

**Company Registration No. 10249712 (England and Wales)**

**VISION ACADEMY LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

# VISION ACADEMY LEARNING TRUST

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# VISION ACADEMY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

L Brown  
Dr Hall  
A Mcdowell  
S Dodds  
J Waugh (OBE)

### Trustees

K van der Graaf  
J Graham  
C Irving (Chair)  
R Long  
J McGuire  
K Norton (Resigned 31 July 2019)  
J Richards  
L Totty (Resigned 24 September 2018)  
S White (Accounting Officer)  
D M Blake  
E Marshall (Appointed 10 December 2018)

### Senior management team

- Headteacher (Egglescliffe School) and Accounting Officer	Simon White
- Financial Director (Egglescliffe School)	Jill Turner
- Executive Headteacher (Junction Farm Primary School)	Karen Norton
- Headteacher (The Links Primary School)	Louise Daly
- Headteacher (Chandlers Ridge Academy)	Louise Lidgard
- Headteacher (Whinstone Primary School)	Mike Poppitt
- Head of School (Egglescliffe)	Lindsay Oyston

### Company secretary

Prima Secretary Limited

### Company registration number

10249712 (England and Wales)

### Registered office

Egglescliffe Secondary School  
Urley Nook Road  
Stockton on Tees  
TS16 0LA

### Academies operated

Egglescliffe School  
The Links Primary School  
Junction Farm Primary School  
Chandler's Ridge Academy  
Whinstone Primary School

### Location

Eaglescliffe  
Eaglescliffe  
Eaglescliffe  
Middlesbrough  
Ingleby Barwick

### Principal

Simon White  
Louise Daly  
Karen Norton  
Louise Lidgard  
Mike Poppitt

### Independent auditor

Baldwins Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# VISION ACADEMY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Bankers**

Lloyds Bank plc  
5th Floor  
102 Grey Street  
Newcastle upon Tyne  
NE1 6AG

### **Solicitors**

Womble Bond Dickinson  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
Tyne & Wear  
NE1 3DX

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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

The trust is a Multi- Academy Trust ("MAT") which during the period operated with 5 schools, Egglecliffe Secondary school, The Links Primary school, Junction Farm Primary school and Whinstone Primary serving the catchment of south Stockton, together with Chandlers Ridge Academy serving the area of Nunthorpe, Middlesbrough.

It has a capacity of: Nursery AM 117 Nursery PM 117 5-16 2,785 Sixth Form 400

The roll in the January 2019 census was Nursery AM 94 Nursery PM 94, total pupil numbers 2931 including Sixth Form 347

#### **Structure, governance and management**

##### Constitution

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

The trustees of VALT are also the trustees of the charitable company for the purposes of company law.

The charitable company is known as VISION Academy Learning Trust (VALT). Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The Trust has purchased Trustees liability insurance which covers them for any legal action brought against them. The current insurance provides cover up to £5,000,000 on any one claim. Qualifying third party indemnity provisions (as defined by S236 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 of the Academy Trust.

The Trust is part of the Risk Management Arrangement (RPA), provided by the government which protects trustees from claims arising against negligent acts, errors or omissions occurring whilst on Trust Business.

##### Method of recruitment and appointment or election of trustees

The original members of the Trust, as named in the incorporation documents are the signatories to the funding agreement between the Trust and the Secretary of State being Mrs Lynda Brown, Dr Hall, Mr Andy McDowall, Mrs Susan Dodds, Mr John Waugh (OBE). Kathryn van der Graaf, Josie Graham, Charlotte Irving, Richard Long, Jill McGuire, Karen Norton, Janet Richards, Erika Marshall, David Blake, Simon White are trustees of the charitable company.

The Secretary of State may, in special circumstances appoint such additional trustees as they feel fit. To date there have been no such additions.

From the Articles of Association the constitution of the Trust board is as follows:

- The number of trustees shall not be less than three:
- Up to 11 trustees appointed under article 46:
- Any co-opted trustees appointed under article 58

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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Future trustees shall be appointed or elected, as the case may be, under these articles, the total number of trustees who are employees of the Academy Trust shall not exceed one third of the total number of trustees. Provision has been made for the election and appointment of 2 parent governors on the Local Governing Body ("LGB").

The Trust has sought to build up the capacity of the Trust during the year, in particular in public relations, marketing and finance areas. It has recruited two new trustees, one of which was recruited with the services of the Academy Ambassadors scheme. The second trustee was recruited from the local business sector with marketing expertise.

#### Policies and procedures adopted for the induction and training of trustees

We recognise the positive contribution that trustees can make to our organisation, when they have the commitment, training and are given opportunity to do so. We therefore aim to attract and retain trustees who have the experience, skills and desire to make a difference to their local community. The induction and training of new trustees will be managed by the Chair of the Board of Trustees. Training will be purchased from AVEC, Governor Services at Stockton BC, membership of the National Governors Association and bespoke in-house training from external providers, for example interpretation of student data and Raise-online.

#### Organisational structure

The Trust has operated with a Trust Board and a further 3 committees, to manage specific areas of its remit. The Trust Board meets six times a year. The Trust provides the strategic oversight and decisions for the Multi Academy Trust.

Each School retains a LGB and in addition to this, the Governors can establish working groups/challenge meetings to inform school /academy improvement. The committee terms of reference are set out in our Governance Handbook, and scheme of delegation and reviewed annually.

The annual budget is submitted to the trustees for approval, prior to submission to the Education and Skills Funding Agency (ESFA), and the Board also receives regular reports on Trust spend along with scrutiny through the Finance and Resources Committee.

Day to day responsibility for operating the Trust has been delegated to the CEO who manages the Trust and implements policies approved by the trustees. The CEO fulfils the role of Accounting Officer and his responsibilities, together with an explanation of other additional delegated authorities includes:

#### Staffing

- Ensuring all centralised staff are in post and effectively line managed.
- Chair the Executive Head Teacher committee

#### Finance

- Responsible for the line management of all central services including the management of the Head of Finance and Operations.
- Ensure compliance with the requirements of the Master Funding Agreement and Supplemental Funding Agreements for the Academy Trust.
- As the Accounting Officer for the Academy Trust, be personally responsible for the propriety and regularity of the public finances within the Trust.
- Ensure compliance with the Academy Trust Scheme of Delegation.

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Risk Management

- Risk management has been incorporated into the agenda for the audit committee
- Executive Head Teacher (EHT) meetings are timetabled to update and identify the risk / potential risk against a probability scale with identify, preventative and resilience measures. Risks to the Trust have been identified in the Trust risk register with appropriate actions identified to limit impact to the organisation.

#### Engagement with other stakeholders

- To promote the ethos and vision of the Academy Trust and to present it to a wide range of audiences.
- Be the main point of contact for the Local Authority, EFSA, DfE and other key bodies in respect of all aspects of the Trust.

#### Arrangements for setting pay and remuneration of key management personnel

All key management personnel are paid in accordance with the national terms and conditions of pay for teachers pay, using leadership pay scales. The pay and remuneration of the CEO, Executive Head Teacher and Finance Director is decided by the Trust board. The trust has delegated responsibility to Local Governing Bodies for other teachers and non-teaching staff having regard to the national framework and School Teacher's Pay and Conditions Document, taking into account the extent to which they have achieved their performance targets and objectives.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	0.02

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	£4,791
Total pay bill	£11,480,084
Percentage of the total pay bill spent on facility time	0.042%

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Related parties and other connected charities and organisations

Future objectives include developing relationships with other schools where these partnerships will assist in the achievement of our objectives and sponsor role.

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Objectives and activities

#### Objects and aims

The fundamental object and activity of the charitable company is to advance for the public benefit education in the United Kingdom, providing education for children of differing abilities aged 5 – 18. In accordance with the articles and association, the company has adopted the scheme of governance approved by the Secretary of State of Education.

