

**RFS plans**

Planning for the new Ramsgate Free School (known as of 1 September 2017 under new title: Ramsgate Arts Primary School RAPS) will be submitted on 16 November 2016. The intention of the Board of Trustees is for the RFS to be open in its new premises as the start of the academic year 2017-18.

**UJS plans**

Upton has undergone a building project on their swimming pool during 2016. This is due to open again and commence trading in January 2017.

Upton will be submitting an application to the Conditions Improvement Fund in 2017 to enhance the external learning environment.

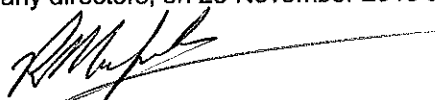
**Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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.

A resolution proposing that Wilkins Kennedy FKC be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28 November 2016 and signed on its behalf by:



R Macfarlane  
Chairman

# VIKING ACADEMY TRUST (FORMERLY CHILTON ACADEMY TRUST) GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

## Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the executive principal, 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 Viking Academy 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
R Macfarlane (Chairman)	5	5
N J Budge (Resigned 31 August 2016)	5	5
M G Butler	5	5
C N Dale (Resigned 31 August 2016)	0	5
R S Farr (Resigned 31 August 2016)	0	5
R J Harrison (Resigned 22 February 2016)	1	5
C A Isaac (Resigned 31 August 2016)	3	5
A R O'Grady (Resigned 31 August 2016)	3	5
N S Roby	3	5
N J Rowland-Hill	5	5
E A Somers-James	5	5
P Votta (Appointed 1 September 2016)	0	0
R Curtis (Appointed 1 September 2016)	0	0
J Cleverdon (Appointed 1 September 2016)	0	0

On 22 February 2016, a representative from Stone King Solicitors attended a meeting of Trustees and Governors from the incoming school. He presented a training session on Governance and Structures.

Trustees attended a finance and governance training session delivered by the Trust Business Manager on 17 October 2016. A self-review was also carried out at the end of the meeting to be reviewed annually.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

The Finance, Personnel and Health and Safety committee is a sub-committee of the main Board of Trustees. Its purpose is to approve the annual budget, review expenditure and forecast against the budget and propose larger items of expenditure. It receives and considers the findings of reports from the Business Manager.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R Macfarlane (Chairman)	4	4
N J Budge (Resigned 31 August 2016)	4	4
C N Dale (Resigned 31 August 2016)	0	4
R J Harrison (Resigned 22 February 2016)	0	4
N S Roby	3	4
N J Rowland-Hill	4	4
E A Somers-James	4	4

**Review of value for money**

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

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

**Better Purchasing**

The Trust maintains a register of all services and contracts in place. All contracts are reviewed or renegotiated in a timely manner to secure best mix of value, quality and efficiency of the service delivery.

In the next financial year the school will carry out as part of its established practices a benchmarking exercise with other similar academies/ maintained schools to compare costs for the larger contracts that it has entered into. The purpose of this will be to identify potential cost savings, improvements in service delivery and the possibility of collaborative purchasing in areas not yet identified.

The governors and senior leadership team apply the principles of best value when making decisions regarding:

- The allocation of resources to best promote the aims and values of the school;
- The targeting of resources to best improve standards and quality of education;
- The use of resources to best support the various educational needs of all pupils.

The academy has considered different options to secure the best costs and benefits of alternatives over the longer term. This was illustrated when the school sought to improve its toilet and medical suite facilities. Various companies were invited to tender to supply and install new equipment. Through this process savings were achieved by opting for the supplier who could manage the project and deliver the programme in the time specified, while meeting the project brief.

The financial processes in place also aim to minimise administrative time when purchasing small value routine goods and services from reputable, well known suppliers (e.g. stationery and small equipment) by removing the need to tender for these low cost items. To support this efficiency further the Trust has arranged for key administrative staff to be issued with business purchase cards to provide the opportunity of savings in the online market place.

