

Viking Academy Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2018



Viking Academy Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 45

Viking Academy Trust
(A company limited by guarantee)

Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2018

Members	R Macfarlane N J Rowland-Hill P W Graham R S Farr A T Emby
Trustees	R Macfarlane, Chair of Trustees until 10 September 2018 ¹ M J Lewis, CEO (Executive Head Teacher) and Accounting Officer ¹ M G Butler N S Roby, appointed Chair of Trustee on 10 September 2018 ¹ N J Rowland-Hill E A Somers-James P J Votta R H Curtis ¹ J J Cleverdon, Chair of Finance, Audit and Risk Committee ¹ J Brand (appointed 8 March 2018) ¹ M White (appointed 18 October 2017) ¹ ¹ Members of the Finance, Audit and Risk Committee
Company registered number	09449979
Company name	Viking Academy Trust
Registered office	Chilton Primary School Chilton Lane, Ramsgate, Kent. CT11 0LQ
Senior Leadership Team	M J Lewis - CEO (Executive Head Teacher) and Accounting Officer K Law - Head of School, Chilton Primary School N Budge - Head of School, Ramsgate Arts Primary School D Arthur - Head of School, Upton Junior School T-J Higgin - Chief Financial Officer L Blatchford - Chief Operations Officer
Academies operated	Chilton Primary School Ramsgate Arts Primary School Upton Junior School
Bankers	Natwest plc 53 High Street Ramsgate. CT11 9AG
Auditors	UHY Kent LLP trading as UHY Hacker Young Thames House Roman Square Sittingbourne Kent. ME10 4BJ

Viking Academy Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2018

The trustees present their annual report and auditors' report of the academy trust for the year ended 31 August 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

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

Principal activities

The academy trust operates three academies for pupils aged 4 to 11 serving catchment areas in Ramsgate and Broadstairs, Kent. Chilton Primary School has a pupil capacity of 420 and had a roll of 414 in the school census in May 2018.

Ramsgate Arts Primary School (formerly Ramsgate Free School) had a capacity of 420 pupils (YR – Y5) and had 151 pupils on roll in the May 2018 census.

Upton Junior School has a pupil capacity of 512 and had a roll of 520 in the school census of May 2018.

Members' liability

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

Trustees' indemnities

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

Details of the insurance cover are provided in note 12 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 Governing Bodies 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 Multi Academy Trust 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 2018 and served throughout the year, except where shown, are listed on page 1.

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Policies and procedures adopted for the induction and training of trustees

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

In 2017/2018, the following is an outline of the process:

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

In 2017/2018 VAT developed 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.

Organisation structure

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

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

- Setting the values, aims and objectives of the 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 five 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 2017/18, there were three LABs in operation, namely:

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

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Organisation structure (continued)

Detailed terms of reference for the Local Advisory Bodies have been agreed by the 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 Schools to account for the performance of the Academies;
 - Ensuring parents and pupils are involved, consulted and informed as appropriate; and
 - Making available information to the communities.

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

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

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

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

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

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. Trustees are satisfied that the major risks identified have been adequately mitigated where necessary through risk management. Trustees recognise that systems and risk management can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trust buys in to the ESFA Risk Protection Arrangement.

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

Connected organisations, including related parties

There are no related parties which either control or significantly influence the decisions or operations of the 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.
- The Viking Academy Trust purchase the HR services of Mrs Heidi Russell, an employee of the Coastal Academy Trust. RH Curtis (Trustee) is the Chair of the Coastal Academy Trust.

OBJECTIVES AND ACTIVITIES

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

Objective, strategies and activities

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

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

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

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.

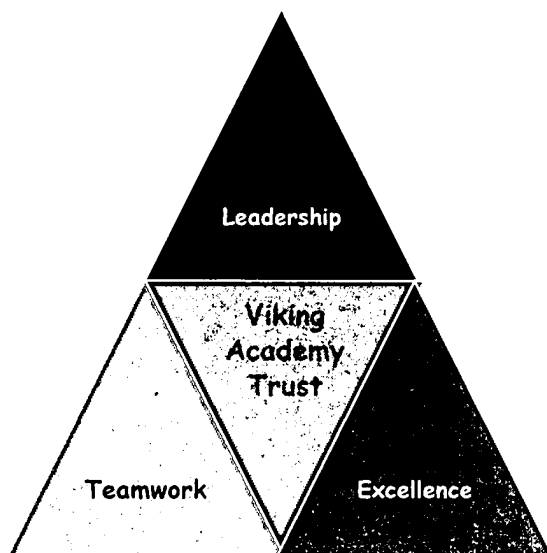
Underpinning this is:

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

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

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

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



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

Public benefit

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

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

STRATEGIC REPORT

Achievements and performance

Standards across the three academies exceed National and Kent attainment. (EYFS, Year 1 Phonics, Key Stage 1 & Key Stage 2 SATs).