The VISION Academy Learning Trust aims are founded on the following:

#### Ethos and Values

- Promote an inclusive ethos, in which diversity of need and ability is acknowledged and nurtured.
- Be guided by a strong ethical code, deep accountability, encouraging social awareness to help students understand and meet with confidence the challenges of a diverse and changing society and the world of work.

#### Collaboration and partnership

- engage with our parents, students and schools / academies to work closely together to ensure that every student is expected to achieve highly
- Value each member of the VISION ALT MAT community by trusting, supporting and treating each other with dignity and respect.
- Work closely with all our partner schools within the VISION Academy Learning Trust. We value an open line of communication to ensure that best practice is shared across the Trust so all staff develop professionally and all children succeed
- Ensure positive relationships with our local community and employers to support the opportunities for preparing our students for life beyond the Trust.

#### Aspiration and excellence

- Ensure that children are safe, healthy, positively contribute to their whole community, and achieve economic and academic well-being in adult life.
- Ensure that all students succeed and thrive in school by raising aspirations and tackling disadvantage
- Achieve excellence for all students so that they make good progress, and they are able to make informed choices, solve problems and make good decisions.
- Develop a curriculum fit for purpose which meets the needs of both the students and accountability measures.

#### Accountability

- Have rigorous quality assurance systems, strong governance and a framework of accountability and responsibility by all.
- Has high expectations that both staff and students will aspire to be the best they can be. As a family of schools, we support, develop and aim to retain highly motivational staff.



# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Objectives, strategies and activities

The Board focused on five key priorities during 2018 – 2019:

1. Our school's centres of excellence – This focused on:
  - Ensuring outstanding Safeguarding through trust wide training and school safeguarding reviews
  - Targeted improvement with focus on Year 6: secure positive CRWM, higher standard in writing, reading and maths (all, PP and SEND)
  - Targeted improvement with a focus on Year 11 to ensure positive progress scores for all, middle ability, pupil premium, boys and the open group.
  - Developing a common progress and tracking system across the primary schools.
  - Embed Trust wide primary moderation focused on early years, writing and maths.
2. Collaboration within the trust. This included the following strategies and activities
  - Ensure common format for a Trust wide SEF and SIP
  - Develop subject leadership through actions, data accuracy, reporting and SBP and resources
  - Develop bespoke CPD opportunities to meet individuals / organisational needs
  - Develop sharing best practice across the 4 primary schools.
  - Curriculum and wider experience for the students across the Trust.
3. Financial stability and operational strength through:
  - Compliance with the Master Funding Agreement and Financial handbook
  - Completing a detailed financial due diligence of risks and opportunities
  - Analysing and implementing potential shared central services and agreements
  - Investigate additional funding opportunities to support identified projects
  - Continue to pursue additional capital funding
4. Leadership and governance
  - The roles and responsibilities of Trustees embedded through board meetings with a focus on school accountability and development of the Strategic plan.
  - Statutory policies have been developed, agreed and implemented and published on the Trust website
  - Strategic plan reviewed at every Board meeting to ensure progress in all KPI's
5. MAT stability and future growth
  - The Board ensured the MAT policies and procedures were reviewed and approved.
  - Continued development of relationships with other providers continued through a DfE Sponsor application, Teaching Alliance and NLE network and TVCA.
  - The Board approved the opportunity to support another MAT for 2 terms and to develop a growth strategy for 2019-2020.

The Strategic Plan for VISION was a standing item on the Board meetings with a full report from the CEO on progress, strategies employed and progress.

The Board will focus on the five key priorities that will be monitored at each Board meeting over the next 12 months

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### Public benefit

Both Junction Farm and Eggescliffe School are named schools in the Campus Stockton Teaching Alliance. Throughout the year the management board has been able to offer a number of schools and academies bespoke support for targeted key stages, subjects and leadership levels. The Head Teachers at Junction Farm and Eggescliffe are National Leaders of Education and have carried out pupil premium reviews in primary and secondary schools as well as brokering individual school to school support. The secondary NLE is working as part of the DFE ONE Vision programme.

This school to school activity will continue and Teaching Alliance reports and financial statements tabled with the Trustees.

The trustees have complied with their duty to have high regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

### Strategic report

Achievements and performance

Strategic Report – Primary Achievements and Performance Results 2019

#### Early Years – Good level of development

Chandlers Ridge		Junction Farm		The Links		Whinstone	
2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019
76%	<b>81%</b>	87%	<b>89%</b>	89%	<b>78%</b>	79%	<b>82%</b>

### Phonics

	Chandlers Ridge		Junction Farm		The Links		Whinstone	
PHONICS	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019
		9	8	9	8	9	8	9
Year 1	86%	<b>82%</b>	92%	<b>95%</b>	87%	<b>88%</b>	79%	<b>93%</b>
Year 2 resit	33%	<b>40%</b>	75%	<b>25%</b>	100%	<b>75%</b>	100%	<b>50%</b>

### Key Stage 1

Chandlers Ridge	Reading		Writing		Maths		Science		RWM	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Greater Depth	27%	<b>30%</b>	24%	<b>25%</b>	27%	<b>25%</b>	NA	<b>NA</b>	18%	<b>18%</b>
Expected+	81%	<b>82%</b>	79%	<b>79.5%</b>	77%	<b>79.5%</b>	76%	<b>91%</b>	71%	<b>73%</b>
Working Towards	19%	<b>18%</b>	21%	<b>20.5%</b>	23%	<b>20.5%</b>	24%	<b>9%</b>	24%	<b>27%</b>

Junction Farm	Reading		Writing		Maths		Science		RWM	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Greater Depth	40%	33%	28%	29%	31%	31%	NA	<b>NA</b>	12%	25%
Expected+	93%	83%	88%	81%	90%	88%	97%	92%	79%	79%
Working Towards	7%	17%	12%	19%	10%	12%	3%	8%	21%	21%

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Links	Reading		Writing		Maths		Science		RWM	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Greater Depth	37%	38%	30%	25%	37%	42%	NA	NA	27%	21%
Expected+	93%	83%	90%	79%	97%	83%	93%	88%	90%	75%
Working Towards	7%	17%	10%	21%	3%	17%	7%	12%	10%	25%

Whinstone	Reading		Writing		Maths		Science		RWM	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Greater Depth	35%	<b>31%</b>	24%	<b>25%</b>	31%	<b>31%</b>	NA	NA	19%	<b>19%</b>
Expected+	82%	<b>81%</b>	77%	<b>75%</b>	78%	<b>83%</b>	92%	<b>92%</b>	70%	<b>70%</b>
Working Towards	18%	<b>16%</b>	23%	<b>23%</b>	22%	<b>17%</b>	8%	<b>8%</b>	30%	<b>30%</b>

### KS2 Performance Data (SAT Scores)

#### Chandlers Ridge

	Expected		Higher Standard		Progress Scores			
	2018	2019	2018	2019	2018		2019	
Reading	95%	96%	54%	54%	4.6	WAA	3.93	
Writing	95%	96%	32%	47%	2.3	AA	3.71	
Maths	98%	94%	61%	72%	5.8	WAA	6.11	
SPaG	95%	98%	51%	43%				
RWM	95%	92%	27%	37%				

#### Junction Farm

	Expected		Higher Standard		Progress Scores			
	2018	2019	2018	2019	2018		2019	
Reading	94%	92%	25%	40%	-1	A	0.3	Middle 20%
Writing	94%	97%	35%	30%	1.6	A	0.8	Top 40%
Maths	94%	98%	28%	48%	1.2	A	2.7	Top 25%
SPaG	98%	98%	50%	67%				
RWM	85%	90%	15%	15%				

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### The Links

	Expected		Higher Standard		Progress Scores			
	2018	2019	2018	2019	2018		2019	
Reading	87%	90%	30%	38%	2.3	AA	1.60	Top 40%
Writing	90%	90%	23%	31%	2	A	1.57	Top 25%
Maths	90%	86%	23%	28%	2	A	1.24	Top 40%
SPaG	73%	90%	37%	45%				
RWM	80%	86%	13%	17%				

### Whinstone

	Expected		Higher Standard		Progress Scores			
	2018	2019	2018	2019	2018		2019	
Reading	88%	82%	22%	30%	-0.4	A	-0.9	
Writing	93%	96%	25%	31%	1.3	AA	1.0	
Maths	89%	94%	27%	40%	0.2	A	1.4	
SPaG	86%	89%	42%	54%				
RWM	80%	82%	9%	22%				

The Strategic Improvement Plan identified the Higher Standard as a Key Performance Indicator. The strategies used across the Trust included: embedding a primary tracking system, moderation of work across the Trust, arranging joint middle leaders meetings to share and develop resources, using the Trust SLE's to enhance stretch and challenge. We also employed the services of an external consultant to review the schools, progress made and steps to achieve outstanding.

