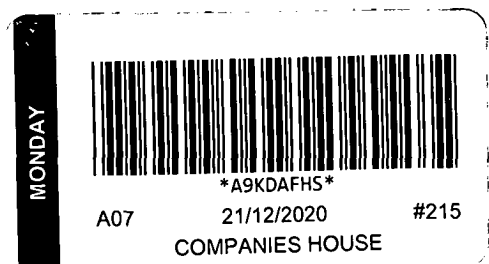


Viking Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2020



Viking Academy Trust
(A Company Limited by Guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2020

Members	R Macfarlane N J Rowland-Hill P W Graham R S Farr A T Emby
Trustees	N S Roby *(Chairman) R H Curtis* (Vice Chairman) J Brand * N J Rowland-Hill P J Votta R Kenyon L Shoring J Cleverdon* (Chairman Finance, Audit Risk Committee) M J Lewis * (CEO, EHT & Accounting Officer) E A Somers-James (deceased 06 April 2020) * members of the Finance, Audit and Risk Committee (FAR)
Company name	Viking Academy Trust
Company registered number	01234567 (England and Wales)
Principal and 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
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Natwest plc 53 High Street Ramsgate. CT11 9AG
Solicitors	Boys and Maughan India House Hawley Street Margate CT9 1PZ

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Trustees' Report
For the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 3 primary academies in Thanet, Kent, England. Its academies have a combined pupil capacity of 1,232 and had a roll of 1,177 in the October 2019 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The academy trust'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 academy trust for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. 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 13 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 2020 and served throughout the year, except where shown, are listed on page 1.

Policies and procedures adopted for the induction and training of trustees

The policies and procedures adopted for the induction & training of trustees have been determined and agreed by the Trust Board. 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 2019/2020, 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. Clerk to the Trust to confirm when appointment has been notified to Companies House and EFSA;
4. Welcome documentation from Clerk to the Trust 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/ Governance Code of Conduct.

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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.

Organisational 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 2019/20, there were three LABs in operation, namely:

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

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.

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The CEO (Executive Headteacher), Mrs M J 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 Academies.

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 key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

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.

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.

Covid-19 implications: The Viking Academy Trust has followed government and union guidance and ensured staff were not negatively impacted with performance appraisal pay decisions due to the outbreak of coronavirus. Pay decisions were taken considering the employee's performance against agreed objectives for the period Sept'2019-March 2020 with many targets rolled across to the new academic year. This included key management personnel performance appraisal, pay and remuneration.

Total remuneration paid to senior leadership personnel is set out in note 10(d).

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Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

The trust did not have any employees who spent any time on trade union matters.

Related Parties and other Connected Charities and Organisations

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. R H Curtis (Trustee) is the Chair of the Coastal Academies Trust.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

The principal activity of Viking Academy Trust is to advance for the public benefit, education in the United Kingdom, by providing an outstanding free education to children aged 4 – 11 years. 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.

Objectives, 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!

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.**

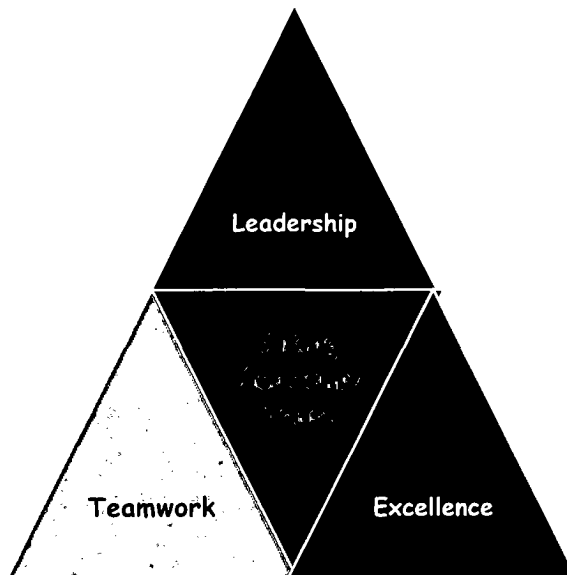
Our learning environments are vibrant, supportive and welcoming. Classrooms are full of children motivated by positive, well-paced and purposeful lessons. Our staff are passionate about the children's success and ensuring every school in the Viking Academy Trust provides a first-class education for every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

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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

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit'. 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. 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.

STRATEGIC REPORT

Covid-19 Impact: The Viking Academy Trust: Along with the schools nationally, the Viking Academy Trust closed on 20 March and did not fully reopen for all pupils until 1 September 2020. The trust remained open throughout lockdown, with staff from across the trust displaying courage, determination and bravery in the face of a pandemic.

No members of staff were furloughed during this time. All staff that required shielding and needed to be in isolation were able to do so knowing their position at Viking was secure.

Government guidance was followed and Risk Assessments were rigorous & robust, with all stakeholders involved in reviewing measures in place. The Trust ensured it remained covid-secure throughout lockdown and continues to meet PHE, government and HSE guidelines.

