

Company Registration Number: 10292875 (England & Wales)

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

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VISION LEARNING TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

C Curtis (appointed 16 October 2020)
M Little
A Mitchell
P Shreyhane
M Snaith

Directors

M Snaith (Chair of Directors)¹
S A Little (Vice-Chair)¹
C Ball (appointed 19 October 2020)
M W Foster¹
A Irving (appointed 16 November 2020)¹
S King (appointed 1 February 2021)¹
J B Nicholson (resigned 1 September 2020)
P Nicol (resigned 30 November 2020)
G P Reid¹
P Rushworth¹
C L Smith (Chief Executive and Accounting Officer)

¹ Finance and Audit Committee Member

Company registered number

10292875

Company name

Vision Learning Trust Limited

Principal and registered office

Hill View Infant School
Helvellyn Road
Sunderland
Tyne and Wear
SR2 9JJ

Company secretary

L Jobson

Senior management team

C L Smith, CEO and Head Teacher
L Reeves, Business and Finance Manager
H Sutton, Head Teacher (appointed 1 September 2020)

VISION LEARNING TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank plc
54 Fawcett Street
Sunderland
SR1 1SF

Solicitors

Sunderland City Council
Law and Governance
Civic Centre
Burdon Lane
Sunderland
SR2 7DN

VISION LEARNING TRUST LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021, the academy trust commenced operations on 1 April 2017. The annual report serves the purposes of a Directors' report under company law.

The academy trust operates two academies in Sunderland, Tyne and Wear, admitting pupils aged 3 to 11 years. Our academies are Hill View Infant Academy and Hill View Junior Academy. The academy trust has a combined pupil capacity of 930 (including nursery places) and had a roll of 904 (including nursery) on the school census in January 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a charitable 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 Directors of Vision Learning Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Vision Learning Trust.

Details of the Directors who served during the year, and to the date these accounts are approved 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.

Directors' Indemnities

The academy trust has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 12.

Method of Recruitment and Appointment or Election of Directors

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Chief Executive Officer or any post held ex officio. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected. New Directors will be identified by the Directors/ Members and will be appointed by a quorate meeting of the Directors.

Policies and Procedures adopted for the Induction and Training of Directors

The training and induction provided for new Directors depends on their existing experience. Where necessary induction and training will be provided on charity, educational, legal and financial matters. All new Directors are given a tour of the academies and the chance to meet with staff and students. All Directors are provided with copies of documents that they will need to undertake their role as Directors from the Company Secretary. Induction and training is undertaken informally and is tailored specifically to the individual.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure

During the year the academy trust continued to operate a unified management structure. The structure consists of: Board Members, Board of Directors, Local Governing Bodies and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members have overall responsibility and ultimate decision making for the academy trust. Directors retain overall responsibility for strategic planning and setting the academy trust's policies as well as responsibility for all matters relating to strategic school finance and strategic personnel matters. The CEO is the Accounting Officer, the Head Teachers are responsible for the day to day management and decision making processes.

Both schools have elected Local Governing Bodies who perform a vital function in setting the strategic direction of the school to ensure the school is held in high esteem within the community. They also hold the Head Teachers to account for standards and pupil welfare. The Leadership team drive school improvement and staff performance, reporting directly to the Board of Directors.

Arrangements for setting pay and remuneration of key management personnel

The Directors Personnel Committee is responsible for senior staffing appointments as well as monitoring standards and performance and setting pay and remuneration of the academy trust's leaderships teams. All Directors (excluding the Head Teachers and CEO) are unpaid.

Trade union facility time

The academy trust did not employ any union officials during the period.

Related Parties and other Connected Charities and Organisations

All Members/Directors/Governors and senior employees are required to declare any business interests that may impact on the academy trust. Six Directors declared an interest and the academy trust has procedures to address this. The policy of the academy trust is if any interest is declared the individual declaring the interest will remove themselves from relevant decision making processes. All such declarations and decisions are included in the minutes of the appropriate meeting.