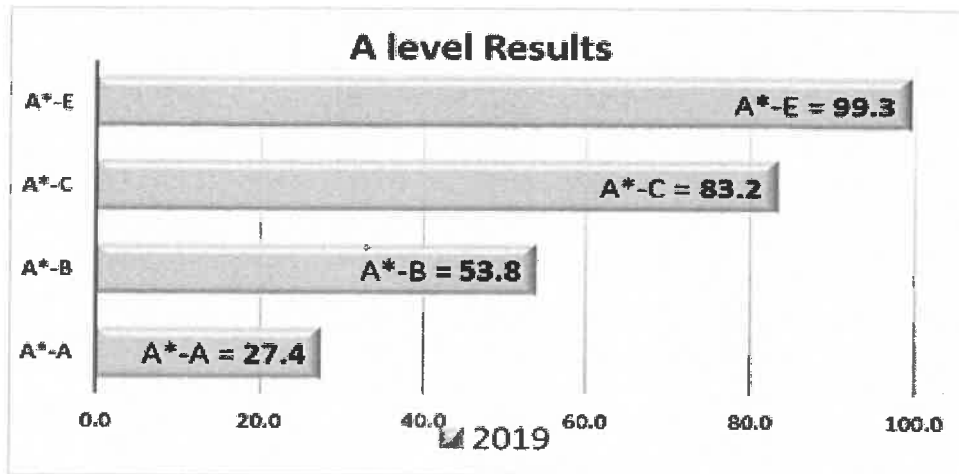
# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### Strategic Report: Eggescliffe School Achievements and Performance Results 2019

Sixth Form:



The Level 3 academic qualification (all academic qualifications including A-Levels) are as follows:

- Average point score per entry – A-Level = 36.21
- Average point score per entry expressed as a grade = B-
- % A\* - B grades – A levels = 53.8%
- % A\* - E grades – A levels = 99.3%
- % A level students achieving 3 A levels at grades AAB or higher in at least 2 facilitating subjects = 23.7%
- Average grade for best 3 A levels = B-
- Average points for best 3 A levels = 36.22%

The Level 3 Applied General Qualifications are as follows:

- Average point score per entry – Applied General = 30.00
- Average point score per entry expressed as a grade = Dist-

Subject A2	2019	Entries
Music	0.53	11
English Lang	0.48	36
Geography	0.39	28
Physics	0.39	15
Business & Economics	0.27	28
History	0.24	29
Maths	0.21	52
Computing	0.08	8
Religious Studies	0.06	10
Photography	0	10
Chemistry	-0.02	35
Biology	-0.09	33
Economics	-0.16	18
Sociology	-0.2	19
Art & Design textiles	-0.27	1
Psychology	-0.37	29
Fine Art	-0.4	11
Drama and Theatre	-0.65	10
English Lit	-0.76	16
French	-0.81	3
Sports/PE Studies	-0.83	7
German	-1.53	2

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

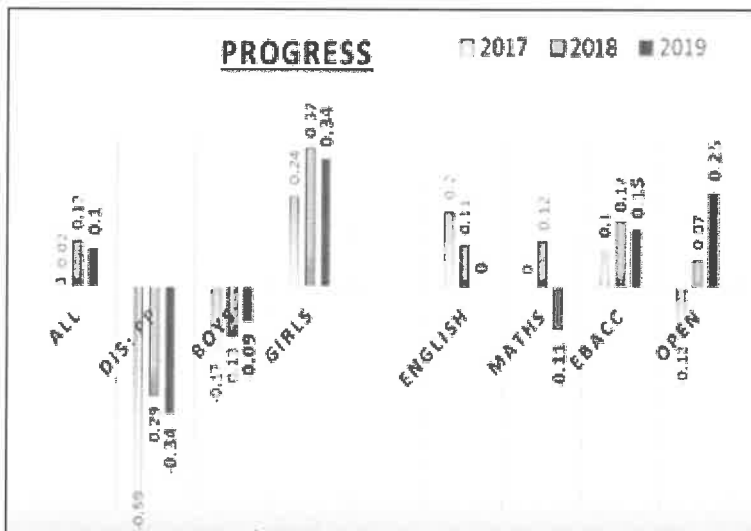
#### Eggescliffe School GCSE Results – 2019

Bucket	Attainment		P8	
	2018	2019	2018	2019
All	55.5	54.0	0.11	0.11
English	11.6	11.2	0.06	0.00
Maths	11.0	10.2	0.09	-0.11
EBacc	16.5	15.9	0.4	0.15
Open	16.5	16.7	-0.13	0.25

Subject	Grade 4-9
English	88.4%
Maths	83.7%

Basic Measure	
Grade 4-9	80.3%
Grade 5-9	54.5%

	% FFT-50	% FFT-20
Music	81.0%	76.2%
Chemistry	64.4%	64.4%
Physics	66.7%	66.7%
Science	69.9%	58.1%
Computing	73.1%	46.2%
PE	71.1%	57.8%
Geography	76.2%	59.0%
Biology	62.2%	62.2%
English	68.5%	59.5%
Drama	66.7%	50.0%
All Subjects	59.1%	47.5%
iMedia	65.8%	42.1%
History	63.4%	45.5%
English Literature	56.9%	56.9%
Art	64.9%	47.4%
German	64.3%	41.1%
Business Studies	55.7%	44.3%
Maths	60.3%	45.3%
French	45.2%	24.2%
RS (Full Course)	47.7%	30.1%



The Trust Strategic Plan, identified key areas for improvement associated with pupil premium, middle ability, boys and the open bucket. The strategies undertaken by the school show improvements in boys' achievement (closing the gap with girls) and the open bucket. The Disadvantaged progress has reduced from -0.25 to -0.38 however, there were a number of complex cases that have impacted on this figure as many of the disadvantaged performed well.

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Key Performance Indicators

The Trust works within the guidance of the Academies Financial Handbook to ensure financial propriety, effective and efficient use and deployment of all resources at its disposal. Trustees have planned for regular meetings and monthly reports alongside reports provided by the Finance Director. Information will be in a clear concise format with budgetary changes highlighted and commentaries attached, whereby the trust finances and any potential anomalies would be addressed if required.

Financial performance indicators include;

- All spending is appropriate and supports the common goal of improving educational outcomes
- No trustee/governor/employee has benefitted personally from the use of these funds
- Payroll services fully meet tax obligations
- There is probity in the use of public funds
- Competitive tendering is in place
- Regular reviews of projected and actual student numbers and staffing requirements take place

For the period 1st September 2018 to 31st August 2019, statutory external audit has been provided via Baldwins Audit Services, and internal audit via Baldwins Audit Services (different staff to those undertaking the annual audit).

#### Going concern

The board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next two years. Year 2 is showing a deficit position and for this reason the Trust has asked the CEO to prepare a financial efficiency forecast based on a curriculum planning model to 2020 together with the implementation of a recovery plan. There remains uncertainty over the funding of Academies beyond August 2020 and national pay rises which make it very difficult to accurately forecast.

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

#### **Financial review**

The grants received from the ESFA and associated expenditure from 1 September 2018 to 31 August 2019 are shown as restricted funds in the Statement of Financial Activities.