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

2018 VIKING RESULTS	CHILTON	RAPS	UPTON
EYFS GLD	77%	80%	
Y1 Phonics	92%	100%	
KS1 Reading	EXS 85%, GDS 28%	EXS 70% GDS 7%	
KS1 Maths	EXS 78%, GDS 22%	EXS 73% GDS 8%	
KS1 Writing	EXS 75%, GDS 17%	EXS 70% GDS 7%	
KS1 Combined R W M	75%	70%	
KS2 Reading	EXS 91%, GDS 47%		EXS 80% GDS 35%
KS2 Maths	EXS 95%, GDS 31%		EXS 80% GDS 32%
KS2 GPS	EXS 90%, GDS 48%		EXS 77% GDS 39%
KS2 Writing	EXS 92%, GDS 34%		EXS 92% GDS 25%
KS2 Combined R W M	90% GDS 17%		72% GDS 18%

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

Key Stage 2 2018 Data (National comparisons) Chilton Primary & Upton Junior. NB Ramsgate Arts Primary will not have KS2 Data to report until 2019.

CHILTON PRIMARY SCHOOL				
Subject	Percentage of pupils achieving the expected standard: school	Percentage of pupils achieving the expected standard: nationally	Average scaled score: school	Average scaled score: nationally
English reading	91%	75%	109	105
English grammar, punctuation and spelling	90%	78%	109	106
Mathematics	95%	76%	107	104
English writing (teacher assessment)	92%	78%	N/A	N/A
Science (teacher assessment)	88%	82% (2017 data)		

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Achievements and performance (continued)

UPTON JUNIOR SCHOOL				
Subject	Percentage of pupils achieving the expected standard: school	Percentage of pupils achieving the expected standard: nationally	Average scaled score: school	Average scaled score: nationally
English reading	81%	75%	106	105
English grammar, punctuation and spelling	78%	78%	106	106
Mathematics	81%	76%	106	104
English writing (teacher assessment)	92%	78%	N/A	N/A
Science (teacher assessment)	100%	82% (2017 data)	N/A	N/A
Combined (R, W, M)	72%	68%		

Driving continuous improvement: The Trust Improvement Plan and individual academy improvement plans highlight the actions that will be taken across the school and Trust-wide to further improve on attainment and progress in the new academic year. The Local Governing Body and Standards Trustee have detailed reports on the data shown above. It forms part of the agenda for every LAB meeting (6x year).

Chilton Primary School and Ramsgate Arts Primary School received Ofsted Inspections in March and May 2018 respectively. Chilton had a Section 8 inspection (Good judgement confirmed), with a Section 5 inspection with a view to achieve Outstanding to follow in an 18 month window. Ramsgate Arts first inspection resulted in a Good grade granted across all judgements.

Ofsted Judgements:

Chilton Primary School: Ofsted GOOD March 2018

Ramsgate Arts Primary: Ofsted GOOD May 2018

Upton Junior School: Ofsted OUTSTANDING November 2014

Non-Academic Achievements:

Upton and Chilton schools were both successful in their CIF applications and have had significant Health & Safety works completed across July & August 2017. Both schools have had updated Fire Systems which is ongoing in to the new academic year, completed December 2017.

The Ramsgate Arts Primary School 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 will open to PAN for the first time in September 2018 (60 pupils to enter Reception).

The Upton Swimming Pool has remained open for school and community use across 2017-18. The Board of Trustees have entered in to a license agreement from 1st September 2018 with a Pool Management company to ensure the continued opening of the Pool.

Going concern

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

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

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. The following Key Performance Indicators (KPIs) are used to assess the success of the activities:

Standards of Achievement

- Comparative attainment data for the end of EYFS, KSI and KS2;
- Success in achieving ambitious end of key stage targets; and
- Assessment data, indicating rates of progress for individuals and groups, including pupils eligible PP funding.