# **VIKING ACADEMY TRUST (FORMERLY CHILTON ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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## **Reviewing Controls and Managing Risks**

During the period, governors have undertaken a review of the major risks faced by the Trust, with a view to mitigating those risks in a cost effective manner, where insurance is not a viable option. The risk register will be revisited annually to update those risks, specifically in relation to teaching, provision of facilities, financial management and other operational areas of the Trust. Insurance requirements are reviewed annually and considered in line with the major risks to which the academy trust might be exposed e.g. mechanical insurance for the boilers.

The governors have agreed a reserves policy. The annual review of the levels of reserves encompasses the nature of income and expenditure streams in line with government funding policy, existing commitments in place and the need for future long term investment in the school infrastructure.

Bank balances have been combined into one account to streamline the administration and reconciliation of funds held by the academy Trust. The Trust has not entered into any investments during the period; however Trustees will undertake an ongoing review of this situation in line with the prevailing interest rates and surplus balances held.

## **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 Viking Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

## **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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

## **The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Wilkins Kennedy FKC as internal auditor;

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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

- review and testing of the key procedures in regard to income, expenditure, tendering and procurement and wages and salaries;
- review and testing of key policies; and
- review of the Academy Trust's website.

The internal auditor reports to the Board of Trustees through the Finance, Personnel and Health and Safety committee (now called Finance, Audit & Risk Committee) on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

Three visits took place during the year to a detailed work programme and no significant issues being identified

**Review of effectiveness**

As accounting officer the executive principal 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 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 Finance, Personnel and Health and Safety committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 28 November 2016 and signed on its behalf by:



R Macfarlane  
**Chairman**



M Lewis  
**Accounting Officer**

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2016**

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As accounting officer of Viking Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



M Lewis  
**Accounting Officer**

28 November 2016



**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees (who also act as governors for Viking Academy Trust and are also the directors of Viking Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

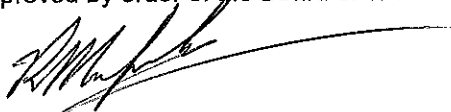
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Trustees on 28 November 2016 and signed on its behalf by:



R Macfarlane  
Chairman

# **VIKING ACADEMY TRUST**

## **(FORMERLY CHILTON ACADEMY TRUST)**

### **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF VIKING ACADEMY TRUST**

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We have audited the accounts of Viking Academy Trust for the year ended 31 August 2016 set out on pages 20 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Viking Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF  
VIKING ACADEMY TRUST (CONTINUED)**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

*Michelle Wilkes FCA*

**Michelle Wilkes FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy FKC**

**Chartered Accountants**

**Statutory Auditor**

Stourside Place

Station Road

Ashford

Kent

TN23 1PP

Dated: *5 December 2016*

# **VIKING ACADEMY TRUST (FORMERLY CHILTON ACADEMY TRUST) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VIKING ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 27 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Viking Academy Trust during the period 1 September 2015 to 31 August 2016 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 Viking Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Viking Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Viking Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of Viking Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Viking Academy Trust's funding agreement with the Secretary of State for Education dated 24 February 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

## **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO VIKING ACADEMY TRUST AND THE EDUCATION FUNDING  
AGENCY (CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy FKC*

**Reporting Accountant**

Wilkins Kennedy FKC  
Stourside Place  
Station Road  
Ashford  
Kent  
TN23 1PP

Dated: 5 December 2016

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds £000's	Restricted funds: General Fixed asset £000's      £000's		Total 2016 £000's	Total 2015 £000's
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	5	418	423	-
Donations - transfer from local authority on conversion		-	-	-	-	2,644
Charitable activities:						
- Funding for educational operations	3	15	2,341	-	2,356	1,148
Other trading activities	4	33	5	-	38	9
<b>Total income and endowments</b>		48	2,351	418	2,817	3,801
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	6	-	2,281	95	2,376	1,075
<b>Total expenditure</b>	5	-	2,281	95	2,376	1,075
<b>Net income/(expenditure)</b>		48	70	323	441	2,726
Transfers between funds		(5)	(37)	42	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(350)	-	(350)	51
<b>Net movement in funds</b>		43	(317)	365	91	2,777
<b>Reconciliation of funds</b>						
Total funds brought forward		97	(309)	2,989	2,777	-
Total funds carried forward		140	(626)	3,354	2,868	2,777