The restricted fixed asset fund balance has been reduced by annual depreciation charges over the expected useful life of the assets concerned.

Net income for the period was £961,359 (excluding depreciation, LGPS movements and conversion balances). The surplus for the period was £678,165, after charging depreciation of £283,194, which is a non-cash item.

At 31 August 2019 the net book value of fixed assets was £11,006,694. Movements in tangible fixed assets are shown in the financial statements. The assets are used primarily for providing the Trust's educational operations and associated support to students.

The majority of the Trusts income is obtained via the ESFA, to be used for the purpose outlined under the funding agreement. Due to the increases in pension costs, pay increases and NJC Scales, we have ensured that a robust integrated curriculum financial planning exercise has been completed for all schools.

An actuarial loss of £1,578,000 has arisen this year. With other movements the LGPS pension deficit has increased to £3,142,000. This deficit is planned to be eliminated over a period of 20 years by increased employer's contribution. Further details of the actuarial valuation and assumptions are included at note 20.

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Reserves policy

The Trust holds restricted and unrestricted funds (The attached financial statements details these funds).

The level of reserves is reviewed by the Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the Trust is reviewed by the Trustees on an annual basis. The Trustees consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of the equivalent of 1 weeks expenditure which currently equates to a minimum of £250K.

The Trust's level of reserves at 31st August were £1,310,652, including restricted general reserves of £346,277 (excluding restricted fixed assets reserves) and unrestricted reserves of £964,425. Net current assets at 31 August 2019 was £1,651,627. The Trustees believe that the level of reserves held by the Trust as at 31st August 2019 is sufficient to meet the Reserves Policy.

As the Trust continues to grow the reserves policy will continue to be monitored and reviewed.

#### Investment policy

The Academy Trust does not hold investments other than Cash at Bank. Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

The trust aims to manage its cash balances to provide for the day to day working capital requirements of its operation, whilst protecting the real long-term value of any surplus cash balances against inflation. During this accounting period the Trust has not adopted any investment

The Academy Trust will operate an interest bearing current account with a bank approved by the Board of Trustees (currently Lloyds Bank) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

The Academy Trust will not take out any long term deposits until reliable cash flow patterns have been established, monies will only be paid into term deposits not exceeding twelve months.



# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Principal risks and uncertainties

The Trust and each school within it have in place a risk register with the main items of risk being reviewed at LGB and trust board meeting.

The trust has in place a risk management strategy and risk register. The CEO and Financial Director have lead responsibility for the risk management processes and Risk Register. The Risk Register is formally reviewed each term by the CEO and FD. The principal risks are as follows:

#### Section 1: Sustainability.

- Lack of funding results in unsustainable Academy operation (national funding, numbers on roll, pension deficit, pupil numbers, inflation etc),
- Critical incidents and
- Overall performance results

#### Section 2: Governance.

- Reputational,
- Succession planning,
- Finance,
- Fraud & Data Security,
- Employment laws risk; including pensions,
- Health & Safety risk,
- Facilities and adequacy of investment and
- Governance structure and skills of Board/LGB

#### Section 3: Undertaking expansion through Academies categorised as RIO and Special measures.

- Reputational,
- Resource: Team & Finance,
- Contractual exposures and
- Resources such as IT, grounds, and contracts

The principle risk is financial. There are two schools identified within the Trust that have falling rolls due to overcapacity in the local area and as such we are targeting ICFP to support future decisions. The current level of funding has not matched the increased demands on payroll through the increase in pay contribution, pension costs, NI and NJC scales. The combination of real term cuts in funding at post 16, SEN funding, and the additional costs on pay will result in increasing pressure on future budgets.

In addition the Trust has a financial handbook in place which ensures that the systems are in place to enable sound financial management across the trust. The Trust had three Internal Assurance visits during the year and these were carried out by the external auditor. The assurance reports were presented to the Trust Audit committee for discussion and review. There were no areas of major concern identified in these reports. At the year end the trust had no significant liabilities arising from trade creditors or debtors which would have an effect on the liability of the trust.

The principal risk to the trust is a financial one. The 3 year forecast anticipates a significant deficit. Measures will be taken during the next 2 years to ensure that this risk is reduced.

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Fundraising**

Under the provision of the Charities (Protection and Social Investment) Act 2016, this section includes information on fundraising practices:

All schools within the trust undertake both fundraising on behalf of other charitable organisations and for school specific purposes. Schools take part in many national charity events including, Red Nose Day and Children in Need and some schools also fundraise throughout the year for nominated charities. All income generated from these days are transferred direct to the individual charities.

As well as fundraising for external charities, most schools have active PTA organisations or "Friends of" organisations who actively fundraise through school based events. These have included, Summer fairs, Musical events and Christmas markets. Money received for these events is managed by the individual organisations and schools apply to the independent organisations for contributions to specific school equipment or events to enhance the curriculum or children's learning experience in schools.

We are particularly aware of the need to protect vulnerable individuals in any fundraising we undertake. During the course of this accounting period, we received no complaints relating to our fundraising activities.

#### **Plans for future periods**

The priority for the Trust in 2019-2020 is to continue to improve levels of achievement for all students in line with our vision that all children reach their full potential. There are specific KPI's in the strategic plan to monitor this progress. The Trust is committed to effective and sustainable school improvement and provides a broad and balanced curriculum for all children.

VALT is working with Stockton On Tees on options to secure further funding to undertake a partial replacement of Eggescliffe School. Some funding has already been secured to build an additional unit at Eggescliffe which will form a new sixth form building which will open in October 2019.

SBC also provided funding to add an additional building at Junction Farm primary school and in September 2019 was fully opened as a KS1, KS2 and KS3 EMS unit.

The Trust was approved in July 2019 by the DFE to sponsor a secondary school within the Tees Valley. The transfer deadline is anticipated as 1st January 2020.

#### **Disabled Employees**

The Trust has in place a suite of staffing employment policies which are in accordance with relevant legislation, regulations and best practice. Our application form sets out that we are positive about disability and welcome applications from disabled people. The recruitment policy ensures the recruitment of all staff is conducted in a fair, effective and economic manner, in accordance with statutory requirements and good practice. Those responsible for the recruitment process are to demonstrate a professional approach by dealing honestly, efficiently and fairly with all applicants. Accordingly under the terms of The Equality Act 2010, the Trust will make reasonable adjustment to the recruitment process if an applicant makes the employer aware that they have a disability. This applies to the entire recruitment process, from advertisement to appointment.

The Trust is committed to making reasonable adjustments to help employees overcome disadvantage resulting from impairment and the process for dealing with employees who become disabled are set out in the attendance management process.

#### **Funds held as custodian trustee on behalf of others**

The Trust holds no funds as Custodian Trustee or on behalf of others.

# VISION ACADEMY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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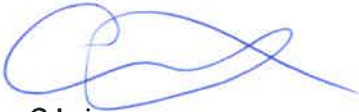
### **Auditor**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 09 December 2019 and signed on its behalf by:



**C Irving**  
**Chair**

# VISION ACADEMY LEARNING TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 the VALT and the Secretary of State of 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 Trustees' responsibilities statement. The board of trustees formally met 5 times during the period 1st September 2018 to 31st August 2019. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
K van der Graaf	5	5
J Graham	4	5
C Irving (Chair)	5	5
R Long	5	5
J McGuire	5	5
K Norton (Resigned 31 July 2019)	5	5
J Richards	3	5
L Totty (Resigned 24 September 2018)	0	0
S White (Accounting Officer)	5	5
D M Blake	3	5
E Marshall (Appointed 10 December 2018)	2	2

Trust has established a number of committees including Finance and Resources, Audit and Local Governing Bodies. The board of Trustees considered the following during the period September 18 – 2019.