Below is a timeline of Viking Academy Trust 2020 and the impact of Covid-19:

2020: VAT & Covid-19	
20/03/20:	Following government guidance Viking schools closed to all children...except critical key workers & our most vulnerable
23/03/20:	As the country begins lockdown, Viking schools open to children of critical key workers & our most vulnerable
Easter Holiday:	Viking schools remain open to children of critical key workers & our most vulnerable (staff work unpaid)
16/04/20:	Term 5 sees Viking schools open under one roof, as staff & children work together but separately at RAPS

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2020: VAT & Covid-19 Timeline continued
May 1/2 Term: Holiday childcare provided for children of critical key workers & our most vulnerable (staff work unpaid). Based at RAPS
01/06/20: Term 6 sees us reopen each school site. Following government guidance, children in Reception, Year 1 & 6 are invited back in to school along with children of critical key workers & our most vulnerable.
Term 6: Home Learning continues for the remainder of our children with invitations to return to school to complete transition activities
Summer holiday: Planning & preparation for the full reopening to ensure we continue to meet government guidance.
01/09/20: Full reopening of our schools. All staff & children return. Absence rate: 2-5%

VAT & Covid-19: What Now, What Next...?
✓ Covid19 Risk Assessment: 'working documents' reviewed almost daily
✓ Absence: Supporting families with decisions, supporting children's learning to minimise disruption
✓ Short & longer term home learning support (days with 'potential symptoms, periods of forced isolation, quarantine)
✓ Staff support: managing anxiety, running a school as SAFELY as possible
✓ No guarantees! Trust, openness & honesty...& communication

Internal and external assessment of the Trust's performance prior to lockdown was a high performing educational establishment.

Achievement and Performance

Due to Covid-19, statutory assessments were not undertaken during 2019-20. Therefore, the judgement made is based upon historical data performance and Viking leaders assessment made at the time of school closure on 20 March 2020.

The three academies continue to perform at a level that meets, and in many cases, exceeds national attainment. This is in all areas of statutory assessment.

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. Whilst the academic did not complete in full, actions to fulfil key priorities were underway and, in many cases, continued to be completed during lockdown.

The Local Governing Body and Standards Trustee receive detailed reports on school improvement, measuring against milestones and benchmarks of like school cohorts. This is shared as part of the local governing body agenda for every LAB meeting (6x year). The milestones set by each school in the school improvement plan show the academies were on track to fulfil objectives set for the academic year had Covid-19 not forced school closure.

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.

Admissions: The success of the Viking Academy Trust can also be measured in numbers of children on roll, the number of applications for school places and waiting lists in each school for every year group.

The three schools were oversubscribed for September 2020 for the first time since Ramsgate Arts School opened. This is an achievement for Viking Academy Trust as the Local Authority has stated to schools that Thanet schools were currently in a situation whereby there are more school places than children (approx 3 and a half classes, which is 100 children short if all school places were taken). The consequence of this has been that some schools have been required to reduce their PAN (pupil admission number).

Viking Academy Trust schools will be full with first choice families - which is exactly what we would want...for every Viking school to be a parent's first choice for the education of their child.

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VAT SCHOOL	PAN	1ST CHOICE	2ND CHOICE	3RD CHOICE	TOTAL
CHILTON	60 Reception places	91	36	42	169
RAPS	60 Reception places	64	75	54	193
UPTON	128 Year 3 places	131	61	14	206

Non-Academic Achievements:

The coronavirus pandemic shaped the latter half of 2019-20 academic year and the courage and fortitude shown by all members of the Viking Academy Trust has to stand as the biggest non-academic achievement of this year.

The Viking Academy Trust community standing enhanced during the lockdown. Viking school leaders shouldered tremendous responsibility throughout a time of unprecedented challenge. As a community leader, Viking trust leadership team became a centre-point for its employees, children, families and the local community. Advice was sought, help and given and strength and comfort found.

This was shown through all Viking communication channels; whether that be face to face, social media, website or letters and video messages. Viking promoted and encouraged the support of local food banks, it worked tirelessly to ensure families in receipt of Free School Meals were given the support they were entitled to. This meant working with Edenred, the government's chosen company to provide food vouchers.

Home learning was inventive, engaging, age-appropriate and considerate of the circumstances families were facing. Online learning platforms were fully utilised and monitored throughout lockdown. Vulnerable families were monitored and partnership working with external agencies was a priority. Where families were not engaging with school support, regular communication was established and home learning packs and food parcels delivered to doorsteps.

Wellbeing and mental health support became a primary focus for children and their families. Additional website pages were created with online access to professional services and counselling support. Direct contact for children 'worried' was set up, with communication channels monitored daily to alert to concerns and give children an immediate platform for their voice to be heard.