Quality of Teaching

Analyses of quality of teaching, including:

- Teaching profile e.g. breakdown of lesson observation judgements
- Tracking of pupil progress
- Monitoring of marking and presentation

Behaviour and Safety

- Behaviour records, including incidents of bullying and racial harassment;
- Attendance and rates, including persistent absence;
- Child protection and safeguarding audits; and
- Pupil, parent and staff surveys.

Leadership and Management

Impact of leadership and management on standards of achievement and the quality of teaching:

- Staff development processes, including performance management;
- Ofsted Inspection Reports; Academy and/or Trust commissioned reviews e.g. LA T&L Reviews;
- Academy self-evaluation processes;
- Quality marks and awards;
- Impact of support on external partners; and
- Demand for pupil places.

Operational

- Budget analyses and projections;
- Direct staff to cost income;
- Teacher cost as a projection of staff cost;
- Teacher pay scale analysis;
- Pupil to teacher ratio;
- Performance of catering, service and meal uptake – unpaid monies;
- Ticket open and close rates for IT & Premises issues;
- Quality marks and awards; and
- Demand for Pupil places.

Financial review

It is important to note that the prior year comparatives are not immediately comparable with the 2017/18 results because of the impact on the 2016/17 Statement of Financial Activities (SoFA) of (1) the £4.7m net donation for the value of assets and liabilities transferred into the trust when Upton Junior School converted to academy status and joined the trust on 1 September 2016 and (2) much larger capital grants.

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Financial review (continued)

Total income for the year was £6.6m and included £1.96m capital grants in addition to revenue income. Core income for charitable activities – the operation of the trust's three academies – amounted to £4.6m (2017: £4.5m).

Incoming resources for the year have therefore been sufficient to cover total resources expended of £5.2m resulting in net income for the year of £1.37m as shown on the SoFA. To this is added an actuarial gain of £323k on the Local Government Pension Scheme (LGPS) which brings the total movement in funds for the year to £1.688m.

This net movement in funds is not particularly useful in terms of understanding the trust's operating result for running its academies. The restricted fixed asset fund, which records all capital income less depreciation costs of tangible fixed assets (including for the school buildings) accounts for a net movement of £1.686m itself.

The SoFA is further complicated by the impact of the LGPS movement. Whilst part of the movement is reflected on the face of the SoFA as actuarial gains or losses, as noted above, part of the movement is reflected with costs of charitable activities within restricted funds. This is explained in more detail in accounting policy 1.12.

The meaningful revenue operating result for the year, a deficit of £80k (2017: £66k) therefore cannot be seen on the SoFA because of the constraints of charity legislation academy trusts comply with. The overall net movement in revenue funds for 2017/18 was a reduction of £116k after revenue to capital contributions (shown as transfers on the SoFA) of £36k to cover the cost of capital items acquired from revenue funds.

This year's financial statements do include a prior year adjustment which has impacted on the comparative results. This is explained in detail in note 17.

At 31 August 2018, the net book value of fixed assets was £15k and movements in tangible fixed assets are shown in note 13 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 academy, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

The academy trust held fund balances at 31 August 2018 of £14.6m. These funds comprise restricted fixed asset funds of £15.2m, revenue funds of £659k (split across restricted and unrestricted funds) and a pension fund showing a deficit of £1.17m.

The pension reserve is the only fund in deficit, and the reduction in the liability in the year has been explained in the financial review above. This deficit is not a significant concern because it does not mean that an immediate liability crystallises; it is an accounting deficit with no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions.

Reserves policy

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

The trustees have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks' revenue expenditure, approximately £364k based on the 2017/18 results. The current level of unrestricted reserves of £518k (plus restricted reserves of £141k) is therefore deemed sufficient for the trust's needs.

PRINCIPAL RISK AND UNCERTAINTIES

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

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service, competition from other schools with similar objects and little scope for differentiation.
- *Finance risk* - The risk of the academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the academy is required to pay.
- *Safeguarding and child protection* – 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, and discipline.

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

- *Failures in governance and/or management* – The risk in this area arises from the potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- *Staff* – The success of the academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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 is provided by the Executive Headteacher (CEO) and central staff (CFO, COO) to ensure consistency of policy application.