- Approval of the annual accounts
- Approval of the 2018/2019 annual budget
- Review of individual school progress and results
- Review and monitoring of the Trust strategic plan
- Review Trust growth and consolidation
- Analyse specific reports and data of progress of key cohorts – pupil premium, SEND and most able
- Safeguarding assurances and Trust safeguarding review

### Governance Reviews

The Governing bodies of each school reviewed their individual school improvement plan and self-evaluation covering 18-19.

Following the skills audit in 2 schools, it was identified that there was a need for an additional governor with business skills at Egglecliffe school and a Governor with Marketing skills at Chandlers Ridge. New governors were recruited with the relevant skills.

Training is offered to all on a regular basis via SBC Governor support together with the in-house training from our Trustee who is an NLG. Self-Evaluation and progress against the school improvement plans are also an agenda item for both Local Governing Bodies and Board of Trustees.

# VISION ACADEMY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Finance & Resources Committee is a subcommittee of the main board of trustees. Its main purpose and responsibilities are detailed in written terms of reference which have been authorised by the Board.

The main responsibilities include:

- The initial review and authorisation of the annual budget, to then be presented to the Board;
- The regular monitoring of actual income and expenditure against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorising the award of contracts over £50,000
- Authorising changes to the Trust personnel establishment.
- Oversee capital investment programmes
- Establish, monitor and review employment policies on behalf of the Trustees
- Set and monitor remuneration levels for members of staff except Head Teachers, and the Finance Director.
- Contribute to the appraisal of the CEO and Finance Director
- The Committee is responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity.

Issues dealt with during the year included:

- Review of a number of employment policies
- Cashflow and 3 year forecast forecast
- School performance; in year progress
- Review of the Integrated Curriculum Financial Planning of all Trust Schools.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J Graham	3	3
C Irving (Chair)	3	3
R Long	3	3
S White (Accounting Officer)	3	3

The audit committee is also a sub – committee of the main board of trustees. Its purpose is to:

- Provide assurance to the Board on the adequacy of financial controls within the Trust.
- Responsible to the Board for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the Trust are observed.
- On an annual basis the Audit Committee will commission a programme of internal audit testing to be carried out by the external auditors to support them in their role.
- The Audit Committee receives the reports of the external auditor in respect of both internal and external audits.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J Graham	3	3
R Long	3	3
J McGuire	3	3
S White (Accounting Officer)	3	3
D M Blake	1	3

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# VISION ACADEMY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Review of value for money**

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

The accounting officer considers how the 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. This includes the use of benchmarking data where available. The Accounting Officer has delivered improved value for money during the year by:

- Regular review of the teaching structures within all schools against the requirements of the curriculum to ensure the optimal deployment of staff.
- Exercised robust project management and the allocation of the MAT school condition across the Trust.
- Continue to review the centralisation of the finance functions and maximise the procurement opportunities as an organisation
- Continue to enhance the use of Integrated Curriculum and Financial Planning (ICFP) in all schools with a view to monitor the progress during 2019-2020
- Continue to develop and strengthen the financial reporting mechanisms at Trustee level to identify opportunities to generate efficiency savings.

#### **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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Vision Academy Learning Trust for the period 1st September to 31st August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of trustees receive a Risks register identifying the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. Once approved, the board of trustees are able to form a view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, for the period 1st September 2018 – 31st August 2019 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the board of trustees.

#### **The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability, in particular, it includes;

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

The board of trustees have considered the need for a specific internal audit function and have decided:

- not to have an in-house internal audit function
- to appoint Baldwins Audit Services ("the reviewer") to give advice on financial matters, to arrange independent health checks and to brief trustees on any audit matters.

# VISION ACADEMY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of governance processes and procedures

All advice has been considered and taken on board. The internal auditors have delivered their schedule of work as planned and in line with the EFSA requirements and there were no material control issues identified as a result of their work.

### **Review of effectiveness**

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:


- the work of the external auditors;
- the financial management and governance self-assessment process;

The accounting officer has been advised of the implications of the result of their review of the system of internal controls by the audit committee and a plan to address any weaknesses and ensure continuous improvement of the system is continually evolving.

Approved by order of the board of trustees on 09 December 2019 and signed on its behalf by:



**C Irving**  
**Chair**



**S White**  
**Accounting Officer**

# VISION ACADEMY LEARNING TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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

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

The trust was the victim of a fraud by an external party during the year, with a total of £27,000 taken from academy funds. The ESFA were informed of the circumstances, and the fraud was not committed by anybody connected to the academy trust.

I confirm that no other 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.



S White  
Accounting Officer

09 December 2019



# VISION ACADEMY LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of Vision Academy Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 09 December 2019 and signed on its behalf by:



C Irving  
Chair

# VISION ACADEMY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION ACADEMY LEARNING TRUST

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **Opinion**

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

In our opinion the accounts:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# VISION ACADEMY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION ACADEMY LEARNING TRUST (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the 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 incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# VISION ACADEMY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION ACADEMY LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Use of our report

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

*Baldwins Audit Services*

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services**

*10/12/19*  
.....

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# VISION ACADEMY LEARNING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VISION ACADEMY LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 3 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Vision Academy Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Vision Academy Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Vision Academy Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vision Academy Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Vision Academy Learning Trust's funding agreement with the Secretary of State for Education dated 25 July 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

# VISION ACADEMY LEARNING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VISION ACADEMY LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of internal assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Modified conclusion

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

We refer to the Statement of Regularity, Propriety and Compliance which states the circumstances of a fraudulent transaction committed by a third party during the year.

*Baldwins Audit Services*

### Reporting Accountant

Baldwins Audit Services

Dated: *10/12/19*

# VISION ACADEMY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	7,757	-	1,079,441	1,087,198	74,436
Donations - transfer from local authority on conversion		-	-	-	-	2,154,920
Donations - transfer of existing academy into the trust		-	-	-	-	2,219,947
Charitable activities:						
- Funding for educational operations	4	512,929	13,295,969	-	13,808,898	12,489,551
- Funding for teaching schools	26	-	53,604	-	53,604	57,193
Other trading activities	5	731,877	-	-	731,877	562,938
Investments	6	6,841	-	-	6,841	6,707
<b>Total</b>		<b>1,259,404</b>	<b>13,349,573</b>	<b>1,079,441</b>	<b>15,688,418</b>	<b>17,565,692</b>
<b>Expenditure on:</b>						
Raising funds	7	1,159,591	-	-	1,159,591	495,458
Charitable activities:						
- Educational operations	9	25,000	13,984,623	283,194	14,292,817	13,715,150
- Teaching Schools		-	66,845	-	66,845	78,203
<b>Total</b>	<b>7</b>	<b>1,184,591</b>	<b>14,051,468</b>	<b>283,194</b>	<b>15,519,253</b>	<b>14,288,811</b>
<b>Net income/(expenditure)</b>		<b>74,813</b>	<b>(701,895)</b>	<b>796,247</b>	<b>169,165</b>	<b>3,276,881</b>
Transfers between funds	18	-	163,024	(163,024)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,578,000)	-	(1,578,000)	953,000
Revaluation of fixed assets	14	-	-	-	-	(15,074,588)
<b>Net movement in funds</b>		<b>74,813</b>	<b>(2,116,871)</b>	<b>633,223</b>	<b>(1,408,835)</b>	<b>(10,844,707)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		889,612	(678,902)	10,714,446	10,925,156	21,769,863
Total funds carried forward		964,425	(2,795,773)	11,347,669	9,516,321	10,925,156

