

Viking Academy Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019

Viking Academy Trust
(A company limited by guarantee)

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Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2019

Members	R Macfarlane N J Rowland-Hill P W Graham R S Farr A T Emby
Trustees	R Macfarlane, (Resigned as Chair of Trust 10.09.2019. Term of office as Trustee ended 20.02.2019) M J Lewis, CEO (Executive Head Teacher) and Accounting Officer ¹ M G Butler (Term of office ended 12.03.2019) N S Roby, appointed Chair of Trustee on 10.09.2018 ¹ N J Rowland-Hill E A Somers-James P J Votta R H Curtis ¹ J J Cleverdon, Chair of Finance, Audit and Risk Committee ¹ J Brand ¹ R Kenyon L. Shoring ¹ Members of the Finance, Audit and Risk Committee
Company registered number	09449979
Company name	Viking Academy Trust
Registered office	Chilton Primary School Chilton Lane, Ramsgate, Kent. CT11 0LQ
Senior Leadership Team	M J Lewis - CEO (Executive Head Teacher) and Accounting Officer K Law - Head of School, Chilton Primary School N Budge - Head of School, Ramsgate Arts Primary School D Arthur - Head of School, Upton Junior School T-J Higgin - Chief Financial Officer L Blatchford - Chief Operations Officer
Academies operated	Chilton Primary School Ramsgate Arts Primary School Upton Junior School
Bankers	Natwest plc 53 High Street Ramsgate. CT11 9AG
Auditors	UHY Kent LLP trading as UHY Hacker Young Thames House Roman Square Sittingbourne Kent. ME10 4BJ

Viking Academy Trust
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Trustees' report
For the year ended 31 August 2019

The trustees present their annual report and auditors' report of the academy trust for the year ended 31 August 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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.

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.

Principal activities

The academy trust operates three academies for pupils aged 4 to 11 serving catchment areas in Ramsgate and Broadstairs, Kent. Chilton Primary School has a pupil capacity of 420 and had a roll of 417 in the school census in May 2019.

Ramsgate Arts Primary School had a current capacity of 240 (will be 420 when fully opened in 2024 as 2fe YR – Y6) and had 220 pupils on roll in the May 2019 census.

Upton Junior School has a pupil capacity of 512 and had a roll of 507 in the school census of May 2019.

Members' liability

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

Trustees' indemnities

The academy trust maintains trustees, governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees and governors. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 14 to the financial statements.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the number of Trustees shall be not less than 3, but shall not be subject to a maximum. The academy trust shall have the following Trustees; up to 6 Trustees appointed by the members under Article 50; the Chair of the three academies Local Advisory Bodies (LABs) and the CEO (Executive Head Teacher) of the Trust.

The Articles of Association have been redrafted to reflect the MAT and the structure of governance as of September 1st 2016. The model for governance in place as of 1st September 2016 has allowed for additional schools to join the MAT.

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.

The Articles, Governance Handbook and Scheme of Delegation set out the procedures the MAT will undertake to recruit to the Board as well as the delegated duties of the Local Advisory Bodies (LABs).

The trustees who were in office at 31 August 2019 and served throughout the year, except where shown, are listed on page 1.

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Trustees' report (continued)
For the year ended 31 August 2019

Policies and procedures adopted for the induction and training of trustees

Trustees are nominated and appointed by the Board of Trustees. The 'Members' ratify the appointment. Recommendations are made by the CEO or Chair of Trustees for interested professionals who will subscribe to the mission and vision of Viking ie making a difference to the lives of all children. CVs are submitted to the Trustees for consideration, candidates are interviewed by the CEO and Chair of Trustees and visit one or more of the Viking schools. If the Board consider the candidate suitable, the appointment is ratified by the Members having been approved at the Trust Board. The Trust Secretary will advise Companies House and the EFSA of the appointment.

In 2018/2019, the following is an outline of the process:

1. Meeting with CEO and Chair of Trustees to discuss VAT's vision and mission;
2. Attendance at a Board meeting to see how the Board operates before deciding whether to stand for appointment;
3. Trust Secretary to confirm when appointment has been notified to Companies House and EFSA;
4. Welcome documentation from Trust Secretary as well as details of training, signposting availability of VAT policies and procedures, meeting dates, request DBS check;
5. Copies of Articles of Association and Scheme of Delegation/ Governance Handbook.

Viking Academy Trust has a Governance Induction Pack which outlines responsibilities, duties and includes reference points for policies and procedures for all members of Viking Governance (Trustees, Members, Local Governors).

Additional CPD/training and induction provided for new members of Governance 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. All members of Governance are expected to complete Safeguarding (including GDPR) training. The Trust is a 'Gold' member of the National Governance Association (NGA) and takes full advantage of the training and development offered as part of the membership.

Organisation structure

The Board of Trustees of Viking Academy Trust is constituted under the Memorandum and Articles of Association. The Board of Trustees is responsible for ensuring high standards of corporate governance are maintained.

The Trustees have responsibility for setting and monitoring the overall strategic direction of Viking Academy Trust, and approving decisions reserved to Trustees. Key responsibilities include:

- Setting the values, aims and objectives of Viking Academy Trust;
- Agreeing a policy framework for achieving the agreed aims and objectives;
- Appointing the CEO (Executive Headteacher) and Heads of School of the Viking academies; and
- Defining and delegating responsibilities to the Local Advisory Bodies (LABs).

The Board of Trustees has two sub-committees: Finance, Audit and Risk (FAR Committee) and Personnel & Appraisal (PA Committee). A designated Trustee is responsible for 'Standards' and attends Local Advisory Body (LAB) meetings to hold the Leadership Team and Local Governors to account for attainment and progress within the academy.

All Committees are formally constituted with Terms of Reference and comprise appropriately qualified and experienced members. There is a local governing body (LAB) for each school in the MAT which reports to the full Board of Trustees.

The Board of Trustees annually reviews Committee management and membership to ensure effectiveness.

The Trustees meet as a Board six times each year. All decisions reserved to the Trustees are taken by the Board as a whole. Local Advisory Bodies (LABs) meet six times each year to consider detailed matters about the individual Viking academies and, where appropriate, to make recommendations to Viking Academy Trust Board of Trustees.