Financial and risk management objectives and policies

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

As a significant percentage of revenue is linked to pupil numbers, the Trust invests in appropriate marketing strategies and campaigns. Also, additional streams of funding are investigated and utilised.

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

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

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

The trust is also exposed to the following financial risks:

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

PLANS FOR FUTURE PERIODS

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

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

Our main objectives for the future are:

- to raise pupil achievement and progress in all subjects;
- for teaching and learning to be outstanding;
- for vulnerable groups including Pupil Premium pupils to progress at the same rate as other groups.
- To continue to manage budget reductions and consider new ways to generate income.

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

Viking Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

- Short Term: The 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.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

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

AUDITORS

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

This report, incorporating the Strategic report, was approved by order of the Board of Trustees on 10 December 2018 and signed on the Board of Trustees' behalf by:



N Roby
Chair of Trustees



M Lewis
CEO (Executive Head Teacher) and Accounting Officer

Viking Academy Trust
(A company limited by

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Viking Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows.

Trustee	Meetings attended	Out of a possible
R Macfarlane, Chair of Trustees	4	5
M J Lewis, CEO (Executive Head Teacher) and Accounting Officer	5	5
N S Roby	5	5
N J Rowland-Hill	4	5
J Brand	2	2
P J Votta	5	5
R H Curtis	3	5
J J Cleverdon, Chair of Finance	4	5

The Trust Board membership has remained stable across 2017-18. One new Trustee joined the Board, Mrs J Brand following her appointment as Chair of Governors at the Ramsgate Arts Primary School. Her membership was ratified on 08.03.2018.

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

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

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

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

The Finance and Resources Committee's remit also includes the functions of an audit committee. This year the Committee has focused on six 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;
- Assessing Risk factors affecting the Trust;
- Appointment of Chief Financial Officer (CFO) (1 March 2018); and
- Stability of Ramsgate Arts Primary School whilst in its infancy and first year on permanent site.

Viking Academy Trust
(A company limited by

Governance Statement

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

Trustee	Meetings attended	Out of a possible
R Macfarlane, Chair of Trustees until 10 September 2018	7	7
M J Lewis, Executive Head Teacher and Accounting Officer	7	7
N S Roby, Chair of Trustees from 10 September 2018	4	7
J Brand (appointed 18 October 2017)	5	5
R H Curtis	5	7
J J Cleverdon, Chair of Finance	7	7
M White (appointed 18 October 2017)	5	5

N J Rowland-Hill ended his Term as Finance, Audit & Risk Committee Chair at the end of 2016-17.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Laurence in Thanet Church of England Junior Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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

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

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

Viking Academy Trust
(A company limited by

Governance Statement

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

Review of Value for money

As Accounting Officer the CEO (Executive Headteacher) has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how 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

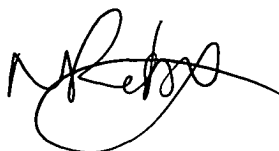
Review of Effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the independent reviewer;
- work of the external auditors; and
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 10 December 2018 and signed on their behalf, by:



N. Roby
Chair of Trustees



M Lewis
Executive Head Teacher and Accounting Officer

Viking Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

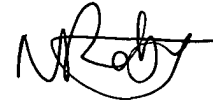
As Accounting Officer of Viking Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



M. Lewis, Executive Head Teacher and Accounting Officer



Date: 10 December 2018

Viking Academy Trust
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10 December 2018 and signed on its behalf by:



N. Roby
Chair of Trustees

Viking Academy Trust
(A company limited by guarantee)

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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Viking Academy Trust

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 14 December 2018

Viking Academy Trust
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 27 February 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Viking Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Viking Academy Trust and the 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 the 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 21 July 2017, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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 be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. 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 2018 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 Accountants' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have 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 2018*

Viking Academy Trust
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2017</i> <i>£000</i>
Income from:					
Donations & capital grants:					
Transfer from local authority on conversion	2	-	-	-	4,707
Other donations and capital grants	2	-	1,961	1,972	5,304
Charitable activities	3	4,362	-	4,599	4,470
Other trading activities	4	-	-	43	35
Total income	291	4,362	1,961	6,614	14,516
Expenditure on:					
Raising funds	4	-	-	17	10
Charitable activities		4,687	311	5,232	4,792
Total expenditure	5	4,687	311	5,249	4,802
Net income / (expenditure) before transfers					
Transfers between Funds	18	(20)	36	-	-
Net income / (expenditure) before other recognised gains and losses					
		20	(341)	1,686	1,365
Actuarial gains on defined benefit pension schemes	23	-	323	-	323
Net movement in funds		20	(18)	1,686	1,688
Reconciliation of funds:					
Total funds brought forward		478	(990)	13,478	12,966
Prior year adjustment (Note 17)		-	-	-	392
Total funds carried forward		498	(1,008)	15,164	14,654

The notes on pages 25 to 45 form part of these financial statements.