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Comparative information ended 31 August 2015</b>	<b>Notes</b>	<b>Unrestricted Funds £000's</b>	<b>Restricted funds: General £000's</b>	<b>Fixed asset £000's</b>	<b>Total 2015 £000's</b>
<b>Income and endowments from:</b>					
Donations - transfer from local authority on conversion		99	(444)	2,989	2,644
Charitable activities:					
- Funding for educational operations	3	14	1,134	-	1,148
Other trading activities	4	9	-	-	9
<b>Total income and endowments</b>		<u>122</u>	<u>690</u>	<u>2,989</u>	<u>3,801</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	6	-	1,041	34	1,075
<b>Total expenditure</b>	5	<u>-</u>	<u>1,041</u>	<u>34</u>	<u>1,075</u>
<b>Net income/(expenditure)</b>		122	(351)	2,955	2,726
Transfers between funds		(25)	(9)	34	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	51	-	51
<b>Net movement in funds</b>		<u>97</u>	<u>(309)</u>	<u>2,989</u>	<u>2,777</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>97</u>	<u>(309)</u>	<u>2,989</u>	<u>2,777</u>
The breakdown of Donations - transfer from local authority on conversion is as follows:					<b>£000's</b>
Leasehold land and buildings					2,974
Tangible fixed assets apart from land and buildings					48
Cash					99
Borrowing obligations					(33)
Pension surplus/(deficit)					(444)
					<u>2,644</u>

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**BALANCE SHEET**

**AS AT 31 AUGUST 2016**

		2016	2015
	Notes	£000's	£000's
<b>Fixed assets</b>			
Tangible assets	10	3,382	3,022
<b>Current assets</b>			
Debtors	11	256	79
Cash at bank and in hand		434	258
		690	337
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(356)	(140)
<b>Net current assets</b>		334	197
<b>Total assets less current liabilities</b>		3,716	3,219
Creditors: amounts falling due after more than one year	13	(23)	(28)
<b>Net assets excluding pension liability</b>		3,693	3,191
Defined benefit pension liability	17	(825)	(414)
<b>Net assets</b>		2,868	2,777
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	15		
- Fixed asset funds		3,354	2,989
- Restricted income funds		199	105
- Pension reserve		(825)	(414)
<b>Total restricted funds</b>		2,728	2,680
<b>Unrestricted income funds</b>	15	140	97
<b>Total funds</b>		2,868	2,777

The accounts set out on pages 20 to 42 were approved by the Board of Trustees and authorised for issue on 28 November 2016 and are signed on its behalf by:



R Macfarlane  
Chairman

Company Number 09449979



**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	2016 £000's	2015 £000's
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	218	160
Cash funds transferred on conversion		-	99
		<u>218</u>	<u>259</u>
<b>Cash flows from investing activities</b>			
Capital grants from DfE and EFA		418	-
Payments to acquire tangible fixed assets		(455)	(34)
		<u>(37)</u>	<u>(34)</u>
<b>Cash flows from financing activities</b>			
New other loan		-	33
Repayment of other loan		(5)	-
		<u>(5)</u>	<u>33</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>176</u>	<u>258</u>
Cash and cash equivalents at 1 September 2015		258	-
<b>Cash and cash equivalents at 31 August 2016</b>		<u><u>434</u></u>	<u><u>258</u></u>

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1 Accounting policies**

Viking Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

**1.1 Basis of preparation**

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA (other than in respect of the disclosure of remuneration received by staff Governors under employment contracts – see note 9 for details), the Charities Act 2011 and the Companies Act 2006.

Viking Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 accounts.

**1.3 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 receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

**VIKING ACADEMY TRUST  
(FORMERLY CHILTON ACADEMY TRUST)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1 Accounting policies**

**(Continued)**

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 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.

Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 March 2015, the date of transfer. The valuation is underpinned by SORP 2015 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

**1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1 Accounting policies**

**(Continued)**

**1.5 Tangible fixed assets and depreciation**

Individual assets costing £1,000 or more or a group of assets costing £5,000 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 that require 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 on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	Land: no depreciation; Buildings 2%
Leasehold improvements	2%
Assets under construction	No depreciation
Fixtures, fittings & equipment	Computer equipment 3 years, other FFE 5 years
Motor vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.7 Leasing commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1.8 Taxation**

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

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1 Accounting policies**

**(Continued)**

**1.9 Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

**1.10 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 Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

**1.11 Critical accounting estimates and areas of judgement**

Accounting estimates and judgements 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.

**VIKING ACADEMY TRUST**  
**(FORMERLY CHILTON ACADEMY TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1 Accounting policies**

**(Continued)**

*Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

*Defined Benefit Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 judgement

There are no critical areas of judgement.

**2 Donations and capital grants**

	Unrestricted funds £000's	Restricted funds £000's	Total 2016 £000's	Total 2015 £000's
Capital grants	-	418	418	-
Other donations	-	5	5	-
	<u>-</u>	<u>423</u>	<u>423</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**3 Funding for the academy trust's educational operations**

	<b>Unrestricted funds £000's</b>	<b>Restricted funds £000's</b>	<b>Total 2016 £000's</b>	<b>Total 2015 £000's</b>
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,847	1,847	779
Start up grants	-	-	-	245
Other DfE / EFA grants	-	378	378	79
	<u>-</u>	<u>2,225</u>	<u>2,225</u>	<u>1,103</u>
<b>Other government grants</b>				
Special educational projects	-	116	116	31
	<u>-</u>	<u>116</u>	<u>116</u>	<u>31</u>
<b>Other funds</b>				
Other incoming resources	15	-	15	14
	<u>15</u>	<u>-</u>	<u>15</u>	<u>14</u>
<b>Total funding</b>	<u>15</u>	<u>2,341</u>	<u>2,356</u>	<u>1,148</u>

**4 Other trading activities**

	<b>Unrestricted funds £000's</b>	<b>Restricted funds £000's</b>	<b>Total 2016 £000's</b>	<b>Total 2015 £000's</b>
Hire of facilities	1	-	1	1
Supply teacher insurance	-	5	5	-
School trips	22	-	22	8
Extended Day income	10	-	10	-
	<u>33</u>	<u>5</u>	<u>38</u>	<u>9</u>

**5 Expenditure**

	<b>Staff costs £000's</b>	<b>Premises &amp; equipment £000's</b>	<b>Other costs £000's</b>	<b>Total 2016 £000's</b>	<b>Total 2015 £000's</b>
<b>Academy's educational operations</b>					
- Direct costs	1,284	59	203	1,546	683
- Allocated support costs	426	205	199	830	392
	<u>1,710</u>	<u>264</u>	<u>402</u>	<u>2,376</u>	<u>1,075</u>
<b>Total expenditure</b>	<u>1,710</u>	<u>264</u>	<u>402</u>	<u>2,376</u>	<u>1,075</u>

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**5 Expenditure** **(Continued)**

<b>Net income/(expenditure) for the year includes:</b>	<b>2016</b>	<b>2015</b>
	<b>£000's</b>	<b>£000's</b>
Fees payable to auditor for:		
- Audit	10	7
- Other services	7	3
Operating lease rentals	5	5
Depreciation of tangible fixed assets	95	34
	<u>          </u>	<u>          </u>

**Central services**

The academy trust has provided the following central services to its academies during the year:

- Insurance;
- Audit and accountancy

The academy trust charges for these services on the following basis:

- Insurance - pupil numbers;
- Audit and accountancy - equal split;

The amounts charged during the year were as follows:

	<b>Total</b>
	<b>£000's</b>
Chilton Primary School	21
Ramsgate Free School	9
	<u>          </u>
	30
	<u>          </u>

**6 Charitable activities**

	<b>2016</b>	<b>2015</b>
	<b>£000's</b>	<b>£000's</b>
<b>All from restricted funds:</b>		
Direct costs - educational operations	1,546	683
Support costs - educational operations	830	392
	<u>          </u>	<u>          </u>
	2,376	1,075
	<u>          </u>	<u>          </u>