All the while, Viking staff's well-being, health and safety were at the forefront of decisions made and careful balancing acts required.

During the first half of the academic year 2019-20, the trust was able to shine in a variety of non-academic achievements. These are summarized below:

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 2019-20. 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.

Our inaugural Viking Arts Prize took place in January 2020, launched on the back of the 'Turner Prize' held at Margate's Turner Contemporary.

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 2019-20 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

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as Christmas and Summer Fairs, Quiz, Comedy & Film Nights. Understandably, the coronavirus saw a reduction in the number of activities taking place, however the first half of the year remained full of opportunities for parental and community engagement.

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
- **Safe:** Viking schools will have Personal Development, Behaviour & Welfare grading of 'outstanding', with all stakeholders feedback overwhelming supportive of children feeling 'Happy & Safe' 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.

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

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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**

KPIs are reviewed termly by the Trust Leadership Team and shared with governors and Trustees termly via LAB reports. The KPIs are visited by the Trust Board in Term 1 and Term 6 whereby judgements are made against each indicator. The Finance Audit & Risk committee look specifically at the finance and risk indicators.

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.

Financial review

Most of the trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Total income for the year, as shown by the SoFA, amounted to £5.3m, a decrease on the £6.5m in the prior year. The prior year included income of £1.45m in respect of a donated fixed asset (the land at Ramsgate Arts Primary School).

The trust's revenue income for operating activities – all but income passing through the restricted fixed asset fund – was £5.2m compared to £5.0m in 2018-19. This increase was attributable to a rise in core grant funding for the trust's educational activities as shown in note 4.

The SoFA shows total expenditure for the year of £5.8m, leaving a net expenditure before other recognised gains / (losses) of £452k. The overall net movement in funds is a decrease of £938k, as a result of an actuarial loss of £486k relating to the Local Government Pension Scheme (LGPS).

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. To reach the result on revenue income funds movements on tangible fixed assets and the LGPS defined benefit pension liability must be excluded. Revenue funds have decreased by £41k (2019: increased by £149k) during the year as reconciled from the overall movement in funds per the SoFA in the table which follows. The 'operational' result prior to revenue to capital transfers is also stated.

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	2020 (£000s)	2019 (£000s)
Overall net movement in funds for the year per SoFA	(938)	704
<u>Add:</u>		
Decrease / (increase) attributable to fixed asset fund	181	(1,095)
LGPS actuarial (gain)/loss	486	339
LGPS service and interest costs	230	201
Total movement in year on revenue funds	(41)	149
Transfers from revenue to capital to fund fixed asset additions	60	16
Transfer to capital designated fund	127	-
Operational surplus /(deficit) on revenue funds	146	165

At 31 August 2020, the net book value of fixed assets was £15.96m and movements in tangible fixed assets are shown in note 14 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 academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Financial position

The multi-academy trust held fund balances at 31 August 2020 of £14.4m (2019: £15.4m). These funds included restricted fixed asset funds of £16.1m (2019: £16.2) and revenue reserves of £767k (2019: £808k) split across restricted and unrestricted funds as shown in note 18.

The only fund in deficit was the LGPS pension reserve of £2.4m (2019: £1.7m). The increase/decrease in this reserve during the year has arisen because of the actuarial loss/gain that occurred in the financial year along with the other pension current service and finance costs. The deficit is not a concern and does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the multi-academy trust are fixed until 1 April 2023 (with small agreed incremental increased within this period).

Reserves Policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks' revenue expenditure, approximately £372k based on the 2019-20 results. The current level of unrestricted reserves of £630k (plus restricted reserves of £137k) is therefore deemed sufficient for the trust's needs.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long-term sickness where unforeseen costs are incurred.

The trust had sufficient reserves as at 31 August 2020 to meet this target although the level of completely free unrestricted reserves is slightly less. Most of the restricted funds relate to core General Annual Grant funding which will be used for the main educational operations.

The trustees will continue to monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

Investment Policy

The Viking Academy Trust do not hold investments beyond cash balances. When possible, the trust looks to hold surplus cash balances on deposit to maximise any potential interest returns.

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Trustees' Report
For the Year Ended 31 August 2020

Principal Risks and Uncertainties

The main risks that the Viking 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:

- *Inability to deliver cover purpose: educating the children attending a Viking Academy Trust school: School closure due to coronavirus pandemic* - This covers partial closure due to quarantine, local and national lockdown. Remote learning function not engaging all pupils. Lack of access to broadband and technology. Staff illness to extent that the trust does not have capacity to provide on-site lessons. Virus control measures not adequately in place locally/nationally. Vaccine not available. Lockdown reintroduced. These covid-19 specific risks and uncertainties link to all risks detailed below.
- *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 trust 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.

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. eg covid-19 support and Catch-Up premium.

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

The Viking 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.