Viking Academy Trust
(A company limited by guarantee)
Registered number: 09449979

Balance Sheet
As at 31 August 2018

	Note	£000	2018 £000	£000	As restated 2017 £000
Fixed assets					
Tangible assets	13		15,168		13,249
Current assets					
Debtors	14	179		576	
Cash at bank and in hand		781		1,884	
		960		2,460	
Creditors: amounts falling due within one year	15	(291)		(1,437)	
Net current assets			669		1,023
Total assets less current liabilities			15,837		14,272
Creditors: amounts falling due after more than one year	16		(14)		(19)
Net assets excluding pension scheme liabilities			15,823		14,253
Defined benefit pension scheme liability	23		(1,169)		(1,287)
Net assets including pension scheme liabilities			14,654		12,966
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	161		297	
Restricted fixed asset funds	18	15,164		13,478	
Restricted income funds excluding pension liability		15,325		13,775	
Pension reserve		(1,169)		(1,287)	
Total restricted income funds			14,156		12,488
Unrestricted income funds	18		498		478
Total funds			14,654		12,966

The financial statements on pages 22 to 45 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:



N. Roby
 Chair of Trustees

The notes on pages 25 to 45 form part of these financial statements.

Viking Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £000	<i>As restated</i> 2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(829)	930
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,230)	(5,138)
Capital grants from DfE Group		1,961	5,292
Cash funds transferred on conversion		-	370
Net cash (used in)/provided by investing activities		(269)	524
Cash flows from financing activities:			
Repayments of borrowings		(5)	(4)
Net cash used in financing activities		(5)	(4)
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		1,884	434
Cash and cash equivalents carried forward	21	781	1,884

The notes on pages 25 to 45 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 2018

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Viking Academy Trust constitutes a public benefit entity as defined by 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 income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

The trust is benefiting from the ESFA's Free School Building Programme for the construction of Ramsgate Arts Primary School. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls through ownership the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

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 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.

Expenditure on charitable activities are costs incurred on the academy trust's educational operations, including support costs and those costs relating to the governance of the academy trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 or more or a group of assets costing £5,000 or more are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line
Furniture and fixtures	-	20% straight line
Leasehold improvements	-	2% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33.33% straight line
Assets under construction	-	No depreciation

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 incorporating income and expenditure account.

1.6 Operating leases

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

1.7 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 2018

1. Accounting Policies (continued)

1.8 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.

1.9 Liabilities and provisions

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 14. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.13 Fund accounting

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

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

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

1.14 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	-	-	-	-	4,707
Donations	11	-	-	11	12
Capital grants	-	-	1,961	1,961	5,292
Subtotal	11	-	1,961	1,972	5,304
	11	-	1,961	1,972	10,011
<i>Analysis of 2017 total by fund</i>	381	(616)	10,246	10,011	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,844	3,844	3,680
Other DfE/ESFA grants	-	459	459	405
	-	4,303	4,303	4,085
Other government grants				
Local authority grants	-	18	18	32
Local authority - Special educational projects	-	41	41	116
	-	59	59	148
Other income from the academy trust's educational operations				
Educational visits income	79	-	79	66
Special facilities	123	-	123	128
Other income	34	-	34	42
	236	-	236	236
	236	4,362	4,598	4,469
<i>Analysis of 2017 total by fund</i>	236	4,234	4,470	

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

4. Trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Charity trading income				
Hire of facilities	18	-	18	17
Supply teacher insurance claims	-	-	-	2
Sale of goods	11	-	11	15
Other income	14	-	14	1
	<u>43</u>	<u>-</u>	<u>43</u>	<u>35</u>
Fundraising trading expenses				
Charitable payments	8	-	8	2
Purchase of trading items	9	-	9	8
	<u>17</u>	<u>-</u>	<u>17</u>	<u>10</u>
Net income from trading activities	<u>26</u>	<u>-</u>	<u>26</u>	<u>25</u>

5. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	<i>As restated Total 2017 £000</i>
Expenditure on fundraising trading					
Direct costs	-	-	17	17	10
Support costs	-	-	-	-	-
Funding for the academy trust's educational operations:					
Direct costs	3,085	163	632	3,880	3,421
Support costs	684	355	313	1,352	1,372
	<u>3,769</u>	<u>518</u>	<u>962</u>	<u>5,249</u>	<u>4,803</u>
<i>Analysis of 2017 total</i>	<u>3,490</u>	<u>577</u>	<u>736</u>	<u>4,803</u>	

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

6. Analysis of expenditure by activities

	Direct costs	Support costs	Total	<i>As restated</i>
	2018	2018	2018	<i>Total</i>
	£000	£000	£000	<i>2017</i>
				<i>£000</i>
Funding for the academy trust's educational operations	3,880	1,352	5,232	4,792
<i>Analysis of 2017 total</i>	<i>3,421</i>	<i>1,763</i>	<i>5,184</i>	

Analysis of direct costs

	Total	<i>Total</i>
	2018	<i>2017</i>
	£000	<i>£000</i>
Staff expenses	47	51
Educational supplies	270	225
Technology costs	59	54
Educational consultancy	20	17
Other direct costs	88	76
Wages and salaries	3,085	2,774
Depreciation	311	224
	3,880	<i>3,421</i>
<i>At 31 August 2017</i>	<i>3,421</i>	

Analysis of support costs

	Total	<i>As restated</i>
	2018	<i>Total</i>
	£000	<i>2017</i>
		<i>£000</i>
Staff costs	683	716
Technology costs	64	60
Premises costs	355	353
Governance costs	22	22
Other support costs	228	220
	1,352	<i>1,371</i>
<i>At 31 August 2017</i>	<i>1,371</i>	

7. Expenditure - Analysis of specific expenses

During the year the trust made gifts of £2,357 which are included within expenditure.

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

8. Net income/(expenditure)

This is stated after charging:

	2018	<i>2017</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	311	224
Auditors' remuneration - audit	11	14
Auditors' remuneration - other services	8	7
Operating lease rentals	4	5
	<u> </u>	<u> </u>

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

9. Staff

a. Staff costs

Staff costs were as follows:

	2018	<i>2017</i>
	£000	£000
Wages and salaries	2,857	2,590
Social security costs	230	206
Operating costs of defined benefit pension schemes	674	665
	<u>3,761</u>	<u>3,461</u>
Agency staff costs	7	29
Staff restructuring costs	1	-
	<u>3,769</u>	<u>3,490</u>

Staff restructuring costs comprise:

	2018	<i>2017</i>
	£000	£000
Severance payments	1	-

b. Staff numbers

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

	2018	<i>2017</i>
	No.	No.
Management	6	9
Teachers	58	51
Administration and support	102	107
	<u>166</u>	<u>167</u>

c. Higher paid staff

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

	2018	<i>2017</i>
	No.	No.
In the band £ 90,001 - £ 100,000	0	1
In the band £ 100,001 - £ 200,000	1	0

The above employee participated in the teachers' pension scheme. During the year ended 31 August 2018, pension contributions for the employee amounted to £16k (2017 - £15k).

d. Key management personnel

The key management personnel of the academy trust comprise of 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 £430k (2017 - £438k).

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

10. Central services

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

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

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

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

The actual amounts charged during the year were as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Chilton Primary School	132	18
Ramsgate Arts Primary School	105	10
Upton Junior School	169	21
	<hr/>	<hr/>
Total	406	49
	<hr/> <hr/>	<hr/> <hr/>

11. Trustees' remuneration and expenses

The Executive Head Teacher is the only Trustee who 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 provided under her contracts of employment, and not in respect of her role as a Trustee. The value her remuneration and other benefits was as follows:

		2018	<i>2017</i>
		£000	<i>£000</i>
M J Lewis, Executive Head Teacher	Remuneration	100-105	90-95
	Pension contributions paid	15-20	15-20

During the year, one Trustee received benefits in kind of £100 (2017 - £NIL).

During the year ended 31 August 2018, one Trustee received a reimbursement of expenses for £176 (2017 - £20 to 1 Trustee).