	<b>2016</b>	<b>2015</b>
	<b>£000's</b>	<b>£000's</b>
<b>Analysis of support costs</b>		
Support staff costs	426	162
Depreciation and amortisation	36	8
Premises costs	203	49
Other support costs	120	145
Governance costs	45	28
	<u>          </u>	<u>          </u>
	830	392
	<u>          </u>	<u>          </u>



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**7 Staff costs**

	<b>2016</b> <b>£000's</b>	<b>2015</b> <b>£000's</b>
Wages and salaries	1,266	578
Social security costs	78	33
Operating costs of defined benefit pension schemes	283	90
	<hr/>	<hr/>
Staff costs	1,627	701
Supply staff costs	32	8
Staff restructuring costs	6	-
Staff development and other staff costs	45	25
	<hr/>	<hr/>
Total staff expenditure	1,710	734
	<hr/>	<hr/>

**Staff numbers**

The average number of persons, by headcount, employed by the academy trust during the year was as follows:

	<b>2016</b> <b>Number</b>	<b>2015</b> <b>Number</b>
Teachers	28	25
Administration and support	54	41
Management	2	1
	<hr/>	<hr/>
	84	67
	<hr/>	<hr/>

**Higher paid staff**

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

	<b>2016</b> <b>Number</b>	<b>2015</b> <b>Number</b>
£60,001 - £70,000	-	1
	<hr/>	<hr/>

**Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6k (2015: £Nil). Individually, the payments were: £6k.

**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) received by key management personnel for their services to the academy trust was £303k (2015: 6 months £162k).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**8 Trustees' remuneration and expenses**

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The executive principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of executive principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

C N Dale (Executive headteacher to 31 August 2015)

- Remuneration £Nil. (2015: 6 months £30,001 - £35,000)
- Employers pension contributions £Nil (2015: 6 months £0 - £5,000)

N Budge, C Isaac, A O'Grady (Staff governors)

- Remuneration £104,792 (2015: 6 months £50,660)
- Employers pension contributions £12,475 (2015: 6 months £6,261)

During the year, travel and subsistence payments totalling £1,211 (2015: £412) were reimbursed or paid directly to 1 (2015: 2 trustees).

**9 Trustees and officers insurance**

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

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**10 Tangible fixed assets**

	Leasehold land and buildings £000's	Leasehold improvements £000's	Assets under construction £000's	Fixtures, fittings & equipment £000's	Motor vehicles £000's	Total £000's
<b>Cost</b>						
At 1 September 2015	2,974	19	-	41	22	3,056
Additions	-	-	359	96	-	455
At 31 August 2016	2,974	19	359	137	22	3,511
<b>Depreciation</b>						
At 1 September 2015	26	-	-	6	2	34
Charge for the year	52	-	-	39	4	95
At 31 August 2016	78	-	-	45	6	129
<b>Net book value</b>						
At 31 August 2016	2,896	19	359	92	16	3,382
At 31 August 2015	2,948	19	-	35	20	3,022

Transactions relating to land and buildings during the year include:

- the construction costs of the buildings at Ramsgate Free School at a cost of £359k.

Included in land and buildings is land valued at £373k which is not depreciated.

**11 Debtors**

	2016 £000's	2015 £000's
VAT recoverable	44	51
Other debtors	195	22
Prepayments and accrued income	17	6
	256	79

**12 Creditors: amounts falling due within one year**

	2016 £000's	2015 £000's
Other loans	5	5
Trade creditors	217	32
Other taxation and social security	20	21
Other creditors	24	20
Accruals and deferred income	90	62
	356	140

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>13 Creditors: amounts falling due after more than one year</b>	<b>2016 £000's</b>	<b>2015 £000's</b>
Other loans	23	28
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	4	9
Wholly repayable within five years	24	24
	28	33
Less: included in current liabilities	(5)	(5)
Amounts included above	23	28
<b>Loan maturity</b>		
Debt due in one year or less	5	5
Due in more than one year but not more than two years	5	5
Due in more than two years but not more than five years	14	14
Due in more than five years	4	9
	28	33

The Academy Trust took out a Salix Loan in November 2014 to fund the improvement of the LED lighting. The loan is due for repayment in January 2022.