# VISION ACADEMY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	5,474	-	68,962	74,436
Donations - transfer from local authority on conversion		160,822	(169,000)	2,163,098	2,154,920
Donations - transfer of existing academy into the trust		102,481	(236,000)	2,353,466	2,219,947
Charitable activities:					
- Funding for educational operations	4	479,575	12,009,976	-	12,489,551
- Funding for teaching schools	26	-	57,193	-	57,193
Other trading activities	5	562,938	-	-	562,938
Investments	6	6,707	-	-	6,707
<b>Total</b>		<u>1,317,997</u>	<u>11,662,169</u>	<u>4,585,526</u>	<u>17,565,692</u>
<b>Expenditure on:</b>					
Raising funds	7	488,283	7,175	-	495,458
Charitable activities:					
- Educational operations	9	327,656	12,866,576	520,918	13,715,150
- Teaching Schools		-	78,203	-	78,203
<b>Total</b>	7	<u>815,939</u>	<u>12,951,954</u>	<u>520,918</u>	<u>14,288,811</u>
<b>Net income/(expenditure)</b>		502,058	(1,289,785)	4,064,608	3,276,881
Transfers between funds	18	-	476,343	(476,343)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	953,000	-	953,000
Revaluation of fixed assets	14	-	-	(15,074,588)	(15,074,588)
<b>Net movement in funds</b>		502,058	139,558	(11,486,323)	(10,844,707)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>387,554</u>	<u>(818,460)</u>	<u>22,200,769</u>	<u>21,769,863</u>
Total funds carried forward		<u>889,612</u>	<u>(678,902)</u>	<u>10,714,446</u>	<u>10,925,156</u>



# VISION ACADEMY LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		18,606		28,728
Tangible assets	14		10,988,088		10,676,525
			<u>11,006,694</u>		<u>10,705,253</u>
<b>Current assets</b>					
Debtors	15	279,020		282,462	
Cash at bank and in hand		2,214,772		1,900,256	
		<u>2,493,792</u>		<u>2,182,718</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(842,165)		(907,815)	
<b>Net current assets</b>			<u>1,651,627</u>		<u>1,274,903</u>
<b>Net assets excluding pension liability</b>			<u>12,658,321</u>		<u>11,980,156</u>
Defined benefit pension scheme liability	20		(3,142,000)		(1,055,000)
<b>Total net assets</b>			<u>9,516,321</u>		<u>10,925,156</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			11,347,669		10,714,446
- Restricted income funds			346,227		376,098
- Pension reserve			(3,142,000)		(1,055,000)
<b>Total restricted funds</b>			<u>8,551,896</u>		<u>10,035,544</u>
<b>Unrestricted income funds</b>	18		<u>964,425</u>		<u>889,612</u>
<b>Total funds</b>			<u>9,516,321</u>		<u>10,925,156</u>

The accounts on pages 29 to 56 were approved by the trustees and authorised for issue on 09 December 2019 and are signed on their behalf by:



C Irving  
Chair

Company Number 10249712

# VISION ACADEMY LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	21	(187,129)		63,531	
Cash funds transferred on conversion		-		169,623	
Cash funds transferred on transfer into trust		-		105,894	
		<u>(187,129)</u>		<u>339,048</u>	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		6,841		6,707	
Capital grants from DfE Group		600,429		63,962	
Capital funding received from sponsors and others		479,012		5,000	
Purchase of intangible fixed assets		-		(37,990)	
Purchase of tangible fixed assets		(584,637)		(68,612)	
		<u>501,645</u>		<u>(30,933)</u>	
<b>Net cash provided by/(used in) investing activities</b>					
			501,645		(30,933)
<b>Net increase in cash and cash equivalents in the reporting period</b>			314,516		308,115
Cash and cash equivalents at beginning of the year			1,900,256		1,592,141
<b>Cash and cash equivalents at end of the year</b>			<u>2,214,772</u>		<u>1,900,256</u>

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

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

##### 1.2 Going concern

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

The reported share of the LGPS deficit at the balance sheet date has a significant impact on our restricted fund, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and general reserves.

##### 1.3 Conversion to an academy trust

In the prior year, the conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Whinstone Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The value of land and buildings on conversion has been estimated based on Local Authority information. Other assets and liabilities have been transferred at fair value. Further details of the transaction are set out in note .

##### 1.4 Income

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

##### Grants

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

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

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

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

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### 1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - over the period of the license

#### 1.7 Tangible fixed assets and depreciation

Land, building and improvements costing £5,000 or more and machinery, equipment, vehicles and ICT costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	125 years
Computer equipment	4 years
Fixtures, fittings & equipment	4 years
Motor vehicles	4 years

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. Other than at Chandler's Ridge Academy, Land and buildings have been valued by trustees on a depreciated replacement cost basis by reviewing the values in the financial statements of similar schools within the borough of Stockton on Tees. Land and buildings at Chandler's Ridge Academy are valued using valuations previously provided by the ESFA. Other assets transferred on conversion have been valued based on an estimated book value based on their original purchase cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

#### 1.8 Liabilities

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

#### 1.9 Leased assets

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

#### 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.11 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.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.12 Pensions benefits

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

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

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

#### 1.13 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 Education and Skills Funding Agency/Department for Education.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £156,000 as at 31 August 2019.

#### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £10,000 as at 31 August 2019.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donated fixed assets	-	432,288	432,288	-
Capital grants	-	600,429	600,429	68,962
Other donations	7,757	46,724	54,481	5,474
	<u>7,757</u>	<u>1,079,441</u>	<u>1,087,198</u>	<u>74,436</u>



# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	11,801,866	11,801,866	10,774,260
Start up grants	-	-	-	25,000
Other DfE group grants	-	812,822	812,822	622,421
	-	12,614,688	12,614,688	11,421,681
<b>Other government grants</b>				
Local authority grants	-	681,281	681,281	588,295
<b>Other funding</b>				
Teaching Schools	-	53,604	53,604	57,193
Catering income	493,814	-	493,814	459,656
Other incoming resources	19,115	-	19,115	19,919
	512,929	53,604	566,533	536,768
<b>Total funding</b>	512,929	13,349,573	13,862,502	12,546,744

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Lettings income	28,129	-	28,129	18,108
Catering income	7,015	-	7,015	2,620
Music tuition	127,752	-	127,752	119,160
School trips	289,519	-	289,519	169,114
Teaching Schools	23,367	-	23,367	24,470
Other income	256,095	-	256,095	229,466
	731,877	-	731,877	562,938

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	6,841	-	6,841	6,707

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Non Pay Expenditure			Total 2019 £	Total 2018 £
	Staff costs £	Premises £	Other £		
Expenditure on raising funds					
- Direct costs	255,871	-	871,465	1,127,336	495,458
Academy's educational operations					
- Direct costs	9,720,035	-	765,594	10,485,629	9,740,504
- Allocated support costs	2,000,922	1,257,645	548,621	3,807,188	3,974,646
Teaching Schools					
- Direct costs	12,000	-	14,989	26,989	78,203
- Allocated support costs	57,128	2,585	12,398	72,111	-
	<u>12,045,956</u>	<u>1,260,230</u>	<u>2,213,067</u>	<u>15,519,253</u>	<u>14,288,811</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	13,200	9,475
- Other services	8,475	6,800
Operating lease rentals	22,966	17,597
Depreciation of tangible fixed assets	269,440	509,570
Amortisation of intangible fixed assets	10,120	9,262
Loss on disposal of fixed assets	3,634	2,086
Net interest on defined benefit pension liability	24,000	35,000

Included within expenditure are the following transactions:

	2019 £
Cash losses - total	27,000
- Items over £5,000: Fraudulent transaction	27,000

### 8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services; and
- others as arising.

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

- 4.5% of GAG income for all schools.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Central services (Continued)

The amounts charged during the year were as follows:	2019 £	2018 £
Egglescliffe School	306,703	297,696
The Links Primary School	31,732	32,396
Junction Farm Primary School	58,586	48,631
Chandler's Ridge Academy	54,911	48,367
Whinstone Primary School	83,397	45,732
	<u>535,329</u>	<u>472,822</u>

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	25,000	10,460,629	10,485,629	9,740,504
Teaching Schools	-	26,989	26,989	78,203
<b>Support costs</b>				
Educational operations	-	3,839,443	3,839,443	3,974,646
Teaching Schools	-	39,856	39,856	-
	<u>25,000</u>	<u>14,366,917</u>	<u>14,391,917</u>	<u>13,793,353</u>