Further details are stated in note 26 to the Financial Statements.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aim of the charitable company is the operation of Hill View Infant Academy and Hill View Junior Academy to provide a high standard of education for students of different abilities between the ages of 3 and 11.

In accordance with the Memorandum and Articles of Association, the company has adopted a scheme of governance approved by the Secretary of State for Education. Each academy will be governed by the academy trust. The company shall have regard to (but for the avoidance of doubt shall not be bound by) any guidance as to the governance of academies that the Secretary of State may publish.

The main objectives of the academy trust during the year ended 31 August 2021 are as summarised below.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (continued)

Objectives, Strategies and Activities

The academy trust's main objectives are encompassed in its mission statement which is to promote a co-operative working relationship between all staff, pupils, parents, Directors and the wider community that results in a shared vision of excellence and high expectations of behaviour and academic standards.

Key aims are:

- To provide a secure, caring and stimulating environment where everyone is valued and has the opportunity to achieve their potential.
- To provide an education which will equip children to become responsible citizens and life long learners.
- To have high expectations of each other and all of our children both inside and outside of the school.
- To create a school community where trust, collaboration and respect, results in academic excellence.
- To ensure inspiring and innovative teaching that is delivered through a broad, rich and challenging curriculum.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11.

Public Benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy trust should undertake.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Vision Learning Trust consists of two schools, Hill View Infant Academy and Hill View Junior Academy. The Infant Academy has been graded as outstanding by Ofsted and the Junior Academy as good. Both schools have very high standards of education across all subjects and settings.

The 2020 - 2021 national curriculum assessments did not take place due to the coronavirus (COVID-19) pandemic. Additionally, school performance measures have not been published. The impact of the pandemic on children's learning is widely acknowledged and referred to as lost learning, impacting upon the academy trust's performance. Plans for recovery have been implemented and are regularly reviewed.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators

Spending as a percentage of total expenditure	Hill View Infant Academy	Hill View Junior Academy
Spend on teaching staff as a percentage of total expenditure	48.6%	60.9%
Spend on supply staff as a percentage of total expenditure	0.8%	0.9%
Spend on education support staff as a percentage of total expenditure	21.2%	14.1%
Spend on administrative and clerical staff as a percentage of total expenditure	3.0%	3.1%
Spend on other staff costs as a percentage of total expenditure	4.2%	2.1%
Spend on premises (including staff costs) as a percentage of total expenditure	2.4%	2.4%
Spend on teaching resources as a percentage of total expenditure	2.8%	2.8%
Spend on energy as a percentage of total expenditure	1.3%	1.2%
Other spending as a percentage of total expenditure (balancing line)	17.1%	1.2%
In-year balance as a percentage of total income	-2.5%	4.2%
Revenue reserve as a percentage of total income	10.1%	33.1%

The main financial performance indicators of the academy trust relate to the management of spending against General Annual Grant (GAG) and the use of these funds for the benefit of the pupils in our academies. It is the policy of Vision Learning Trust that generally income received will be used to benefit the children attending the academy trust during that academic year.

The Board of Directors closely monitors spend and undertakes benchmarking against similar schools. Robust strategies are in place to mitigate financial concerns. All spending is linked to academy trust objectives and school development plans with the overall aim of improving outcomes for pupils.

Additional financial performance indicators agreed by Directors have been met during the period are:

- To maintain an operating surplus to support strategic development.
- To have, as a minimum, one month's cash in hand as a working balance to cover payroll and other monthly expenditure.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

FINANCIAL REVIEW

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the academy trust also receives Early Years grant funding, Universal Infant Free School Meals grant funding and Special Educational Needs Funding for High Needs pupils, the use of which is also restricted to particular purposes.

During the year additional funding was received as a result of the coronavirus pandemic, including catch-up premium, and support with costs associated with providing free school meals. Catch-up premium was provided to support children to catch up on missed learning caused by coronavirus. This funding was used to provide activities to support education recovery in line with the curriculum expectations. Funding was accessed to support the academy trust in meeting the additional costs for the provision of free school meals to eligible pupils at home during the coronavirus pandemic.