During 2018/19, there were three LABs in operation, namely:

- LAB of Chilton Primary School;
- LAB of Ramsgate Arts Primary School; and
- LAB of Upton Junior School

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Trustees' report (continued)
For the year ended 31 August 2019

Organisation structure (continued)

Detailed terms of reference for the Local Advisory Bodies have been agreed by Viking Academy Trust Board of Trustees. Their key responsibilities are as follows:

- i) Setting the strategic direction of the academies by:**
 - Ensuring the values, aims and objectives for the academies are aligned to those of Viking Academy Trust;
 - Implementing the policy framework for achieving the agreed aims and objectives;
 - Setting statutory targets; and
 - Agreeing the Academies improvement strategies.
- ii) Ensures accountability by:**
 - Monitoring each Academy's self-evaluation documentation;
 - Responding to Ofsted reports when necessary;
 - Holding the Head of School to account for the performance of the Academies;
 - Ensuring parents and pupils are involved, consulted and informed as appropriate; and
 - Making available information to the communities.

The CEO (Executive Headteacher), Mrs M Lewis, is the Accounting Officer for Viking Academy Trust. She works closely with the other Trustees of the Academy Trust and the Senior Leadership Teams of the Viking Academics.

The day-to-day management of each Academy rests with the Head of School who is appointed by the CEO/Trustees. Head of Schools work with the Local Advisory Body to establish Senior Leadership Teams which have both the skills and capacity to drive each Academy's improvement agenda.

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; and
- 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 confirm the membership of the Trust's Leadership team and the salary scales will be determined by the PA Committee, taking into due account the respective levels of responsibilities, recruitment and retention issues, internal differentials throughout the trust 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); and
- Other evidence.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board. Members of the senior leadership team are not involved in the setting of their own remuneration package. The day to day running of the remuneration policy is delegated to the CEO (Executive Headteacher) and is monitored by the FAR Committee. All details of setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board.

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Trustees' report (continued)
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Arrangements for setting pay and remuneration of key management personnel (continued)

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior leadership salaries are, wherever possible, linked to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. The board always bears in mind the charitable status of the academy trust and in recognition of this fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior leadership personnel never exceeds a reasonable amount that provides value for money to the trust.

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.

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 academy trust 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 remain 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.

For 2018-19, the Trust bought in to the ESFA Risk Protection Arrangement. The Trust will move to Zurich Insurance as of 1 September 2019.

A particular financial risk is that public funding will not rise in line with the cost base giving rise to potential unsustainable deficits within the Trust. This risk is mitigated by careful budget planning – overseen by the FAR Committee – and where possible securing additional resources to supplement government funding.

Connected organisations, including related parties

There are no related parties which either control or significantly influence the decisions or operations of Viking Academy Trust other than those detailed below:

- Viking Academy Trust aims to work in partnership with a range of bodies, including Kent Local Authority. Michaela Lewis (CEO, Executive Headteacher) is a National Leader of Education deployed by the National College. She works with a range of staff from other schools on school improvement.
- Viking Academy Trust purchased the HR services of Mrs Heidi Russell, an employee of the Coastal Academies Trust. RH Curtis (Trustee) is the Chair of the Coastal Academies Trust.

OBJECTIVES AND ACTIVITIES

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. More detailed summaries are available on the VAT website and each academy's website. 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 for Education (DfE) through the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

Objective, strategies and activities

VIKING VISION STATEMENT: Empower children through education – 'One Childhood One Chance'

VIKING MISSION: Viking Academy Trust is committed to improving the life chances of all children. Through high quality teaching and learning and an innovative, inspirational curriculum; our children's will discover a love of learning, a thirst for knowledge and the opportunity to develop their talents beyond the confines of the classroom!

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Trustees' report (continued)
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VIKING VISION: Our vision is to ensure every child achieves his/her potential through a relentless focus on high quality teaching and learning. Ensuring all children make good or better progress in reading, writing and maths is our core purpose. All staff consistently and energetically use the most effective methods for teaching these basic skills. High quality training, from leading experts in English and maths teaching, equips them to do so.

Underpinning this is:

- **outstanding day-to-day assessment of children's learning;**
- **first-rate systems for tracking, identifying and celebrating children's progress;**
- **an exciting, relevant and inspiring curriculum; and**
- **excellent support for the needs of each child.**

Our learning environments are vibrant, supportive and welcoming. Classrooms are full of children motivated by positive, well-paced and purposeful lessons. Our staff are passionate about the children's success and ensuring every school in the Viking Academy Trust provides a first-class education for every child.

We understand that children will achieve best when home and school work together. Effective communication and our 'Open Door Policy' underpin our strong parent relationship. Every parent/carer feels proud of their child's achievements – and knows exactly what these are. Clear guidance is given about the best ways to support their children with their learning out of school.

All of this is done because, at the Viking Academy Trust, our children and their education matter more than anything else. One Childhood: One Chance!



VIKING VALUES: Our values support the vision, shape the culture, and reflect what our Trust stands for. They are Viking's guiding principles...At Viking Academy Trust, we have three core values: 'The power of 3' Leadership, Excellence & Teamwork to define our collaborative culture.

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. All activities undertaken by the Company are for the public benefit.

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Trustees' report (continued)
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STRATEGIC REPORT

Achievements and Performance

Standards across the three academies exceed National and Kent attainment in EYFS, Year 1 Phonics, Key Stage 1 outcomes & Key Stage 2 SATs at Chilton Primary & Upton Junior School. Ramsgate Arts Primary School, as a newly opened 'Free School' did not meet national floor standard at Key Stage 2. This is cohort specific and part of the legacy of opening a new school.

The information below details comparison with Kent and National where applicable.