	Teaching school £	Educational operations £	Total 2019 £	Total 2018 £
<b>Analysis of support costs</b>				
Support staff costs	24,873	2,055,606	2,080,479	1,810,996
Depreciation, amortisation and loss on disposal	-	283,194	283,194	520,918
Technology costs	150	32,196	32,346	41,407
Premises costs	2,585	974,451	977,036	1,095,748
Other support costs	10,203	334,015	344,218	322,072
Governance costs	2,045	159,981	162,026	183,505
	<u>39,856</u>	<u>3,839,443</u>	<u>3,879,299</u>	<u>3,974,646</u>

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	9,072,486	8,072,821
Social security costs	842,675	747,076
Pension costs	1,945,028	1,666,783
	<hr/>	<hr/>
Amounts paid to employees	11,860,189	10,486,680
Agency staff costs	185,767	188,492
Staff restructuring costs	-	19,002
	<hr/>	<hr/>
Amounts paid to staff	12,045,956	10,694,174
Staff development and other staff costs	97,085	95,423
	<hr/>	<hr/>
Total staff expenditure	12,143,041	10,789,597
	<hr/> <hr/>	<hr/> <hr/>
Staff restructuring costs comprise:		
Redundancy payments	-	19,002
	<hr/> <hr/>	<hr/> <hr/>

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	259	238
Administration and support	131	117
Management	6	6
	<hr/>	<hr/>
	396	361
	<hr/> <hr/>	<hr/> <hr/>

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	4	-
£70,001 - £80,000	4	3
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £672,602 (2018: £518,562).

### 11 Trustees' remuneration and expenses

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

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

Simon White (Headteacher)

Remuneration £110,001 - £115,000 (2018: £105,001 - £110,000)

Employer pension contributions £15,001 - £20,000 (2018: £10,001 - £15,000)

Karen Norton (Headteacher)

Remuneration £75,001 - £80,000 (2018: £75,001 - £80,000)

Employer pension contributions £15,001 - £20,000 (2018: £15,001 - £20,000)

### 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 trust 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.

### 13 Intangible fixed assets

	Computer licences £
<b>Cost</b>	
At 1 September 2018 and at 31 August 2019	37,989
<b>Amortisation</b>	
At 1 September 2018	9,263
Charge for year	10,120
At 31 August 2019	19,383
<b>Carrying amount</b>	
At 31 August 2019	18,606
At 31 August 2018	28,728

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 14 Tangible fixed assets

	Leasehold buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2018	10,728,238	-	170,948	144,148	32,666	11,076,000
Additions	-	432,288	29,179	123,170	-	584,637
Disposals	-	-	(7,267)	-	-	(7,267)
At 31 August 2019	10,728,238	432,288	192,860	267,318	32,666	11,653,370
<b>Depreciation</b>						
At 1 September 2018	264,947	-	67,316	52,921	14,291	399,475
On disposals	-	-	(3,633)	-	-	(3,633)
Charge for the year	176,141	3,602	45,463	36,068	8,166	269,440
At 31 August 2019	441,088	3,602	109,146	88,989	22,457	665,282
<b>Net book value</b>						
At 31 August 2019	10,287,150	428,686	83,714	178,329	10,209	10,988,088
At 31 August 2018	10,463,291	-	103,632	91,227	18,375	10,676,525

### 15 Debtors

	2019 £	2018 £
Trade debtors	2,565	4,341
VAT recoverable	33,747	14,200
Prepayments and accrued income	242,708	263,921
	279,020	282,462

### 16 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	92,540	99,157
Other taxation and social security	209,438	196,853
Other creditors	237,813	222,619
Accruals and deferred income	302,374	389,186
	842,165	907,815

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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<b>17 Deferred income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	220,040	270,121
	<u>220,040</u>	<u>270,121</u>
Deferred income at 1 September 2018	270,121	151,293
Released from previous years	(270,121)	(151,293)
Resources deferred in the year	220,040	270,121
	<u>220,040</u>	<u>270,121</u>
<b>Deferred income at 31 August 2019</b>	<b>220,040</b>	<b>270,121</b>
	<u>220,040</u>	<u>270,121</u>

Deferred income includes rates relief, infant school meals funding and trip income received in advance of the following academic year.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	304,626	11,801,866	(11,933,289)	173,024	346,227
Other DfE / ESFA grants	58,231	812,822	(861,053)	(10,000)	-
Other government grants	-	681,281	(681,281)	-	-
Teaching Schools	13,241	53,604	(66,845)	-	-
Pension reserve	(1,055,000)	-	(509,000)	(1,578,000)	(3,142,000)
	<u>(678,902)</u>	<u>13,349,573</u>	<u>(14,051,468)</u>	<u>(1,414,976)</u>	<u>(2,795,773)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	10,572,450	-	(237,401)	-	10,335,049
DfE group capital grants	131,817	600,429	(35,719)	(169,609)	526,918
Capital expenditure from GAG	10,179	-	(5,573)	13,167	17,773
Donated by local authority	-	432,288	(3,602)	-	428,686
Other capital donations	-	46,724	(899)	(6,582)	39,243
	<u>10,714,446</u>	<u>1,079,441</u>	<u>(283,194)</u>	<u>(163,024)</u>	<u>11,347,669</u>
<b>Total restricted funds</b>	<u>10,035,544</u>	<u>14,429,014</u>	<u>(14,334,662)</u>	<u>(1,578,000)</u>	<u>8,551,896</u>
<b>Unrestricted funds</b>					
General funds	839,082	1,236,037	(1,152,336)	-	922,783
Teaching Schools	50,530	23,367	(32,255)	-	41,642
	<u>889,612</u>	<u>1,259,404</u>	<u>(1,184,591)</u>	<u>-</u>	<u>964,425</u>
<b>Total funds</b>	<u>10,925,156</u>	<u>15,688,418</u>	<u>(15,519,253)</u>	<u>(1,578,000)</u>	<u>9,516,321</u>



# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 18 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants include teachers' pay grant, universal free school meals income, PE grant, pupil premium, year 7 catch up grant received.

Other government grants include income for pupils with special educational needs, early years funding and pupil premium received from the local authority.

Other restricted funds include Teaching School funds. There is also an unrestricted element for Teaching School funds based on additional income generated.

DfE/ESFA Capital Grants consist of the devolved capital grant and capital improvement fund which has been partly spent on non capitalised items and asset additions in the year with £95,697 of devolved capital and £245,278 of capital improvement fund carried forward for future use.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from Local Authorities on conversion. Depreciation on these assets is charged against this fund.

At 31 August 2019 the academy had restricted general and unrestricted funds of £1,310,652.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	143,896	10,774,260	(11,089,873)	476,343	304,626
Start up grants	-	25,000	(25,000)	-	-
Other DfE / ESFA grants	194,393	622,421	(758,583)	-	58,231
Other government grants	-	588,295	(588,295)	-	-
Teaching Schools	34,251	57,193	(78,203)	-	13,241
Pension reserve	(1,191,000)	(405,000)	(412,000)	953,000	(1,055,000)
	<u>(818,460)</u>	<u>11,662,169</u>	<u>(12,951,954)</u>	<u>1,429,343</u>	<u>(678,902)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	21,646,637	4,516,564	(516,163)	(15,074,588)	10,572,450
DfE group capital grants	554,132	68,962	(2,736)	(488,541)	131,817
Capital expenditure from GAG	-	-	(2,019)	12,198	10,179
	<u>22,200,769</u>	<u>4,585,526</u>	<u>(520,918)</u>	<u>(15,550,931)</u>	<u>10,714,446</u>
<b>Total restricted funds</b>	<u>21,382,309</u>	<u>16,247,695</u>	<u>(13,472,872)</u>	<u>(14,121,588)</u>	<u>10,035,544</u>
<b>Unrestricted funds</b>					
General funds	361,494	1,293,527	(815,939)	-	839,082
Teaching Schools	26,060	24,470	-	-	50,530
	<u>387,554</u>	<u>1,317,997</u>	<u>(815,939)</u>	<u>-</u>	<u>889,612</u>
<b>Total funds</b>	<u>21,769,863</u>	<u>17,565,692</u>	<u>(14,288,811)</u>	<u>(14,121,588)</u>	<u>10,925,156</u>