The trust was successful in applications to the Condition Improvement Fund within the period.

During the year ended 31 August 2021, total expenditure of £4,539,000 was exceeded by recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £(133,000)

The in-year surplus after transfers, excluding the pension reserve and restricted fixed asset funds, was £31,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2021 the net book value of fixed assets was £7,684,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of each academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £2,746,000 recognised on the balance sheet.

The academy trust held fund balances at 31 August 2021 of £6,231,000 comprising £14,000 of restricted general funds, £8,060,000 of restricted fixed asset funds, a pension deficit of £2,746,000, and £903,000 of unrestricted funds.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves Policy

The reserves policy is prepared taking into consideration information from the Charity Commission and the ESFA and considers key factors around the management of public funds. Balanced budgets are set with a view to supporting school improvement projects and capital investment.

The level of reserves is reviewed by the Directors regularly throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The academy trust aims to maintain a surplus balance equivalent to one months revenue expenditure to support planned and unplanned priorities and capital works which are not covered by in year revenue funding. This includes urgent repairs to the building and the purchase of ICT. At academy trust level one month's revenue expenditure is approximately £350,000, which is covered by reserves.

At 31 August 2021 the total value of available reserves held is £917,000, of which £14,000 relates to restricted general funds not available for general purposes of the academy trust, giving free reserves of £903,000 which Directors believe should provide sufficient working capital to cover its aims and objectives.

The academy trust is carrying a reserve balance in excess of the minimum required in the reserves policy due to the uncertainty of ongoing revenue costs. Directors will give consideration to capital expenditure to improve the facilities and resources for the children.

Investment Policy

The academy trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Under the Memorandum and Article of Association, the academy trust has the power to invest funds not immediately required for its own purposes, and in anyway the Directors see fit. The academy trust has a surplus cash balance. The academy trust currently operates an interest bearing bank account and has invested surplus funds into a money market account in line with the investment policy.

Principal Risks and Uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

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

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

Unplanned spend to meet the requirements of remote learning and reduced trading income linked to the coronavirus pandemic has impacted upon the financial position.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Employee Consultation

Where there arise matters affecting employees of the academy trust a variety of communications methods are utilised, both spoken and written, including face to face meetings, email, notice boards, individual letters to employees, memos and other written forms of communication.

FUNDRAISING

The academy trust operates effective control over fundraising activities ensuring compliance with the legal duties by:

- acting in the best interests of the academy trust;
- managing the academy trusts resources responsibly, which includes protecting and safeguarding its reputation; and
- acting with reasonable care and skill.

The Board of Directors agrees and monitors the academy trust's overall approach to fundraising. This approach takes account of risks, values and the academy trust's relationship with the public. The academy trust's assets and resources are managed effectively to ensure our legal duty is maintained. This includes being open and accountable about all fundraising. Any complaints about fundraising are dealt with through strict adherence with the academy trust complaint policy.

The academy trust complies with the Charities (Protection and Social Investment) Act 2016.

The funds raised are accounted for in unrestricted income.

Individual academies within the trust have open and accessible complaints procedures to be followed should concerns be raised regarding fundraising activities.

PLANS FOR FUTURE PERIODS

The overriding objective remains the drive to raise standards of attainment and progress in all levels and to ensure that the academies within the trust are graded good or better in any inspection. This will continue to be achieved through rigorous monitoring, self-analysis and effective targeting of available resources to ensure the best possible outcomes. A key strength of the academy trust is the range of expertise and talent available within the workforce and this will continue to be deployed in a collaborative manner to provide challenge and support. This is reinforced through structured external scrutiny from appropriate educational professionals which will provide a consistent review framework across all settings.

Funds held as custodian on behalf of others

During the period covered by this report, Vision Learning Trust Limited has not held any funds as custodian on behalf of others.