12. Trustees' and Officers' Insurance

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

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

13. Tangible fixed assets

	Leasehold property £000	Leasehold improvements £000	Plant and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2017 (as previously stated)	7,927	147	160	134	4,842	13,210
Prior year adjustment	-	392	-	-	-	392
At 1 September 2017 (as restated)	7,927	539	160	134	4,842	13,602
Additions	-	557	80	223	1,370	2,230
At 31 August 2018	7,927	1,096	240	357	6,212	15,832
Depreciation						
At 1 September 2017	222	4	49	78	-	353
Charge for the year	144	19	39	109	-	311
At 31 August 2018	366	23	88	187	-	664
Net book value						
At 31 August 2018	7,561	1,073	152	170	6,212	15,168
At 31 August 2017 (as restated)	7,705	535	111	56	4,842	13,249

Included in leasehold property is land valued at £729k which is not depreciated.

14. Debtors

	2018 £000	2017 £000
Trade debtors	9	6
VAT recoverable	31	376
Prepayments and accrued income	139	194
	179	576

15. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Other loans	5	5
Trade creditors	74	12
Other taxation and social security	56	49
Accruals and deferred income	156	1,371
	291	1,437

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

15. Creditors: Amounts falling due within one year (continued)

	2018	<i>2017</i>
	£000	<i>£000</i>
Deferred income		
Deferred income at 1 September 2017	76	57
Resources deferred during the year	81	76
Amounts released from previous years	(76)	(57)
	<u>81</u>	<u>76</u>
Deferred income at 31 August 2018	<u>81</u>	<u>76</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA rates relief, school trips and Universal Infant Free School Meals.

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

	2018	<i>2017</i>
	£000	<i>£000</i>
Other loans	14	19
	<u>14</u>	<u>19</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.

17. Prior year adjustment

The prior period adjustment is in respect of the non-capitalisation of qualifying fixed assets totalling £392k. This led to an understatement of the 2017 fixed asset fund and the net book value of tangible assets in the Balance Sheet. The comparative figures have been restated in these accounts and the effect of the prior year adjustment is that the fixed asset fund as at 1 September 2017 has been increased by £392k to £13.48m.

A further adjustment has been made to alter the split of opening balances on restricted and unrestricted funds. This adjustment has had no effect on the overall fund balances brought forward.

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds

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

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

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

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

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

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

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfer of £36k to the fund represents capital expenditure funded by revenue reserves during the year and the reduction in the Salix loan.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	<i>As restated Total 2017 £000</i>
Chilton Primary School	194	280
Ramsgate Arts Primary School	88	147
Upton Junior School	377	348
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	659	775
Restricted fixed asset fund	15,164	13,478
Pension reserve	(1,169)	(1,287)
	<hr/>	<hr/>
Total	<u>14,654</u>	<u>12,966</u>

Analysis of academies by cost

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 2018 £000	<i>As restated Total 2017 £000</i>
Chilton Primary School	1,141	179	141	248	1,709	1,750
Ramsgate Arts Primary School	432	55	82	190	759	580
Upton Junior School	1,261	168	157	273	1,859	2,018
Central	235	93	-	78	406	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,069</u>	<u>495</u>	<u>380</u>	<u>789</u>	<u>4,733</u>	<u>4,348</u>

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2016 £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 2017 As restated £000</i>
Unrestricted funds						
General funds	140	644	(165)	(141)	-	478
Restricted funds						
General Annual Grant (GAG)	79	3,701	(3,521)	38	-	297
Other DfE/ESFA grants	113	385	(498)	-	-	-
Other government grants	7	148	(155)	-	-	-
Other restricted funds	-	9	(9)	-	-	-
Pension reserve	(825)	(616)	(230)	-	384	(1,287)
	<u>(626)</u>	<u>3,627</u>	<u>(4,413)</u>	<u>38</u>	<u>384</u>	<u>(990)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	-	5,292	-	(5,039)	-	253
Tangible fixed assets	3,382	4,953	(224)	5,138	-	13,249
Salix loan	(28)	-	-	4	-	(24)
	<u>3,354</u>	<u>10,245</u>	<u>(224)</u>	<u>103</u>	<u>-</u>	<u>13,478</u>
Total restricted funds	<u>2,728</u>	<u>13,872</u>	<u>(4,637)</u>	<u>141</u>	<u>384</u>	<u>12,488</u>
Total of funds	<u>2,868</u>	<u>14,516</u>	<u>(4,802)</u>	<u>-</u>	<u>384</u>	<u>12,966</u>