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Trustees' Report
For the Year Ended 31 August 2020

FUNDRAISING

The Viking Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees. Covid-19 school closure meant fundraising opportunities ceased from March 2020. The first half of the academic year saw internal, school-based fund raising in support of local charities e.g. Viking Ward at QEQM Hospital, or national fundraising e.g. Children In Need or to raise money for school equipment e.g. school disco to purchase additional wet-playtime games.

STREAMLINED ENERGY AND CARBON REPORTING

As the Viking Academy Trust is not a large company under Companies Act 2006 it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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. As the country is still in the midst of a pandemic, with no vaccine yet available; the principal priority for the Viking Academy Trust must be to continue to fulfil its core purpose; educating primary school children, and to do so in a way that ensures the physical and mental health and safety of the Viking community takes precedence.

Our main objectives for the future are:

- to ensure the recovery curriculum in place with Covid-19 allows for all children to progress at an accelerated rate eliminating the negative differential caused during lockdown & school closure
- 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.

AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditor is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

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Trustees' Report
For the Year Ended 31 August 2020

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, and signed on the board's behalf by:



N Roby
Chair of Trustees



M Lewis
CEO & Accounting Officer

Date: 07 December 2020

Viking Academy Trust
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Governance Statement
For the Year Ended 31 August 2020

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.

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, Mrs M J Lewis, 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 six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
N S Roby, Chair of Trust	5	6
R H Curtis, Vice-Chair of Trust	6	6
M J Lewis, CEO	6	6
J Brand	5	6
J Cleverdon, Chair of FAR	5	6
R Kenyon	5	6
N J Rowland-Hill	5	6
L Shoring	4	6
E Somers-James	3	4
P Votta	6	6

The Trust Board membership has remained stable across 201-20. 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 FAR Committee meet seven times across the academic year.

The FAR 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 FAR Committee's remit also includes the functions of an audit committee.

The FAR 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 KPIs and proposes major transactions and programs to the board.

The FAR 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).

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;
- Performance appraisal of Chief Financial Officer (CFO) (commenced in post 01 March 2018)
- Implementation of in-house Viking payroll and HR function; and

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Governance Statement (continued)
For the Year Ended 31 August 2020

- Stability of Ramsgate Arts Primary School whilst in its infancy

Attendance at the Finance, Audit and Risk (FAR) 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	4	7
J Brand	7	7
R H Curtis	7	7
J J Cleverdon, Chair of Finance, Audit & Risk	7	7
Local Governors		
S Godwin (co-opted)	2	7
M White (co-opted)	5	7

Governance reviews

The Viking Academy Trust completed a self-review in Term 1 of 2019-20. This takes place annually. As part of the review an evaluation has been undertaken reviewing the effectiveness and impact of the trust’s governance structure. It also evaluated the outcomes of the annual skills audit to complete a gap analysis as well as an analysis of governance diversity.

The Board recommendation is in line with DfE recommendations and agrees with Lord Theodore Agnew’s foreword in Governance handbook

“...the foundation of effective governance is based on the commitment, skills, knowledge and behaviours of a group of volunteers. However, I also believe that for a board to be effective it will need to consist of a diverse group of volunteers, from a variety of backgrounds, who each bring with them different perspectives and experience but who are there for the same purpose, to ensure they can provide the best education to their students.”

The Viking Academy Trust will therefore continue to:

- Provide sufficient diversity of perspectives to enable robust decision making.
- Welcome and thrive on having a sufficiently diverse range of viewpoints – since open debate leads to good decisions in the interests of the whole school community.
- Ensure it continues to understand the full diversity of the cultural and religious context of the school and the community it serves.
- Continue to have some positions of governance that may be filled through election rather than appointment. In the case of elected parents, this helps to ensure that boards stay accessible and connected to the community they serve and that there is always a diverse range of perspectives around the table to support robust decision making.

Review of value for money

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

The accounting officer considers how the 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.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Viking Academy Trust for the year to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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Governance Statement (continued)
For the Year Ended 31 August 2020

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period year to 31 August 2020 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 coronavirus pandemic was a risk not listed on the trust's risk register at the outset of 2019-20 however it has subsequently become a priority. The board of trustees has given day to day management of the coronavirus risk assessment to the Trust Leaders but have continued to receive termly updates.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance, Audit & Risk Committee (FAR) 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
- identification and management of risks

In order to gain assurance on the control system the board of trustees opted to appoint UHY Hacker Young, the external auditors, to conduct a supplementary programme of checks during 2019-20 in the form of an internal scrutiny (audit) service.

A programme of themed reviews was agreed by the FAR committee, focusing on the following topics:

- Visit 1 - payroll and HR;
- Visit 2 - procurement and also budgetary control and accuracy of management accounting information

Due to Covid-19 it was not possible to complete both visits and the only checks during 2019-20 were conducted remotely in July on payroll and HR. The decision to review this theme was taken due to the fact the Trust had completed its first full year providing in-house Payroll and HR functions. The review and report setting out findings and recommendations provided assurance that there were no material control issues in this area requiring urgent attention. Some minor other matters brought to the board's attention have been followed up appropriately in a timely manner.