VISION LEARNING TRUST LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 7 December 2021 and signed on its behalf by:



M Snaith
Chair
7 December 2021

VISION LEARNING TRUST LIMITED
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Vision Learning Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 5 times during the year. The Board met less than six times due to the clearly established committees/portfolio groups of Trustees who can deal with specific areas of responsibility, following robust terms of reference.

Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
M Snaith (Chair of Directors)	5	5
S A Little (Vice-Chair)	5	5
C Ball (appointed 19 October 2020)	5	5
M Foster	5	5
A Irving (appointed 16 November 2020)	4	4
S King (appointed 1 February 2021)	2	2
P Nicol (resigned 30 November 2020)	1	1
G P Reid	5	5
P Rushworth	5	5
C L Smith (CEO)	5	5
J B Nicholson (resigned 1 September 2020)	0	0

During the year ending 31 August 2021 there has been several changes to the composition of the Board of Directors. This includes the appointment of 3 Directors and the resignation of 2 Directors. When recruiting there has been a focus on the strategic abilities and skill gaps have been identified in the skills audits.

In the previous year the composition and membership of the Board of Directors was reviewed, resulting in the reduction of staff directors to the CEO only. This will provide a greater level of independent scrutiny and challenge from the Board to the leadership team.

Members are independent of the Board of Directors (with the exception of the Chair of Directors) and this enables them to hold Directors to account for the operation of the academies. There are currently 5 members, one of which was appointed this year, who have a range of experience, skills and knowledge.

Directors adopt a focused, collaborative and critical role in line with the DfE Governance Competency Framework. The board deploy a business approach, with expertise across Finance, HR, Education Leadership, ICT and Law.

A programme of training has been devised between Senior Leaders and Directors and an external governance review is expected to take place in the academic year 2021-2022.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The work covered by the Board included reviewing and setting standards and policies within the academy trust, in addition to monitoring performance and management of finances and resources. The Directors consider the work undertaken during the year to have been successful in meeting their objectives.

The academy trust regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance.

The Finance and Audit Committee is a sub-committee of the main Board of Directors. Its purpose is to assist the decision making of the Directors in consultation with the Chief Executive Officer, Head Teachers and Business and Finance Manager to ensure sound management of the academies' finances and resources including proper planning, monitoring and probity and providing strategic direction to offer support and challenge ensuring that the schools operate within financial regulations. A range of key performance data (financial and academic performance related) is monitored and analysed by the Board of Directors through the provision of data supplied throughout the year, with data being challenged as appropriate.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
S A Little	2	2
P Nicol (resigned 30 November 2020)	0	0
M Snaith	2	2
G P Reid	1	2
P Rushworth	2	2

At all levels of governance, attention is paid to ensure that there is the right balance of skills, experience, independence and knowledge in order to maximise performance. Directors are well informed of latest educational developments and their responsibilities around regularity and compliance. The processes that help underpin the Board's effectiveness include the provision of the necessary information to the Board around academy trust performance.

During the period the academy trust assessed which of their suppliers were at risk and would fall into the scope of the supplier relief measures, as outlined by the DfE, and have taken measures to support at-risk suppliers during the coronavirus pandemic to ensure business and service continuity and to protect jobs.

Review of value for money

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

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

- Effective school development and financial planning.
- Continuous self-evaluation.
- Improving the quality of school leadership and governance through CPD and succession planning.
- Increased attainment and pupil progress through accurate data tracking.
- Rigorous performance management.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Covid-19 and the public health measures put in place to contain its spread, including closure of schools and the implementation of remote learning has impacted upon the achievement of value for money. The academy trust was quick to invest in virtual learning platforms and software to ensure that our statutory duties could be fulfilled. This additional spend, coupled with the reduced income from trading services has had a negative impact upon the academy trust's finances.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Vision Learning Trust Limited for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle risk

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 Directors
- regular reviews by the Finance and Audit 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
- identification and management of risks.