2019 VIKING RESULTS	CHILTON	RAPS	UPTON
EYFS GLD	83%	80%	
Y1 Phonics	92%	90%	
KS1 Reading	EXS 83%, GDS 35%	EXS 83% GDS13%	
KS1 Maths	EXS 87%, GDS 26%	EXS 83% GDS13%	
KS1 Writing	EXS 77%, GDS 20%	EXS 79%GDS17%	
KS1 Combined R W M	73%	75%	
KS2 Reading	EXS 96%, GDS 42%	EXS 52%,GDS 7%	EXS 83%,GDS 38%
KS2 Maths	EXS 98%, GDS 58%	EXS 76%,GDS 7%	EXS 90%,GDS 39%
KS2 GPS	EXS 98%, GDS 65%	EXS 69%,GDS 17%	EXS 81%,GDS 47%
KS2 Writing	EXS 95% GDS 46%	EXS69% 3% GDS	EXS 94%,GDS 32%
KS2 Combined R W M	95% GDS 30%	52% GDS 3 %	77% GDS 16%

EXS = expected standard EYES = early years foundation stage GDS = greater depth standard

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Trustees' report (continued)
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Achievements and performance (continued)

Key Stage 2 2019 Data (National comparisons)

CHILTON PRIMARY SCHOOL				
Subject	Percentage of pupils achieving the expected standard: school	Percentage of pupils achieving the expected standard: nationally	Average scaled score: school	Average scaled score: nationally
English reading	96%	73%	108.5	104
English grammar, punctuation and spelling	98%	78%	111.2	106
Mathematics	98%	79%	109.6	105
English writing (teacher assessment)	95%	78%	N/A	N/A
Combined (R, W, M)	95%	65%		

RAMSGATE ARTS PRIMARY SCHOOL				
Subject	Percentage of pupils achieving the expected standard: school	Percentage of pupils achieving the expected standard: nationally	Average scaled score: school	Average scaled score: nationally
English reading	52%	73%	100.0	104
English grammar, punctuation and spelling	69%	78%	102.2	106
Mathematics	76%	79%	102.3	105
English writing (teacher assessment)	69%	78%	N/A	N/A
Combined (R, W, M)	52%	65%		

UPTON JUNIOR SCHOOL				
Subject	Percentage of pupils achieving the expected standard: school	Percentage of pupils achieving the expected standard: nationally	Average scaled score: school	Average scaled score: nationally
English reading	83%	73%	106.6	105
English grammar, punctuation and spelling	81%	78%	107.6	106
Mathematics	90%	79%	106.9	104
English writing (teacher assessment)	94%	78%	N/A	N/A
Combined (R, W, M)	77%	65%		

Driving continuous improvement: The Trust Improvement Plan and individual academy improvement plans highlight the actions that will be taken across the school and Trust-wide to further improve on attainment and progress in the new academic year.

The Local Governing Body and Standards Trustee have detailed reports on the data shown above. It forms part of the agenda for every LAB meeting (6x year).

Chilton Primary School received it's eagerly anticipated Ofsted Inspection Section 5 in January 2019, following the Section 8 in March 2018. The inspection team awarded the school an outstanding judgement across every category with the report highlighting the positive impact of Viking Academy Trust.

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Trustees' report (continued)
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Ofsted Judgements for Viking Schools:

Chilton Primary School: Ofsted OUTSTANDING January 2019

Ramsgate Arts Primary: Ofsted GOOD May 2018

Upton Junior School: Ofsted OUTSTANDING November 2014

Alongside celebrating an outstanding Ofsted achievement, Chilton Primary School was recognised as the top primary school locally and in Kent for its Key Stage 2 outcomes and Kent Life awarded Chilton number 2 primary school in Kent for provision in 2019.

Non-Academic Achievements:

Sports: Chilton Primary School and Upton Junior School continue to excel in the sporting provision available to pupils. This was recognised with Gold and Platinum awards granted to the schools respectively in 2018-19. Alongside this, the schools competed and won in a series of local, county and national championships. PES funding continues to support 'sport for all' with the uptake of pupil participation in extra curricular activities exceeding 80%, with numbers on the increase still.

Arts and wider curriculum: Ramsgate Arts Primary School (RAPS) leads the way locally and nationally in its provision of creative arts for pupils across the primary age. Working with the Arts Council, The Turner Centre and other arts centred community groups, RAPS continues to seek innovative opportunities to bring creative arts learning and enjoyment for the pupils.

RAPS moved across to its permanent site in August 2017. The Trust took complete ownership of the site in April 2018. The Trust is still working in partnership with the EFSA to ensure snagging work complete. The school opened to PAN for the first time in September 2018 (60 pupils to enter Reception) and had pupils in every year group (Reception to Year 6) for the first time since opening its doors in 2015.

Music has featured widely across the Trust with our schools joining 'Young Voices' at the O2, London for the largest group of children performing together. RAPS and Upton both have Rock Bands performing to parents and the local community and all three schools have successful choirs performing at a variety of events during the school year.

The Upton Swimming Pool has remained open for school and community use across 2018-19 with the Board of Trustees entering in to a license agreement from 1st September 2018 with a Pool Management company.

Viking schools have been recognised for the number of fund-raising opportunities and charity work; supporting local, national and international charities. This work is successfully led by the children - with House Captains, School Council and Junior Leadership Teams taking the initiative.

Working in partnership with parents to provide enjoyable family social events has featured highly in each school, with successful parent councils/PTFAs established now in each school. This provides much needed fund-raising opportunities for the schools through events such as Christmas and Summer Fairs, Quiz & Film Nights.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that Viking Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Performance Indicators

The Trustees have in place a range of performance indicators to assess the performance of each Academy and the Trust as a whole. KPIs cover three academic years: 2018-19, 2019-20, 2020-21. The following Key Performance Indicators (KPIs) are used to assess the success of the activities:

KPI 1: Our children will live 'Happy, fulfilling lives'

- **Literate and Numerate:** All Viking schools must maintain >% than floor standard in statutory assessments at the end of KS2
- **Pursue Opportunities:** All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips, sport & creative arts etc.
- **Effective Citizens:** To understand and be prepared for life in multicultural Britain with 100% children involved in at least one community project by the end of KS2
- **Healthy:** School attendance data higher than national average
- **Happy:** 100% of Viking children can articulate what they like to do at school

KPI 2: Outstanding teaching & learning is our core focus

- All vacancies to be filled with good quality teachers
- >90% Good/Outstanding teaching, < 10% Requires support, 0% inadequate
- All pupils to have access to a broad range of experiences across the curriculum
- Progress indicators substantially exceed national averages for all groups in all Viking schools indicating quality of provision
- 100% pupils make at least expected progress at end of KS2 in Reading, Writing & Mathematics
- Progress across the curriculum of disadvantaged pupils and pupils who have special educational needs and/or disabilities currently on roll matches or is improving towards that of other pupils with the same starting points.
- Value added for end of KS2 >0.25