Since only one internal scrutiny report has been issued during the year it has been considered unnecessary to prepare an annual summary for the FAR committee outlining the areas reviewed, key findings, recommendations and conclusions.

The revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. UHY Hacker Young completed the provision of the service for 2019-20 under these transitional arrangements.

For 2020-21 the Trustees have appointed Kreston Reeves, a firm of chartered accountants with experience working in the academy sector, to carry out the internal scrutiny going forward. Subject to re-appointment at the AGM UHY Hacker Young will continue as external auditors.

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:

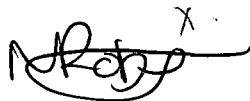
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the trust leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework

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Governance Statement (continued)
For the Year Ended 31 August 2020

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 and signed on its behalf by:



N Roby
Chairman of Trustees



M J Lewis
CEO & Accounting Officer

Date: 07 December 2020

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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 and 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 2019.

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 2019.

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
CEO (Executive Headteacher) and Accounting Officer

Date: 7 December 2020

Viking Academy Trust
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Statement of trustees' responsibilities
For the Year Ended 31 August 2020

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

Company law requires the trustees to prepare financial statements for each financial 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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: 7 December 2020

Viking Academy Trust
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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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Viking Academy Trust
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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

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: *14 December 2020*

Viking Academy Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 27 February 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 31 August 2020 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
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 14 December 2020

Viking Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	23	-	64	87	1,565
Funding for the academy trust's educational operations	5	68	4,986	-	5,054	4,778
Other trading activities	4	166	-	-	166	204
Total income		257	4,986	64	5,307	6,547
Expenditure on:						
Raising funds		12	-	-	12	14
Charitable activities	7	192	5,123	432	5,747	5,490
Total expenditure		204	5,123	432	5,759	5,504
Net income/(expenditure)		53	(137)	(368)	(452)	1,043
Transfers between funds	18	(15)	(172)	187	-	-
Net movement in funds before other recognised gains/(losses)		38	(309)	(181)	(452)	1,043
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(486)	-	(486)	(339)
Net movement in funds		38	(795)	(181)	(938)	704
Reconciliation of funds:						
Total funds brought forward		592	(1,493)	16,259	15,358	14,654
Net movement in funds		38	(795)	(181)	(938)	704
Total funds carried forward	18	630	(2,288)	16,078	14,420	15,358

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


The notes on pages 28 to 53 form part of these financial statements.


Viking Academy Trust
(A Company Limited by Guarantee)
Registered number: 09449979

Balance Sheet
As at 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	15,960	16,262
Current assets			
Debtors	15	209	225
Cash at bank and in hand		992	943
		<u>1,201</u>	<u>1,168</u>
Creditors: amounts falling due within one year	16	(312)	(354)
Net current assets		<u>889</u>	<u>814</u>
Total assets less current liabilities		<u>16,849</u>	<u>17,076</u>
Creditors: amounts falling due after more than one year	17	(4)	(9)
Net assets excluding pension liability		<u>16,845</u>	<u>17,067</u>
Defined benefit pension scheme liability	27	(2,425)	(1,709)
Total net assets		<u><u>14,420</u></u>	<u><u>15,358</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	16,078	16,259
Restricted income funds	18	137	216
Pension reserve	18	(2,425)	(1,709)
Total restricted funds	18	<u>13,790</u>	<u>14,766</u>
Unrestricted income funds	18	<u>630</u>	<u>592</u>
Total funds		<u><u>14,420</u></u>	<u><u>15,358</u></u>

The financial statements on pages 25 to 53 were approved and authorised for issue by the trustees and are signed on their behalf, by:


N Roby
 Chair of Trustees


M Lewis
 Trustee and Accounting Officer

Date: 7 December 2020

The notes on pages 28 to 53 form part of these financial statements.

Viking Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	129	157
Cash flows from investing activities	22	(75)	10
Cash flows from financing activities	21	(5)	(5)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		49	162
Cash and cash equivalents at the beginning of the year		943	781
Cash and cash equivalents at the end of the year	23, 24	<hr/> <u>992</u>	<hr/> <u>943</u>

The notes on pages 28 to 53 form part of these financial statements

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate 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 (excluding transfers on conversion or into the academy trust)**

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

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

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.

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

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 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

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

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. Accounting policies (continued)

1.11 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.

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.

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2019-20 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "Cloud/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. This was reflected in the prior year as a past service cost, within staff costs, and detailed in note 27, of £30,000.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the Cloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published.

2) Godwin case. Following a case involving the Teachers' Pension scheme, known as the Godwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

Briefing notes provided by the actuary have indicated they expect the impact will be minimal for LGPS funds.