The Board of Directors appointed Clive Owen LLP as external auditor for the period ending 31 August 2021. In line with the revised FRC Ethical Standards the Board of Directors has decided to appoint MHA Tait Walker as internal auditor from September 2020.

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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

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

- testing of payroll systems;
- testing of purchase systems;
- testing of petty cash/expenses procedures;
- testing of income;
- testing of the accounting systems and management information produced;
- testing of Director appointments/resignations and declarations of interest;
- testing of gifts and hospitality & honorarium/ex-gratia payments;
- testing of information technology strategy;
- testing of fixed assets;
- testing of VAT and Corporation tax position;
- review of budgeting and financial management including purchasing and income;
- testing of control account/bank reconciliations.

On a termly basis, the internal auditor reports to the Board of Directors, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditor was able to undertake their work despite the restrictions in place due to the covid-19 pandemic. Their schedule of work was delivered as planned and no material control issues were identified.

In addition to the academy trust's normal process for risk management, additional measures were introduced to manage the risk of serious illness from the spread of the coronavirus and the impact of the pandemic on the sustainability of the academy trust. Our priority was to continue to deliver high-quality education to all pupils, whilst reducing the risk associated with the pandemic. The academy trust put in place control measures, which were regularly reviewed and updated. Directors met virtually to discuss any arrangements and implications.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 7 December 2021 and signed on their behalf by:


M Snaith
Chair


C Smith
Accounting Officer

VISION LEARNING TRUST LIMITED
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Vision Learning Trust Limited I have considered my responsibility to notify the academy trust board of Directors 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 2020.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

C L Smith
Accounting Officer
Date:

C Smith
7/12/21

VISION LEARNING TRUST LIMITED
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on 7 December 2021 and signed on its behalf by:

M Snaith
Chair



VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF VISION
LEARNING TRUST LIMITED**

Opinion

We have audited the financial statements of Vision Learning Trust Limited (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF VISION LEARNING TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the 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 our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

Responsibilities of directors

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

In preparing the financial statements, the Directors 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 Directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF VISION LEARNING TRUST LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations as stated in the funding agreement and the rules as per the Academies Handbook 2020. Other key laws and regulations included safeguarding, GDPR, health and safety and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF VISION
LEARNING TRUST LIMITED (CONTINUED)**

Use of our report

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

Clive Owen LLP

Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: *7/12/21*

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VISION
LEARNING TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Vision Learning Trust Limited during the year 1 September 2020 to 31 August 2021 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 Learning Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Vision Learning Trust Limited 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 Learning Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Vision Learning Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Vision Learning Trust Limited's funding agreement with the Secretary of State for Education dated 29 March 2017 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure it is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP
Reporting Accountant
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 7/12/21

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	-	14	941	955	33
Other trading activities		131	-	-	131	178
Investments	6	4	-	-	4	6
Charitable activities		40	3,991	-	4,031	3,937
Total income		175	4,005	941	5,121	4,154
Expenditure on:						
Charitable activities		144	4,169	226	4,539	4,273
Total expenditure		144	4,169	226	4,539	4,273
Net income/(expenditure)		31	(164)	715	582	(119)
Transfers between funds	18	-	(129)	129	-	-
Net movement in funds before other recognised gains/(losses)		31	(293)	844	582	(119)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	135	-	135	(882)
Net movement in funds		31	(158)	844	717	(1,001)
Reconciliation of funds:						
Total funds brought forward		872	(2,574)	7,216	5,514	6,515
Net movement in funds		31	(158)	844	717	(1,001)
Total funds carried forward		903	(2,732)	8,060	6,231	5,514