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

(Continued)

#### Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Eggescliffe School	278,247	278,067
The Links Primary School	143,712	162,641
Junction Farm Primary School	228,730	216,682
Chandler's Ridge Academy	107,526	125,265
Whinstone Primary School	255,284	186,076
Central services	297,153	296,979
<b>Total before fixed assets fund and pension reserve</b>	<b>1,310,652</b>	<b>1,265,710</b>
Restricted fixed asset fund	11,347,669	10,714,446
Pension reserve	(3,142,000)	(1,055,000)
<b>Total funds</b>	<b>9,516,321</b>	<b>10,925,156</b>

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Eggescliffe School	5,436,550	777,332	468,339	1,072,368	7,754,589	7,766,748
The Links Primary School	611,944	136,706	57,413	160,170	966,233	911,447
Junction Farm Primary School	1,160,095	154,593	58,524	305,438	1,678,650	1,434,687
Chandler's Ridge Academy	969,299	89,777	55,756	270,431	1,385,263	1,091,707
Whinstone Primary School	1,595,320	226,145	63,189	386,883	2,271,537	1,671,263
Central services	214,698	188,497	2,706	264,886	670,787	480,041
	<b>9,987,906</b>	<b>1,573,050</b>	<b>705,927</b>	<b>2,460,176</b>	<b>14,727,059</b>	<b>13,355,893</b>

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Intangible fixed assets	-	-	18,606	18,606
Tangible fixed assets	-	-	10,988,088	10,988,088
Current assets	1,043,177	1,109,640	340,975	2,493,792
Creditors falling due within one year	(78,752)	(763,413)	-	(842,165)
Defined benefit pension liability	-	(3,142,000)	-	(3,142,000)
<b>Total net assets</b>	<b>964,425</b>	<b>(2,795,773)</b>	<b>11,347,669</b>	<b>9,516,321</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Intangible fixed assets	-	-	28,728	28,728
Tangible fixed assets	-	-	10,676,525	10,676,525
Current assets	1,018,651	1,148,883	15,184	2,182,718
Creditors falling due within one year	(129,039)	(772,785)	(5,991)	(907,815)
Defined benefit pension liability	-	(1,055,000)	-	(1,055,000)
<b>Total net assets</b>	<b>889,612</b>	<b>(678,902)</b>	<b>10,714,446</b>	<b>10,925,156</b>

### 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £184,234 (2018: £175,437) were payable to the schemes at 31 August 2019 and are included within creditors.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 20 Pension and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

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

##### The Teachers' Pension Budgeting and Valuation Account

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

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

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

##### Scheme Changes

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

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

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

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Pension and similar obligations

(Continued)

The employer's pension costs paid to the TPS in the period amounted to £1,085,829 (2018: £963,857).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.6% 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.

Total contributions made	2019 £	2018 £
Employer's contributions	377,000	314,000
Employees' contributions	128,000	118,000
Total contributions	505,000	432,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.1	3.0
Rate of increase for pensions in payment/inflation	2.1	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.1	2.0

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

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	23.8	25.0
Retiring in 20 years		
- Males	23.6	25.1
- Females	25.7	27.3

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019	2018
	£	£
Discount rate + 0.1%	10,094,000	7,341,000
Discount rate - 0.1%	10,531,000	7,663,000
Mortality assumption + 1 year	9,960,000	7,285,000
Mortality assumption - 1 year	10,664,000	7,716,000
CPI rate + 0.1%	10,444,000	7,599,000
CPI rate - 0.1%	10,177,000	7,402,000

#### The academy trust's share of the assets in the scheme

	2019	2018
	Fair value	Fair value
	£	£
Equities	5,476,352	4,704,850
Cash	910,336	1,160,100
Property	602,112	496,265
Other assets	179,200	83,785
Total market value of assets	7,168,000	6,445,000

The actual return on scheme assets was £256,000 (2018: £347,000).

#### Amount recognised in the Statement of Financial Activities

	2019	2018
	£	£
Current service cost	690,000	691,000
Past service cost	172,000	-
Interest income	(187,000)	(135,000)
Interest cost	211,000	170,000
Total operating charge	886,000	726,000

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2019	2018
	£	£
At 1 September 2018	7,500,000	4,332,000
Obligations acquired on conversion	-	860,000
Transferred in on existing academies joining the academy trust	-	2,088,000
Current service cost	690,000	691,000
Interest cost	211,000	170,000
Employee contributions	128,000	118,000
Actuarial loss/(gain)	1,647,000	(741,000)
Benefits paid	(38,000)	(18,000)
Past service cost	172,000	-
	<u>10,310,000</u>	<u>7,500,000</u>
At 31 August 2019	<u>10,310,000</u>	<u>7,500,000</u>
	<u>10,310,000</u>	<u>7,500,000</u>
	<u>10,310,000</u>	<u>7,500,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2019	2018
	£	£
At 1 September 2018	6,445,000	3,141,000
Assets acquired on conversion	-	624,000
Transferred in on existing academies joining the academy trust	-	1,919,000
Interest income	187,000	135,000
Actuarial gain	69,000	212,000
Employer contributions	377,000	314,000
Employee contributions	128,000	118,000
Benefits paid	(38,000)	(18,000)
	<u>7,168,000</u>	<u>6,445,000</u>
At 31 August 2019	<u>7,168,000</u>	<u>6,445,000</u>
	<u>7,168,000</u>	<u>6,445,000</u>
	<u>7,168,000</u>	<u>6,445,000</u>



# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	169,167	3,276,882
Adjusted for:		
Net surplus on conversion to academy	-	(4,374,867)
Capital grants from DfE and other capital income	(1,079,441)	(68,962)
Investment income receivable	(6,841)	(6,707)
Defined benefit pension costs less contributions payable	485,000	377,000
Defined benefit pension scheme finance cost	24,000	35,000
Depreciation of tangible fixed assets	269,440	509,570
Amortisation of intangible fixed assets	10,120	9,262
Loss on disposal of fixed assets	3,634	2,086
Decrease/(increase) in debtors	3,442	(5,504)
(Decrease)/increase in creditors	(65,650)	309,771
<b>Net cash (used in)/provided by operating activities</b>	<b>(187,129)</b>	<b>63,531</b>

### 22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	19,678	17,310
Amounts due in two and five years	16,761	25,067
	<u>36,439</u>	<u>42,377</u>

### 23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

K Norton's (trustee) daughter is employed by the academy trust as a Teacher. J Norton works at Junction Farm School. K Norton has had no involvement in any aspect of her terms, conditions or remuneration, which have been determined in line with the national agreements on leadership pay scales.

# VISION ACADEMY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 24 Members' liability

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

### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust brought forward £11,009 from previous years, received £18,587 and disbursed £7,238 from the fund. An amount of £22,358 is included in other creditors relating to undistributed funds that is repayable to ESFA.

26 Teaching Schools trading account	2019		2018	
	£	£	£	£
<b>Direct income</b>				
External funding		53,604		57,193
<b>Other income</b>				
Fundraising and other trading activities		23,367		24,470
<b>Total income</b>		76,971		81,663
<b>Direct costs</b>				
Direct staff costs	69,128		47,336	
Educational supplies and services	29,972		30,867	
	99,100		78,203	
<b>Total expenditure</b>		(99,100)		(78,203)
<b>(Deficit)/surplus from all sources</b>		(22,129)		3,460
Teaching Schools balances at 1 September 2018		63,771		60,311
<b>Teaching Schools balances at 31 August 2019</b>		41,642		63,771
Funds;				
Restricted general funds		-		13,241
Unrestricted funds		41,642		50,530
		41,642		63,771