(3) Guaranteed Minimum Pension (GMP). On 22 January 2018, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Briefing notes provided by the actuary have indicated they do not expect to make any adjustments to the value placed on the liabilities as a result of the above outcome.

(4) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced which has resulted in a higher value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(5) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 27. 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 have been updated in line with those adopted for the Fund's 2019 actuarial valuation which anticipates a reduction in projected life expectancies. The lower life expectancy assumptions result in a lower value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Donations	23	-	23	1,474
Grants	-	64	64	91
	<u>23</u>	<u>64</u>	<u>87</u>	<u>1,565</u>
<i>Analysis of 2019 total by fund</i>	<u>24</u>	<u>1,541</u>	<u>1,565</u>	

4. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Wraparound care	93	93	116
Hire of facilities	36	36	34
Sale of goods	9	9	9
Other	28	28	45
	<u>166</u>	<u>166</u>	<u>204</u>
<i>Analysis of 2019 total by fund</i>	<u>204</u>	<u>204</u>	

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

5. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,162	4,162	4,013
Other DfE/ESFA grants	-	704	704	551
	<u>-</u>	<u>4,866</u>	<u>4,866</u>	<u>4,564</u>
Other government grants				
Local authority grants	-	6	6	15
Local authority - Special educational projects	-	105	105	86
	<u>-</u>	<u>111</u>	<u>111</u>	<u>101</u>
Exceptional government funding				
Coronavirus exceptional support	-	9	9	-
	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>
Other income				
Educational visits	52	-	52	92
Other	16	-	16	21
	<u>68</u>	<u>-</u>	<u>68</u>	<u>113</u>
	<u>68</u>	<u>4,986</u>	<u>5,054</u>	<u>4,778</u>
<i>Analysis of 2019 total by fund</i>	<u>113</u>	<u>4,665</u>	<u>4,778</u>	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £9k of costs relating to Covid-19. These costs are included in notes 7 and 9 below as appropriate.

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

6. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	12	12	14
Educational operations:					
Direct costs	3,633	291	420	4,344	4,093
Allocated support costs	694	379	330	1,403	1,397
	<u>4,327</u>	<u>670</u>	<u>762</u>	<u>5,759</u>	<u>5,504</u>
<i>Analysis of 2019 total</i>	<u>3,865</u>	<u>699</u>	<u>940</u>	<u>5,504</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Educational operations	192	5,555	5,747	5,490
<i>Analysis of 2019 total by fund</i>	<u>233</u>	<u>5,257</u>	<u>5,490</u>	

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

8. Analysis of expenditure by activities

	Direct costs	Support costs	Total funds	Total funds
	2020	2020	2020	2019
	£000	£000	£000	£000
Educational operations	4,344	1,403	5,747	5,490
<i>Analysis of 2019 total</i>	<i>4,093</i>	<i>1,397</i>	<i>5,490</i>	

Analysis of support costs

	Total funds	Total funds
	2020	2019
	£000	£000
Staff costs	780	714
Premises costs	379	409
Technology costs	69	57
Legal costs	4	-
Governance costs	15	21
Other support costs	156	196
	<u>1,403</u>	<u>1,397</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£000	£000
Operating lease rentals	11	4
Depreciation of tangible fixed assets	432	313
Fees paid to auditors for:		
- audit	11	11
- other services	4	10
	<u>468</u>	<u>348</u>

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	3,155	2,922
Social security costs	264	241
Pension costs	908	682
	<u>4,327</u>	<u>3,845</u>
Staff restructuring costs	-	20
	<u>4,327</u>	<u>3,865</u>

Staff restructuring costs comprise:

	2020	<i>2019</i>
	£000	<i>£000</i>
Redundancy payments	-	19
Severance payments	-	1
	<u>-</u>	<u>20</u>

b. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Management	6	6
Teachers	58	53
Administration and support	92	103
	<u>156</u>	<u>162</u>

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020	<i>2019</i>
	No.	<i>No.</i>
Management	6	6
Teachers	52	48
Administration and support	53	55
	<u>111</u>	<u>109</u>

c. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	-	1
In the band £100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £489k (2019 - £451k).

11. 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:

		2020	<i>2019</i>
		£000	<i>£000</i>
M J Lewis, Executive Headteacher	Remuneration	100 - 105	<i>100 - 105</i>
	Pension contributions paid	20 - 25	<i>15 - 20</i>

During the year ended 31 August 2020, no trustee expenses have been incurred (2019 - £37 reimbursed to 1 trustee).

Viking Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

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
- Bank charges

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

Insurance	-	pupil numbers
Audit and accountancy	-	equal share
Salaries	-	pupil numbers
Consultancy, financial and solicitor fees	-	equal share
Bank charges	-	staff numbers

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Upton Junior School	164	<i>153</i>
Chilton Primary School	165	<i>126</i>
Ramsgate Arts Primary School	101	<i>81</i>
Total	430	<i>360</i>

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £210 (2019 - £Nil as the RPA was used). The cost of this insurance is included in the total insurance cost.