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10292875

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	14		7,684		7,184
			<u>7,684</u>		<u>7,184</u>
Current assets					
Debtors	15	1,258		571	
Cash at bank and in hand		499		551	
		<u>1,757</u>		<u>1,122</u>	
Creditors: amounts falling due within one year	16	(419)		(204)	
Net current assets			<u>1,338</u>		<u>918</u>
Total assets less current liabilities			<u>9,022</u>		<u>8,102</u>
Creditors: amounts falling due after more than one year	17		(45)		-
Net assets excluding pension liability			<u>8,977</u>		<u>8,102</u>
Defined benefit pension scheme liability	26		(2,746)		(2,588)
Total net assets			<u><u>6,231</u></u>		<u><u>5,514</u></u>
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	18	8,060		7,216	
Restricted income funds	18	14		14	
		<u>8,074</u>		<u>7,230</u>	
Restricted funds excluding pension asset	18				
Pension reserve	18	(2,746)		(2,588)	
Total restricted funds	18		<u>5,328</u>		<u>4,642</u>
Unrestricted income funds	18		903		872
Total funds			<u><u>6,231</u></u>		<u><u>5,514</u></u>

The financial statements on pages 24 to 53 were approved by the Directors, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

M Snaith
Chair



VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	194	(183)
Cash flows from investing activities	22	(296)	(14)
Cash flows from financing activities	21	50	-
Change in cash and cash equivalents in the year		(52)	(197)
Cash and cash equivalents at the beginning of the year		551	748
Cash and cash equivalents at the end of the year	23, 24	499	551

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Leasehold land and buildings	- 125/50 years
Leasehold improvements	- 15-30 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years

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

1.6 Operating leases

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgement

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.

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £183,000

Critical areas of judgement:

Land – Land is held under a 125 year lease from Sunderland City Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	-	14	15	29	12
Capital Grants	-	-	926	926	21
Total 2021	-	14	941	955	33
Total 2020	12	-	21	33	

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4. Funding for the academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,008	3,008	2,922
Other DfE/ESFA grants				
Pupil Premium	-	154	154	142
PE and Sport Premium	-	39	39	39
UFSM	-	127	127	130
Rates	-	10	10	10
Teachers' pay grant	-	42	42	42
Teachers' pension grant	-	122	122	122
Other DfE Group grants	-	6	6	9
	-	3,508	3,508	3,416
Other Government grants				
SEN funding	-	22	22	33
Early Years Funding	-	374	374	362
Local Authority other grants	-	16	16	23
	-	412	412	418
Other income from the academy trust's academy's educational operations	40	7	47	103
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	64	64	-
	-	64	64	-
	40	3,991	4,031	3,937
Total 2020	98	3,839	3,937	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for the Teachers' pension grant is no longer reported under the Other DfE Group grants heading, but as a separate line under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received £64k of catch-up premium and the costs incurred in respect of this funding totalled £64k.

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5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from facilities and services	119	119	141
Receipts from Supply Teacher Insurance claims	5	5	37
Income from school clubs	7	7	-
	<u>131</u>	<u>131</u>	<u>178</u>
Total 2020	<u>178</u>	<u>178</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank Interest	<u>4</u>	<u>4</u>	<u>6</u>
Total 2020	<u>6</u>	<u>6</u>	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	2,852	-	382	3,234	3,030
Allocated support costs	379	420	506	1,305	1,243
Total 2021	<u>3,231</u>	<u>420</u>	<u>888</u>	<u>4,539</u>	<u>4,273</u>
Total 2020	<u>3,242</u>	<u>379</u>	<u>652</u>	<u>4,273</u>	

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7. Expenditure (continued)

In 2021, of the total expenditure, £144,000 (2020 - £104,000) was to unrestricted funds and £4,395,000 (2020 - £4,169,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	3,234	1,305	4,539	4,273
Total 2020	3,030	1,243	4,273	

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	3,102	2,872
Educational supplies	78	95
Staff development	14	14
Educational consultancy	36	45
Staff expenses	4	4
	3,234	3,030