KPI 3: Leadership & Professionalism drives continuous improvement

- To ensure appropriate CPD to grow and nurture own staff for succession planning
- < 5% posts advertised twice
- 75% retention of RQT (Recently Qualified Teachers = 3 years)
- 75% retention of outstanding teachers
- Staff attendance maintained at >95% (Teachers) >90% (other staff) in all Viking schools
- At least 75% staff record positive well-being & agree the Trust is supportive in promoting high levels of well-being
- To secure a safe, secure, stimulating environment in each Viking school

Trustees' report (continued)
For the year ended 31 August 2019

Key Performance Indicators continued

KPI 4: Outstanding Governance supports our schools

- Ofsted Leadership & management grade will be judged outstanding in all Viking schools
- 100% skills coverage at all times, with at least one leading representative for: Education, HR, Financial, Business & Community evidenced by annual audit
- Financial probity: measure: 0 red flags
- Robust financial parameters maintained ensuring value for money: all Viking schools maintaining <75% staff costs as a % of total costs; >25% non-staff costs as a % of total income; 2-7% in year surplus as a % of total income. GAG income as % of total income <80%
- Risk register ensuring appropriate risk management
- Safeguarding is effective across all Viking schools with consistent practice, ensuring a culture of vigilance where pupils' welfare is actively promoted. Evidenced through rigorous staff CPD, Governor monitoring & Ofsted
- Number of complaints elevated to Trust level

Financial review

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total income for the year was £6.5m was slightly down on the £6.6m received in 2017/18. There had been a significant reduction in capital income but the current year included a donated fixed asset for land of £1.45m.

Excluding capital income and donated fixed assets, the trust's income for 2018/19 amounted to £5.0m compared to £4.7m in 2017/18. This increase in revenue funding was largely due to:

- a £169k increase in core General Annual Grant funding;
- a £92k rise in Other DfE/ESFA grants, predominantly due to the DfE's new teachers' pay grant; and
- a £42k rise in Local Authority SEN funding.

The incoming resources for the year have been sufficient to cover total resources expended of £5.5m (2018: £5.2m) resulting in net income for the year of £1.04m (2018: £1.37m), as shown on the SoFA. The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was an increase of £704k (2018: £1.7m). It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the trust's academies.

Excluding movements on tangible fixed assets, the LGPS defined benefit pension liability and revenue to capital transfers the trust's operational surplus on revenue funds for the year was £165k (2018: deficit of £80k), as reconciled from the SoFA below:

		2019 (£000s)	2018 (£000s)
Overall net movement in funds for the year per SoFA		704	1,688
Add:			
Decrease / (increase) attributable to fixed asset fund	See A	(1,095)	(1,686)
LGPS actuarial (gain)/loss	See B	339	(323)
LGPS service and interest costs	See B	201	205
Total movement in year on revenue funds		149	(116)
Revenue to capital transfers		16	36
Operational surplus /(deficit) on revenue funds		165	(80)

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(A) The movement on restricted fixed asset funds comprises capital grant income received during the year less depreciation charged on capitalised assets purchased from such funds, notably the school buildings. Since these do not relate to day-to-day operational matters the movement on fixed asset funds is excluded from the operational result.

(B) The Balance Sheet carries the trust's share of the deficit on the Local Government Pension Scheme. A detailed report has been prepared by an actuary detailing the movement in the deficit during the year. The movement is in two parts: (1) the actuarial gain relates to movement linked to the assumptions made by the actuary, (2) other movements comprising (i) net interest costs (ii) current service costs - the value of benefits accrued by members over the accounting period less contributions paid and (iii) past service costs for additional benefits granted during the year. Again since the LGPS movement do not relate to operational matters these have been excluded from the operational result. The significant increase in the LGPS liability during 2018-19 relates to a number of issues which are described in note 2 to the financial statements explaining critical accounting estimates and judgements.

At 31 August 2019, the net book value of fixed assets was £16.3m and movements in tangible fixed assets are shown in note 15 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the trust's academies, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

The trust held fund balances at 31 August 2019 of £15.4m (2018: £14.7m). These funds comprised restricted fixed asset funds of £16.3m (2018: £15.2m), restricted revenue funds of £216k (2018: £161k) and unrestricted revenue funds of £592k (2018: £498m).

The pension reserve deficit of £1.7m (2018: £1.2m) is the only fund in deficit. This deficit does not mean that an immediate liability crystallises; it results in a cash flow effect for the trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions are currently fixed until 1 April 2020.

Reserves policy

The trustees 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 trustees take into consideration the future plans of the academy trust, the uncertainty over future income streams and other key risks identified during the risk review.

The trustees have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks' revenue expenditure, approximately £372k based on the 2018/19 results. The current level of unrestricted reserves of £592k (plus restricted reserves of £216k) is therefore deemed sufficient for the trust's needs.

PRINCIPAL RISK AND UNCERTAINTIES

The main risks that the academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service, competition from other schools with similar objects and little scope for differentiation.
- *Finance risk* - The risk of the academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the academy is required to pay.
- *Safeguarding, child protection & GDPR* - The Trustees continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety, GDPR and discipline.
- *Failures in governance and/or management* - The risk in this area arises from the potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- *Staff* - The success of the academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2019

Day-to-day management of the Viking schools are delegated to the Heads of School and their Leadership Teams. LABS understand their role in ensuring policies approved by the Board are implemented. Challenge and support are provided by the Executive Headteacher (CEO) and central staff (CFO, COO) to ensure consistency of policy application.

Financial and risk management objectives and policies

Whilst it is not possible to predict Government policy in terms of funding, the Trust adopts a prudent approach to financial management both in-year and over a three-year planning cycle.

As a significant percentage of revenue is linked to pupil numbers, the Trust invests in appropriate marketing strategies and campaigns.

Also, additional streams of funding are investigated and utilised.

In terms of expenditure, economies of scale are maximised by procuring as a Trust and forward planning resource needs.