Viking Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2020

14. Tangible fixed assets

	Long-term leasehold property £000	Leasehold improvements £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation						
At 1 September 2019	15,589	1,145	-	250	379	17,363
Additions	-	18	30	59	23	130
At 31 August 2020	<u>15,589</u>	<u>1,163</u>	<u>30</u>	<u>309</u>	<u>402</u>	<u>17,493</u>
Depreciation						
At 1 September 2019	634	45	-	136	286	1,101
Charge for the year	268	23	-	55	86	432
At 31 August 2020	<u>902</u>	<u>68</u>	<u>-</u>	<u>191</u>	<u>372</u>	<u>1,533</u>
Net book value						
At 31 August 2020	<u>14,687</u>	<u>1,095</u>	<u>30</u>	<u>118</u>	<u>30</u>	<u>15,960</u>
At 31 August 2019	<u>14,955</u>	<u>1,100</u>	<u>-</u>	<u>114</u>	<u>93</u>	<u>16,262</u>

Included in leasehold property is land valued at £2.179m (2019 - £2.179m) which is not depreciated.

15. Debtors

	2020 £000	2019 £000
Trade debtors	14	7
Other debtors	39	49
Prepayments and accrued income	156	169
	<u>209</u>	<u>225</u>

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16. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other loans	5	5
Trade creditors	37	69
Other taxation and social security	62	58
Other creditors	75	56
Accruals and deferred income	133	166
	<u>312</u>	<u>354</u>
	<u><u>312</u></u>	<u><u>354</u></u>
	2020	2019
	£000	£000
Deferred income at 1 September 2019	82	81
Resources deferred during the year	81	82
Amounts released from previous periods	(82)	(81)
	<u>81</u>	<u>82</u>
	<u><u>81</u></u>	<u><u>82</u></u>

At the balance sheet date the academy trust was holding funds received in advance of the 2020/21 academic year for ESFA rates relief, ESFA UIFSM funding and school trips.

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

	2020	2019
	£000	£000
Other loans	4	9
	<u>4</u>	<u>9</u>
	<u><u>4</u></u>	<u><u>9</u></u>

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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18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	592	257	(204)	(15)	-	630
Restricted general funds						
General Annual Grant (GAG)	216	4,162	(4,069)	(172)	-	137
Other DfE/ESFA grants	-	713	(713)	-	-	-
Other government grants	-	111	(111)	-	-	-
Pension reserve	(1,709)	-	(230)	-	(486)	(2,425)
	(1,493)	4,986	(5,123)	(172)	(486)	(2,288)
Restricted fixed asset funds						
Tangible fixed assets	16,262	-	(432)	130	-	15,960
DfE/ESFA capital grants	11	64	-	(75)	-	-
Salix loan	(14)	-	-	5	-	(9)
RAPS expansion project	-	-	-	127	-	127
	16,259	64	(432)	187	-	16,078
Total Restricted funds	14,766	5,050	(5,555)	15	(486)	13,790
Total funds	15,358	5,307	(5,759)	-	(486)	14,420

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

The designated fund relates to an expansion project at Ramsgate Arts Primary School for a 2-block extension that the school will need as it grows.

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 net transfer from GAG comprises two elements; (i) the £187k revenue to capital transfer explained below under fixed asset funds and (ii) a £15k transfer in from general unrestricted funds to cover the GAG deficit at Upton Junior School.

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.

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18. Statement of funds (continued)

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 transfer of £187k to the fund comprises two elements:

- (i) £60k capital expenditure funded by revenue reserves and the reduction in the Salix loan;
- (ii) a newly created restricted fixed asset designated fund of £127k. This relates to the RAPS expansion project. The money has not yet been spent as would usually be the case with a revenue to capital transfer. The trustees have instead opted to make a revenue to capital contribution in advance of incurring the costs in order to set an estimate of the anticipated costs aside.

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Upton Junior School	469	443
Chilton Primary School	180	162
Ramsgate Arts Primary School	118	203
	767	808
Total before fixed asset funds and pension reserve	767	808
Restricted fixed asset fund	16,078	16,259
Pension reserve	(2,425)	(1,709)
	14,420	15,358
Total		

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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Upton Junior School	1,430	146	121	253	1,950	1,869
Chilton Primary School	1,168	127	89	234	1,618	1,654
Ramsgate Arts Primary School	748	93	86	172	1,099	983
LGPS	-	230	-	-	230	201
Central services	201	184	-	45	430	360
Academy trust	3,547	780	296	704	5,327	5,067

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £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 2019 £000</i>
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						
Tangible fixed assets	15,168	1,450	(437)	81	-	16,262
DfE/ESFA capital grants	15	91	(25)	(70)	-	11
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