<b>14 Deferred income</b>	<b>2016 £000's</b>	<b>2015 £000's</b>
Deferred income is included within:		
Creditors due within one year	57	45
Deferred income at 1 September 2015	45	-
Released from previous years	(45)	-
Amounts deferred in the year	57	45
<b>Deferred income at 31 August 2016</b>	<b>57</b>	<b>45</b>

At the balance sheet date the Academy Trust was holding funds received in advance for rates, trips and Universal Infant Free School Meals.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**15 Funds**

	Balance at 1 September 2015 £000's	Incoming resources £000's	Resources expended £000's	Gains, losses & transfers £000's	Balance at 31 August 2016 £000's
<b>Restricted general funds</b>					
General Annual Grant	-	1,847	(1,731)	(37)	79
Start up grants	105	-	-	-	105
Other DfE / EFA grants	-	378	(370)	-	8
Other government grants	-	116	(109)	-	7
Other restricted funds	-	10	(10)	-	-
	<u>105</u>	<u>2,351</u>	<u>(2,220)</u>	<u>(37)</u>	<u>199</u>
Funds excluding pensions	(414)	-	(61)	(350)	(825)
	<u>(309)</u>	<u>2,351</u>	<u>(2,281)</u>	<u>(387)</u>	<u>(626)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	418	(17)	(401)	-
Fixed asset fund	3,022	-	(78)	438	3,382
Loan	(33)	-	-	5	(28)
	<u>2,989</u>	<u>418</u>	<u>(95)</u>	<u>42</u>	<u>3,354</u>
<b>Total restricted funds</b>	<u>2,680</u>	<u>2,769</u>	<u>(2,376)</u>	<u>(345)</u>	<u>2,728</u>
<b>Unrestricted funds</b>					
General funds	97	48	-	(5)	140
<b>Total funds</b>	<u>2,777</u>	<u>2,817</u>	<u>(2,376)</u>	<u>(350)</u>	<u>2,868</u>

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**15 Funds**

**(Continued)**

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

General Annual Grant

Income received from the EFA to cover the normal running costs of the Academy Trust.

Start up grant

Funding to assist with the conversion to academy status for Chilton Primary School and funding to assist with the setting up of Ramsgate Free School

Other DFE/EFA grants

This includes the pupil premium, sports funding, the devolved formula capital grant, UIFSM, and capital improvement grant funding for revenue expenditure

Other government grants

This includes the SEN funding, additional pupil premium and additional funding received from the Local Authority.

Other grants

Other grants funds include grant from KCC to support teaching of music within schools, funding provided by KCC for high needs pupils and other various items, staff sickness insurance.

Transfer between funds

The transfer between funds represents the purchase of capital items from unrestricted funds and from restricted grants. £5k of loan repayments were made with unrestricted funds .

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**Total funds analysis by academy**

	<b>Total £000's</b>
Fund balances at 31 August 2016 were allocated as follows:	
Chilton Primary School	203
Ramsgate Free School	136
	<hr/>
Total before fixed assets fund and pension reserve	339
Restricted fixed asset fund	3,354
Pension reserve	(825)
	<hr/>
Total funds	2,868
	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**15 Funds**

**(Continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000's	Other support staff costs £000's	Educational supplies £000's	Other costs excluding depreciation £000's	Total £000's
Chilton Primary School	1,079	300	97	263	1,739
Ramsgate Free School	174	126	43	199	542
	<u>1,253</u>	<u>426</u>	<u>140</u>	<u>462</u>	<u>2,281</u>

**16 Analysis of net assets between funds**

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2016 £000's
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	3,382	3,382
Current assets	343	199	148	690
Creditors falling due within one year	(203)	-	(153)	(356)
Creditors falling due after one year	-	-	(23)	(23)
Defined benefit pension liability	-	(825)	-	(825)
	<u>140</u>	<u>(626)</u>	<u>3,354</u>	<u>2,868</u>

**17 Pensions and similar obligations**

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 Kent County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £24k (2015: £20k) were payable to the schemes at 31 August 2016 and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**17 Pensions and similar obligations**

**(Continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £127k (2015: £51k.)

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.8% for employers and 5.5 to 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £71k (2015: £39k.)