The academy trust does not use complex financial instruments, it manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The main risk to which the trust is exposed from is making a deficit from unforeseen but necessary expenditure. The trust manages its cash resources so that all its operating needs are met without the need for short-term borrowing, and Trustees review the amount of surplus cash and invest as appropriate so as to maximise interest income.

The trust is also exposed to the following financial risks:

- *Interest rate risk* - the trust earns interest on cash deposits and with interest rates currently low, the trustees will take appropriate action to ensure they maximise the income from these deposits.
- *Credit risk* is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

PLANS FOR FUTURE PERIODS

Viking Academy Trust Strategy for Growth: All plans, short, medium and long term are linked to the mission of Viking Academy Trust; namely to empower children through education, 'One Childhood, One Chance'.

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 continue to manage budget reductions and consider new ways to generate income.

The Trust's intention is to ensure each Viking school provides a first-class educational experience for every Viking child. Growth for the Trust will only happen when existing Viking schools are secure and stable without the risk of expansion undermining the strength of our current provision. When we have the capacity to make a difference, we will feel morally bound to do so.

Strategy for Growth:

- **Short Term:** Viking Academy Trust aims to continue with its model of working within a geographical hub with our three primary-only academies located in the Isle of Thanet.
- **Medium & Long Term:** The Trust currently has capacity to grow through the sponsorship of new schools, underperforming schools and Free schools, however it is always open to considering maintained schools who wish to join us. The Trust has no plans to extend outside of Kent or move in to the secondary phase. As stated above, expansion will only be considered if the Trust Board are confident that the current Viking provision will remain stable.

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2019

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps 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.

AUDITORS

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees and signed on the Board of Trustees' behalf by:



N Roby
Chair of Trustees



M Lewis
CEO (Executive Head Teacher) and Accounting Officer

Date: 09 December 2019

Viking Academy Trust
(A company limited by

Governance Statement

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 CEO (Executive Head Teacher), 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows.

Trustee	Meetings attended	Out of a possible
N S Roby, Chair of Trustees	6	6
M J Lewis, CEO (Executive Head Teacher) and Accounting Officer	6	6
E Somers-James	5	6
N J Rowland-Hill	5	6
J Brand	3	6
P J Votta	5	6
R H Curtis	3	6
J J Cleverdon, Chair of Finance	5	6
L Shoring (Appointed: 08.07.19)	1	1
R Kenyon (Appointed: 06.06.19)	0	1
M Butler (End of term: 12.03.19)	1	3
B Macfarlane (End of term: 20.02.19)	1	3

The Trust Board membership has remained stable across 2018-19. Two Trustees term of office ended in this period and two new Trustees have been successfully appointed to take their place. (see above for dates of appointment). Skills Audit analysis evidences broad range of skill set on the board.

The Finance, Audit & Risk Committee (FAR) is a sub-committee of the main board of trustees. The Finance, Audit and Risk Committee has been established to ensure the financial stability of individual academies and the Academy Trust as a whole.

The Committee provides financial oversight for the organisation and is responsible for establishing sustainable staffing structures, budget setting, budget planning, financial reporting and the monitoring of internal controls and accountability policies.

The committee is responsible for recommending financial policies, goals, and budgets that support the mission, values, and strategic goals of the organisation. The committee also reviews the organisation's financial performance against its goals and proposes major transactions and programs to the board.

The committee is to advise Viking Academy Trust on the adequacy and effectiveness of the Academies systems of internal control and its arrangements for risk management, control and governance processes and securing economic, efficiency and effectiveness (value for money).

The Finance and Resources Committee's remit also includes the functions of an audit committee. This year the Committee has focused on seven major issues:

- Financial stability of the Trust;
- The Upton Swimming Pool: Implications on Trust management versus external party. Financial & Personnel impact;
- The financial stability of Ramsgate Arts Primary School, as a new 'Free school' opening on its permanent site September 2017 and taking full ownership of the site 20 April 2018, still under 'snagging period' with EFSA & Building contractors
- Assessing Risk factors affecting the Trust;
- Full induction of Chief Financial Officer (CFO) (commenced in post 01 March 2018)
- Implementation of in-house Viking payroll and HR function; and
- Stability of Ramsgate Arts Primary School whilst in its infancy

Viking Academy Trust
(A company limited by

Governance Statement

Governance (continued)

Attendance at Finance & Resources Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M J Lewis, CEO, Executive Head Teacher and Accounting Officer	7	7
N S Roby, Chair of Trustees	6	7
J Brand	6	7
R H Curtis	6	7
J J Cleverdon, Chair of Finance, Audit & Risk	7	7
Local Governors		
S Godwin (co-opted)	1	4
M White (co-opted)	4	7

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 the Viking Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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 & Resources 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; and
- identification and management of risks.

The board of trustees has decided to appoint UHY Hacker Young, the external auditors, to conduct a supplementary programme of checks in the form of an internal audit function.

In their capacity providing this service UHY Hacker Young have conducted termly visits to review the operation of the trust's key controls, with each visit additionally checking a specific theme or topic. Following each visit the board of trustees receives a detailed report setting out any findings and recommendations. In no particular order this year specific checks have been carried out on:

- key financial controls;
- payroll and HR matters;
- procurement;
- governance;
- the operation of the central trust function; and
- accounting including checks on fund accounting and income postings & expenditure allocations.

Governance Statement

The Risk and Control Framework (continued)

This internal audit role has been fully delivered in line with the ESFA requirements and there have been no material control issues requiring urgent attention. All other matters brought to the board's attention during the year have been followed up appropriately in a timely manner.

Review of Value for money

As Accounting Officer, the CEO (Executive Headteacher) has responsibility for ensuring that the academy 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 Viking Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy Trust has delivered improved value for money during the year by:

- benchmarking expenditure against that in academies of similar size and nature;
- the targeting of resources to best improve standards and quality of education;
- collaborative working across the trust to improve educational outcomes for all pupils; and
- improved purchasing decisions with trust-wide contracts to reduce unit expenditure.