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

19. Analysis of net assets between funds

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

Analysis of net assets between funds - prior year

	<i>Unrestricted funds As restated 2017 £000</i>	<i>Restricted funds As restated 2017 £000</i>	<i>Restricted fixed asset funds As restated 2017 £000</i>	<i>Total funds As restated 2017 £000</i>
Tangible fixed assets	-	-	13,249	13,249
Current assets	1,911	297	253	2,461
Creditors due within one year	(1,433)	-	(5)	(1,438)
Creditors due in more than one year	-	-	(19)	(19)
Provisions for liabilities and charges	-	(1,287)	-	(1,287)
	478	(990)	13,478	12,966

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £000	<i>As restated 2017 £000</i>
Net income for the year (as per Statement of Financial Activities)	1,365	9,714
Adjustment for:		
Depreciation charges	311	223
Decrease/(increase) in debtors	397	(319)
(Decrease)/increase in creditors	(1,146)	1,081
Capital grants from DfE and other capital income	(1,961)	(5,292)
Defined benefit pension scheme cost less contributions payable	173	199
Defined benefit pension scheme finance cost	32	31
Net surplus on assets and liabilities from local authority on conversion	-	(4,707)
Net cash (used in)/provided by operating activities	(829)	930

21. Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash in hand	781	1,884
Total	781	1,884

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. Capital commitments

At 31 August 2018 the academy trust had capital commitments as follows:

	2018	<i>2017</i>
	£000	£000
Contracted for but not provided in these financial statements	-	<i>509</i>

There were no capital commitments at the year end.

23. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019. The government has warned of a rise in the employer rate, but has also indicated that any rise will be funded until March 2020 and will be thereafter reviewed.

The employer's pension costs paid to TPS in the period amounted to £307,000 2017: (£274,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £209,000 (2017: £208,000), of which employer's contributions totalled £163,000 (2017: £161,000) and employees' contributions totalled £46,000 (2017: £47,000). The agreed contribution rates for future years are 20% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018	At 31 August 2017
	£000	£000
Sensitivity analysis		
Discount rate +0.1%	60	57
Discount rate -0.1%	(61)	(59)
Mortality assumption - 1 year increase	(98)	(92)
Mortality assumption - 1 year decrease	95	89
CPI rate +0.1%	(56)	(50)
CPI rate -0.1%	55	51

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	<i>Fair value at 31 August 2017 £000</i>
Equities	1,209	1,075
Gilts	14	11
Corporate bonds	157	147
Property	219	187
Cash and other liquid assets	54	48
Other assets	120	59
Total market value of assets	1,773	1,527

The actual return on scheme assets was £72,000 (2017 : £207,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £000	<i>2017 £000</i>
Current service cost	(336)	(360)
Interest income	42	27
Interest cost	(73)	(58)
Admin expenses	(1)	-
Total	(368)	(391)

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

	2018 £000	<i>2017 £000</i>
Opening defined benefit obligation	2,814	1,566
Upon conversion	-	956
Current service cost	336	360
Interest cost	73	58
Employee contributions	46	47
Actuarial gains	(293)	(338)
Benefits paid	(34)	165
Closing defined benefit obligation	2,942	2,814

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

Movements in the fair value of the academy trust's share of scheme assets:

	2018	2017
	£000	£000
Opening fair value of scheme assets	1,527	741
Upon conversion	-	340
Interest income	42	27
Actuarial gains	30	46
Employer contributions	163	161
Employee contributions	46	47
Benefits paid	(34)	165
Administration expenses	(1)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	1,773	1,527
	<hr/> <hr/>	<hr/> <hr/>

24. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	4	4
Between 1 and 5 years	2	4
	<hr/>	<hr/>
Total	6	8
	<hr/> <hr/>	<hr/> <hr/>

25. 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.

Viking Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

26. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook (AFH) and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transactions

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

During the year human resource consultancy services were provided by an employee of Coastal Academies Trust, a trust in which RH Curtis is the Chair of Directors, to the value of £3,460 (2017 - £4,419).

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

27. Ultimate controlling party

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