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**17 Pensions and similar obligations**

**(Continued)**

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.

<b>Total contributions made</b>	<b>2016 £000's</b>	<b>2015 £000's</b>
Employer's contributions	70	20
Employees' contributions	20	6
<b>Total contributions</b>	<b>90</b>	<b>26</b>
<b>Principal actuarial assumptions</b>	<b>2016 %</b>	<b>2015 %</b>
Rate of increases in salaries	4.1	4.4
Rate of increase for pensions in payment	2.3	2.6
Discount rate	2.2	4.0
Inflation assumption (CPI)	2.3	2.6

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

	<b>2016 Years</b>	<b>2015 Years</b>
Retiring today		
- Males	22.9	22.8
- Females	25.3	25.2
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.7	27.6

<b>The academy trust's share of the assets in the scheme</b>	<b>2016 Fair value £000's</b>	<b>2015 Fair value £000's</b>
Equities	501	380
Other bonds	79	62
Gilts	7	6
Cash	18	15
Property	104	75
Other assets	32	24
<b>Total market value of assets</b>	<b>741</b>	<b>562</b>
<b>Actual return on scheme assets - gain/(loss)</b>	<b>87</b>	<b>21</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**17 Pensions and similar obligations**

**(Continued)**

<b>Amounts recognised in the statement of financial activities</b>	<b>2016 £000's</b>	<b>2015 £000's</b>
Current service cost (net of employee contributions)	115	34
Net interest cost	(24)	7
Plan introductions, benefit changes, curtailments and settlements	40	-
<b>Total operating charge</b>	<b>131</b>	<b>41</b>
<b>Changes in the present value of defined benefit obligations</b>	<b>2016 £000's</b>	<b>2015 £000's</b>
Obligations at 1 September 2015	976	1,001
Current service cost	112	34
Interest cost	-	17
Employee contributions	20	6
Actuarial gain	413	(82)
Plan introductions, benefit changes, curtailments and settlements	45	-
<b>At 31 August 2016</b>	<b>1,566</b>	<b>976</b>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2016 £000's</b>	<b>2015 £000's</b>
Assets at 1 September 2015	562	557
Interest income	24	10
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	63	(31)
Employer contributions	70	20
Employee contributions	20	6
Plan introductions, benefit changes, curtailments and settlements	2	-
<b>At 31 August 2016</b>	<b>741</b>	<b>562</b>

**VIKING ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**18 Reconciliation of net income to net cash flows from operating activities**

	<b>2016</b> <b>£000's</b>	<b>2015</b> <b>£000's</b>
Net income for the reporting period	441	2,726
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(2,644)
Capital grants from DfE/EFA and other capital income	(418)	-
Defined benefit pension costs less contributions payable	85	14
Defined benefit pension net finance cost/(income)	(24)	7
Depreciation of tangible fixed assets	95	34
(Increase)/decrease in debtors	(177)	(79)
Increase/(decrease) in creditors	216	135
Stocks, debtors and creditors transferred on conversion	-	(33)
<b>Net cash provided by operating activities</b>	<b>218</b>	<b>160</b>

**19 Commitments under operating leases**

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2016</b> <b>£000's</b>	<b>2015</b> <b>£000's</b>
Amounts due within one year	1	1
Amounts due in two and five years	3	4
	<u>4</u>	<u>5</u>

**20 Capital commitments**

	<b>2016</b> <b>£000's</b>	<b>2015</b> <b>£000's</b>
Expenditure contracted for but not provided in the accounts	398	-

**21 Related party transactions**

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

No related party transactions took place in the period of account.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.