Review of Effectiveness

As Accounting Officer, the CEO 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 independent reviewer;
- the work of the external auditors; and
- the work of the executive managers within the academy 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



N Roby
Chair of Trustees



M Lewis
Executive Head Teacher and Accounting Officer

Date: 09 December 2019

Viking Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Viking Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



M Lewis
Executive Headteacher and Accounting Officer



Date: 09 December 2019

Viking Academy Trust
(A company limited by guarantee)

Statement of trustees' responsibilities
For the year ended 31 August 2019

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



N Roby
Chair of Trustees

Date: 09 December 2019

Independent Auditors' Report on the financial statements to the Members of Viking Academy Trust

Opinion

We have audited the financial statements of Viking Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report on the financial statements to the Members of Viking Academy Trust (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 13 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to Viking Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 27 February 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Viking Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Viking Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Viking Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Viking Academy Trust and ESFA, 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 13 February 2019 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Viking Academy Trust for the year ended 31 August 2019 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Viking Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Viking Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *13 December 2019*

Viking Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants	3	24	-	1,541	1,565	1,972
Charitable activities		229	4,665	-	4,894	4,599
Other trading activities		88	-	-	88	43
Total income		341	4,665	1,541	6,547	6,614
Expenditure on:						
Raising funds		14	-	-	14	17
Charitable activities	7	233	4,795	462	5,490	5,232
Total expenditure		247	4,795	462	5,504	5,249
Net income/(expenditure)		94	(130)	1,079	1,043	1,365
Transfers between funds	19	-	(16)	16	-	-
Net movement in funds before other recognised gains/(losses)		94	(146)	1,095	1,043	1,365
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(339)	-	(339)	323
Net movement in funds		94	(485)	1,095	704	1,688
Reconciliation of funds:						
Total funds brought forward		498	(1,008)	15,164	14,654	12,966
Net movement in funds		94	(485)	1,095	704	1,688
Total funds carried forward	19	592	(1,493)	16,259	15,358	14,654

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

The notes on pages 27 to 50 form part of these financial statements.

Viking Academy Trust
(A company limited by guarantee)

Balance Sheet
As at 31 August 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	15	16,262	15,168
Current assets			
Debtors	16	225	178
Cash at bank and in hand		943	781
		<u>1,168</u>	<u>959</u>
Creditors: amounts falling due within one year	17	(354)	(290)
Net current assets		<u>814</u>	<u>669</u>
Total assets less current liabilities		<u>17,076</u>	<u>15,837</u>
Creditors: amounts falling due after more than one year	18	(9)	(14)
Net assets excluding pension liability		<u>17,067</u>	<u>15,823</u>
Defined benefit pension scheme liability	25	(1,709)	(1,169)
Total net assets		<u>15,358</u>	<u>14,654</u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	16,259	15,164
Restricted income funds	19	216	161
		<u>16,475</u>	<u>15,325</u>
Restricted funds excluding pension asset	19		
Pension reserve	19	(1,709)	(1,169)
Total restricted funds	19	<u>14,766</u>	<u>14,156</u>
Unrestricted income funds	19	<u>592</u>	<u>498</u>
Total funds		<u>15,358</u>	<u>14,654</u>

The financial statements on pages 24 to 50 were approved by the trustees, and authorised for issue and are signed on their behalf, by:

N Roby
Chair of Trustees

M Lewis
Trustee and Accounting Officer

Date: 09 December 2019

The notes on pages 27 to 50 form part of these financial statements.

Viking Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	43	(829)
Cash flows from investing activities	23	10	(269)
Cash flows from financing activities	22	(5)	(5)
Change in cash and cash equivalents in the year		48	(1,103)
Cash and cash equivalents at the beginning of the year		781	1,884
Cash and cash equivalents at the end of the year	24	829	781

The notes on pages 27 to 50 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets**

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

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

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 allocated on the portion of the asset's use.

- **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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%
Leasehold improvements	-	2%
Furniture and equipment	-	20%
Computer equipment	-	33%
Motor vehicles	-	20%

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 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 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.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

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

1.12 Fund accounting

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

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

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Notes to the Financial Statements
For the year ended 31 August 2019

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgment". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by 0.6% of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 25, of £30k.

There will also be an increase in the cost of benefits from 1 September 2019.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 25. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

Notes to the Financial Statements
For the year ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donated fixed assets	-	1,450	1,450	-
Donations	24	-	24	11
Capital grants	-	91	91	1,961
	24	1,541	1,565	1,972
<i>Analysis of 2018 total by fund</i>	11	1,961	1,972	

4. Funding for the academy trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,013	4,013	3,844
Other DfE/ESFA grants	-	551	551	459
	-	4,564	4,564	4,303
Other government grants				
Local authority SEN funding	-	86	86	41
Local authority grants	-	15	15	18
	-	101	101	59
Other income				
Wraparound care	116	-	116	123
Educational visits	92	-	92	79
Other	21	-	21	34
	229	-	229	236
	229	4,665	4,894	4,598
<i>Analysis of 2018 total by fund</i>	236	4,362	4,598	

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5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Hire of facilities	34	34	18
Sale of goods	9	9	11
Other	45	45	14
	88	88	43

All income from other trading activities in the prior year related to unrestricted funds.

6. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	<i>Total 2018 £000</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	14	14	17
Educational operations:					
Direct costs	3,151	290	652	4,093	3,832
Allocated support costs	714	409	274	1,397	1,400
	3,865	699	940	5,504	5,249
<i>Analysis of 2018 total</i>	3,769	518	962	5,249	

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Notes to the Financial Statements
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7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Educational operations	233	5,257	5,490	5,232
<i>Analysis of 2018 total by fund</i>	232	5,000	5,232	

8. Analysis of expenditure by activities

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Educational operations	4,093	1,397	5,490	5,232
<i>Analysis of 2018 total</i>	3,832	1,400	5,232	

Analysis of support costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	714	731
Technology costs	57	64
Premises costs	409	355
Governance costs	21	22
Other support costs	196	228
	1,397	1,400

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Notes to the Financial Statements
For the year ended 31 August 2019

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £000
Gifts made by the trust	2

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	<i>2018 £000</i>
Operating lease rentals	4	4
Depreciation of tangible fixed assets	313	311
Fees paid to auditors for:		
- audit	11	11
- other services	10	8
	<u>334</u>	<u>334</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	<i>2018 £000</i>
Wages and salaries	2,922	2,857
Social security costs	241	230
Pension costs	682	674
	<u>3,845</u>	<u>3,761</u>
Agency staff costs	-	7
Staff restructuring costs	20	1
	<u>3,865</u>	<u>3,769</u>

Notes to the Financial Statements
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11. Staff costs (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	19	-
Severance payments	1	1
	<u>20</u>	<u>1</u>

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

Included in staff restructuring costs are non-statutory/non-contractual redundancy payments totalling £8k. Individually, the payments were: £3k, £2k, £2k and £1k.

c. Staff numbers

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

	2019 No.	2018 No.
Management	6	6
Teachers	53	58
Administration and support	103	102
	<u>162</u>	<u>166</u>

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	-
In the band £100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £451k (2018 - £430k).