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	15,960	15,960
Current assets	635	439	127	1,201
Creditors due within one year	(5)	(302)	(5)	(312)
Creditors due in more than one year	-	-	(4)	(4)
Provisions for liabilities and charges	-	(2,425)	-	(2,425)
Total	630	(2,288)	16,078	14,420

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
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

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

	2020	2019
	£000	£000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(452)	1,043
Adjustments for:		
Depreciation	432	437
Capital grants from DfE and other capital income	(55)	(91)
Defined benefit pension scheme cost less contributions payable	200	173
Defined benefit pension scheme finance cost	30	28
Decrease/(increase) in debtors	16	(47)
(Decrease)/increase in creditors	(42)	64
Donated fixed assets	-	(1,450)
Net cash provided by operating activities	129	157

21. Cash flows from financing activities

	2020	2019
	£000	£000
Repayments of borrowing	(5)	(5)

22. Cash flows from investing activities

	2020	2019
	£000	£000
Purchase of tangible fixed assets	(130)	(81)
Capital grants from DfE Group	55	91
Net cash (used in)/provided by investing activities	(75)	10

23. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	992	943

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Notes to the Financial Statements
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24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	943	49	-	992
Debt due within 1 year	(5)	5	(5)	(5)
Debt due after 1 year	(9)	-	5	(4)
	<u>929</u>	<u>54</u>	<u>-</u>	<u>983</u>

25. Contingent liabilities

The trust has a contingent liability in respect of term time only workers' annual leave. During the year certain trades unions began looking at potentially making claims against Kent based education employers regarding the calculation of term time only workers' annual leave. This is on the back of settlements they have made in other local authorities for their members regarding changing the calculation and back pay.

Whilst the academy trust is free to set its own pay rates, in common with most academies it closely follows the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated and the trust has followed by altering its own approach. KCC has received representations that there is a wish to make a settlement on back pay as the unions believe their members have been historically underpaid. KCC is resisting making any collective settlement and is encouraging individual employer schools and academies to do likewise.

The unions are attempting to bring the issue to their members and encouraging them to make a claim in the Employment Tribunal. If this is successful the trust may be liable. At the date of approval of these financial statements it is unclear (i) whether a back settlement liability may exist, (ii) if does how many years back this may go, and (iii) whether the liability or share of the liability would sit with KCC.

26. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	235	-
	<u>235</u>	<u>-</u>

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27. Pension commitments

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

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

Contributions amounting to £75,000 were payable to the schemes at 31 August 2020 (2019 - £56,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £490,000 (2019 - £318,000).

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

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £233,000 (2019 - £210,000), of which employer's contributions totalled £182,000 (2019 - £164,000) and employees' contributions totalled £ 51,000 (2019 - £46,000). The employer contribution rates have been set for the next three years, with the current 20% continuing until April 2021, before rising to 21% until April 2022 and then increasing to 22.5% until April 2023. Employee rates in this period will vary between 5.5 to 12.5% depending on individual employee salary levels.

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

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.75
Rate of increase for pensions in payment/inflation	2.25	2.25
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.25	2.25

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(126)	(77)
Discount rate -0.1%	129	79
Mortality assumption - 1 year increase	180	135
Mortality assumption - 1 year decrease	(174)	(130)
CPI rate +0.1%	117	71
CPI rate -0.1%	(114)	(70)

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27. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Equities	1,624	1,401
Gilts	17	15
Corporate bonds	324	186
Property	276	240
Cash and other liquid assets	76	55
Other	191	160
Total market value of assets	2,508	<i>2,057</i>

The actual return on scheme assets was £161,000 (2019 - £85,000).

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(381)	(306)
Past service cost	-	(30)
Interest income	40	50
Interest cost	(70)	(78)
Administrative expenses	(1)	(1)
Total amount recognised in the Statement of Financial Activities	(412)	<i>(365)</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	3,766	<i>2,942</i>
Current service cost	381	306
Interest cost	70	78
Employee contributions	51	46
Actuarial losses	696	374
Benefits paid	(31)	(10)
Past service costs	-	30
At 31 August	4,933	<i>3,766</i>

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27. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	2,057	1,773
Interest income	40	50
Actuarial gains	210	35
Employer contributions	182	164
Employee contributions	51	46
Benefits paid	(31)	(10)
Administrative expenses	(1)	(1)
At 31 August	<u>2,508</u>	<u>2,057</u>

28. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Not later than 1 year	9	2
Later than 1 year and not later than 5 years	7	1
	<u>16</u>	<u>3</u>

29. Members' liability

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

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30. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the year:

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 to the value of £3,260 (2019 - £2,240).

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.

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
Carson Arthur (sports coach)	- nephew of Head at Upton Junior School

Income Related Party Transactions

PTFA - donations of £2,789 (2019 - £7,994) were made to CPS and £430 (2019 - £2,650) to RAPS by the Parents Teachers and Friends Association during the year to help fund the purchase of equipment.