Notes to the Financial Statements
For the year ended 31 August 2019

12. Central services

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

- Insurance
- Audit and accountancy
- Salaries
- Consultancy, financial and solicitor fees
- Payroll services

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

Insurance	-	pupil numbers
Audit and accountancy	-	equal share
Salaries	-	% need
Consultancy, financial and solicitor fees	-	equal share
Payroll services	-	staff numbers

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Upton Junior School	153	169
Chilton Primary School	126	132
Ramsgate Arts Primary School	81	105
Total	360	406

13. Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Headteacher only receives remuneration in respect of services she provides undertaking her role under a contract of employment:

		2019 £000	2018 £000
M J Lewis, Executive Headteacher	Remuneration	100 - 105	100 - 105
	Pension contributions paid	15 - 20	15 - 20

During the year ended 31 August 2019, expenses totalling £37 were reimbursed or paid directly to 1 trustee (2018 - £176 to 1 trustee).

14. Trustees' and Officers' insurance

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

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15. Tangible fixed assets

	Leasehold property £000	Leasehold improvements £000	Plant and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 September 2018	7,927	1,096	240	357	6,212	15,832
Additions	1,450	49	10	22	-	1,531
Transfers between classes	6,212	-	-	-	(6,212)	-
At 31 August 2019	15,589	1,145	250	379	-	17,363
Depreciation						
At 1 September 2018	366	23	88	187	-	664
Charge for the year	268	22	48	99	-	437
At 31 August 2019	634	45	136	286	-	1,101
Net book value						
At 31 August 2019	14,955	1,100	114	93	-	16,262
At 31 August 2018	7,561	1,073	152	170	6,212	15,168

Included in leasehold property is land valued at £2.179m (2018 - £729k) which is not depreciated.

Additions to leasehold property in the year of £1.45m is land donated by the DfE on which the school building at Ramsgate Arts Primary School has been constructed. The price paid by the DfE has been used as the valuation.

16. Debtors

	2019 £000	2018 £000
Trade debtors	7	8
Other debtors	49	31
Prepayments and accrued income	169	139
	<u>225</u>	<u>178</u>

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Notes to the Financial Statements
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17. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Other loans	5	5
Trade creditors	69	74
Other taxation and social security	58	56
Other creditors	56	-
Accruals and deferred income	166	155
	354	290
	2019	2018
	£000	£000
Deferred income at 1 September 2018	81	76
Resources deferred during the year	82	81
Amounts released from previous periods	(81)	(76)
	82	81

At the balance sheet date the academy trust was holding funds received in advance of the 2019/20 academic year for ESFA rates relief, ESFA UIFSM funding and school trips.

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

	2019	2018
	£000	£000
Other loans	9	14

The academy trust took out a Salix Loan in November 2014 to fund improvement of the LED lighting. The loan is interest free and due to be fully repaid in January 2022.

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Notes to the Financial Statements
For the year ended 31 August 2019

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General funds	498	341	(247)	-	-	592
Restricted general funds						
General Annual Grant (GAG)	161	4,013	(3,942)	(16)	-	216
Other DfE/ESFA grants	-	551	(551)	-	-	-
Other government grants	-	101	(101)	-	-	-
Pension reserve	(1,169)	-	(201)	-	(339)	(1,709)
	(1,008)	4,665	(4,795)	(16)	(339)	(1,493)
Restricted fixed asset funds						
DfE/ESFA capital grants	15	91	(25)	(70)	-	11
Tangible fixed assets	15,168	1,450	(437)	81	-	16,262
Salix loan	(19)	-	-	5	-	(14)
	15,164	1,541	(462)	16	-	16,259
Total Restricted funds	14,156	6,206	(5,257)	-	(339)	14,766
Total funds	14,654	6,547	(5,504)	-	(339)	15,358

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

General Annual Grant (GAG) must be used for the normal running costs of each individual academy, and hence are shown as a separate restricted fund.

The Other DfE/ESFA grant fund relates to income received from the DfE and ESFA, and included Pupil Premium and Universal Infant Free School Meal grants.

The Other Government grant fund relates to restricted income received from other government bodies and includes money received from Kent County Council.

The pension reserve relates to the academy trust's share of the deficit of the Local Government Pension Scheme overseen by its Local Authority.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfer of £16k to the

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Notes to the Financial Statements
For the year ended 31 August 2019

19. Statement of funds (continued)

fund represents capital expenditure funded by revenue reserves and the reduction in the Salix loan.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Upton Junior School	443	377
Chilton Primary School	162	194
Ramsgate Arts Primary School	203	88
Total before fixed asset funds and pension reserve	808	659
Restricted fixed asset fund	16,259	15,164
Pension reserve	(1,709)	(1,169)
Total	15,358	14,654

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Upton Junior School	1,243	163	170	293	1,869	1,859
Chilton Primary School	1,149	143	113	249	1,654	1,709
Ramsgate Arts Primary School	569	80	127	207	983	759
LGPS	-	201	-	-	201	205
Central services	190	127	-	43	360	406
Academy trust	3,151	714	410	792	5,067	4,938

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General funds	478	291	(251)	(20)	-	498
Restricted general funds						
General Annual Grant (GAG)	297	3,844	(3,971)	(9)	-	161
Other DfE/ESFA grants	-	459	(452)	(7)	-	-
Other government grants	-	59	(59)	-	-	-
Pension reserve	(1,287)	-	(205)	-	323	(1,169)
	(990)	4,362	(4,687)	(16)	323	(1,008)
Restricted fixed asset funds						
DfE/ESFA capital grants	253	1,961	-	(2,199)	-	15
Tangible fixed assets	13,249	-	(311)	2,230	-	15,168
Salix loan	(24)	-	-	5	-	(19)
	13,478	1,961	(311)	36	-	15,164
Total Restricted funds	12,488	6,323	(4,998)	20	323	14,156
Total funds	12,966	6,614	(5,249)	-	323	14,654

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	16,262	16,262
Current assets	701	456	11	1,168
Creditors due within one year	(109)	(240)	(5)	(354)
Creditors due in more than one year	-	-	(9)	(9)
Provisions for liabilities and charges	-	(1,709)	-	(1,709)
Total	592	(1,493)	16,259	15,358

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	-	15,168	15,168
Current assets	498	446	15	959
Creditors due within one year	-	(285)	(5)	(290)
Creditors due in more than one year	-	-	(14)	(14)
Provisions for liabilities and charges	-	(1,169)	-	(1,169)
Total	498	(1,008)	15,164	14,654

Notes to the Financial Statements
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21. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of financial activities)	1,043	1,365
Adjustments for:		
Depreciation	437	311
Capital grants from DfE and other capital income	(91)	(1,961)
Donated fixed assets	(1,450)	-
Defined benefit pension scheme cost less contributions payable	173	173
Defined benefit pension scheme finance cost	28	32
(Increase)/decrease in debtors	(52)	397
Decrease in creditors	(45)	(1,146)
Net cash provided by/(used in) operating activities	43	(829)

22. Cash flows from financing activities

	2019 £000	2018 £000
Repayments of borrowing	(5)	(5)

23. Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(81)	(2,230)
Capital grants from DfE Group	91	1,961
Net cash provided by/(used in) investing activities	10	(269)

24. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	829	781

Notes to the Financial Statements
For the year ended 31 August 2019

25. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £56,000 were payable to the schemes at 31 August 2019 (2018 - £Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Notes to the Financial Statements
For the year ended 31 August 2019

25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £318,000 (2018 - £307,000).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £210,000 (2018 - £209,000), of which employer's contributions totalled £164,000 (2018 - £163,000) and employees' contributions totalled £46,000 (2018 - £46,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.75	3.80
Rate of increase for pensions in payment/inflation	2.25	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.25	2.30

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

25. Pension commitments (continued)

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

	2019 Years	<i>2018 Years</i>
Retiring today		
Males	22.1	23.1
Females	24.0	25.2
Retiring in 20 years		
Males	23.7	25.3
Females	25.8	27.5

Sensitivity analysis

	2019 £000	<i>2018 £000</i>
Discount rate +0.1%	(77)	(60)
Discount rate -0.1%	79	61
Mortality assumption - 1 year increase	135	98
Mortality assumption - 1 year decrease	(130)	(95)
CPI rate +0.1%	71	56
CPI rate -0.1%	(70)	(35)

The academy trust's share of the assets in the scheme was:

	At 31 August 2019 £000	<i>At 31 August 2018 £000</i>
Equities	1,401	1,209
Gilts	15	14
Corporate bonds	186	157
Property	240	219
Cash and other liquid assets	55	54
Other	160	120
Total market value of assets	2,057	<i>1,773</i>

The actual return on scheme assets was £85,000 (2018 - £72,000).

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

25. Pension commitments (continued)

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

	2019	2018
	£000	£000
Current service cost	(306)	(336)
Past service cost	(30)	-
Interest income	50	42
Interest cost	(78)	(73)
Administrative expenses	(1)	(1)
Total amount recognised in the Statement of Financial Activities	(365)	(368)

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

	2019	2018
	£000	£000
At 1 September	2,942	2,814
Current service cost	306	336
Past service costs	30	-
Interest cost	78	73
Employee contributions	46	46
Actuarial losses/(gains)	374	(293)
Benefits paid	(10)	(34)
At 31 August	3,766	2,942

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019	2018
	£000	£000
At 1 September	1,773	1,527
Interest income	50	42
Actuarial gains	35	30
Employer contributions	164	163
Employee contributions	46	46
Benefits paid	(10)	(34)
Administration expenses	(1)	(1)
At 31 August	2,057	1,773

Viking Academy Trust
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Notes to the Financial Statements
For the year ended 31 August 2019

26. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Not later than 1 year	2	4
Later than 1 year and not later than 5 years	1	2
	<hr/>	<hr/>
	3	6
	<hr/>	<hr/>

27. Members' liability

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

28. Controlling party

The academy trust is run by the senior management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

29. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee 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.

Expenditure Related Party Transactions

Coastal Academies Trust - another local multi-academy trust of which a trustee, RH Curtis, is the Chair of Directors.

During the year human resource consultancy services were provided by an employee of Coastal Academies Trust, a trust in which RH Curtis is the Chair of Directors, to the value of £2,240 (2018 - £3,460).

This arrangement has been in place since before RH Curtis became Chair of Directors of Coastal Academies Trust during 2017/18, at a point when there was no suggestion RH Curtis had any element of control. For this reason the at cost requirements of the AFH are not considered to apply, however the transaction has been disclosed in the interests of transparency. The board of trustees are comfortable that there has been no undue influence from RH Curtis in his role as director and since the transaction is with another academy trust there is, in any case, no suggestion of any personal benefit.

Income Related Party Transactions

PTFA - donations of £7,994 were made to CPS and £2,650 to RAPS by the Parents Teachers and Friends Association during the year to help fund the purchase of equipment.

Employment related disclosures

During the year the following close family members of key management personnel and trustees were employed by the trust and paid a salary under an employment contract for their individual roles. They had no involvement in the appointment of their close family members and the board of trustees are comfortable that their salaries provide value for money and are not at a preferential rate:

Helen Rowland-Hill (teacher)	- spouse of trustee/member
Gemma Budge (teaching assistant)	- spouse of Head at Ramsgate Arts Primary School
Kerri Arthur (teaching assistant)	- sister of Head at Upton Junior School
Callum Noble (sports coach)	- nephew of Head at Upton Junior School
Lynn Votta (teacher)	- spouse of trustee
Paul Higgin (temporary caretaker and health & safety auditor)	- spouse of CFO