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	43	28
Staff costs	379	370
Depreciation	183	179
Technology costs	90	63
Supply insurance	26	24
Transport	-	8
Maintenance of premises	92	69
Cleaning	89	75
Other premises costs	21	21
Energy	48	45
Rent & rates	10	10
Insurance	16	20
Operating lease rentals	8	8
Catering	143	252
Legal costs - other	1	-
Security	3	5
Other costs	130	44
Governance costs	23	22
	<u>1,305</u>	<u>1,243</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	8	8
Depreciation of tangible fixed assets	183	179
Fees paid to auditors for:		
- audit	8	7
- other services	3	3
	<u>194</u>	<u>190</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	2,446	2,315
Social security costs	219	210
Pension costs	783	671
	<u>3,448</u>	<u>3,196</u>
Agency staff costs	33	46
	<u>3,481</u>	<u>3,242</u>

Staff restructuring costs comprise:

Included in operating costs of defined pension schemes is a charge of £250,000 (2020: £149,000) relating to the pension deficit actuarial adjustment.

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £nil).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	39	40
Administration & Support	76	69
Management	3	3
	<u>118</u>	<u>112</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £273,000 (2020 £285,000).

11. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2021 £000	2020 £000
P J Bevan (Head Teacher resigned 24 July 2020)	Remuneration	-	85 - 90
	Pension contributions paid	-	20 - 25
C L Smith (Chief Executive Officer)	Remuneration	80 - 85	75 - 80
	Pension contributions paid	15 - 20	15 - 20

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

12. Directors' and Officers' insurance

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

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13. Central services

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

- Leadership and business management
- Standards and data

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

- Pupil numbers;
- The phases provided by the academy(including nursery);
- The overall budget of the academy.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Hill View Infants	117	58
Hill View Juniors	120	63
Total	<u>237</u>	<u>121</u>

14. Tangible fixed assets

	Leasehold land and buildings £000	Leasehold improvements £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2020	7,541	5	33	197	7,776
Additions	-	611	19	53	683
At 31 August 2021	<u>7,541</u>	<u>616</u>	<u>52</u>	<u>250</u>	<u>8,459</u>
Depreciation					
At 1 September 2020	429	-	14	149	592
Charge for the year	127	7	7	42	183
At 31 August 2021	<u>556</u>	<u>7</u>	<u>21</u>	<u>191</u>	<u>775</u>
Net book value					
At 31 August 2021	<u>6,985</u>	<u>609</u>	<u>31</u>	<u>59</u>	<u>7,684</u>
At 31 August 2020	<u>7,112</u>	<u>5</u>	<u>19</u>	<u>48</u>	<u>7,184</u>

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15. Debtors

	2021 £000	2020 £000
Due within one year		
Short term investments	546	476
Prepayments and accrued income	666	73
VAT recoverable	46	22
	<u>1,258</u>	<u>571</u>

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Other loans	5	-
Trade creditors	72	68
Other creditors	1	2
Accruals and deferred income	341	134
	<u>419</u>	<u>204</u>

	2021 £000	2020 £000
Deferred income at 1 September 2020	117	129
Resources deferred during the year	100	117
Amounts released from previous periods	(117)	(129)
	<u>100</u>	<u>117</u>

Deferred income relates to Universal Infant Free School Meals, after school/breakfast club fees and trip income.

A CIF loan of £5,000 from the ESFA which is provided on the following terms, 10 year duration, maturing 31 August 2031, at an interest rate of 2.07%.

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

	2021 £000	2020 £000
Other loans	<u>45</u>	<u>-</u>

A CIF loan of £45,000 from the ESFA which is provided on the following terms, 10 year duration, maturing 31 August 2031, at an interest rate of 2.07%.

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18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted general funds	872	175	(144)	-	-	903
Restricted general funds						
General Annual Grant(GAG)	-	3,008	(2,879)	(129)	-	-
Pupil Premium	-	154	(154)	-	-	-
Other DfE / ESFA	14	347	(347)	-	-	14
SEN	-	22	(22)	-	-	-
Other government grants	-	389	(389)	-	-	-
COVID catch-up premium	-	64	(64)	-	-	-
Other income	-	7	(7)	-	-	-
Donations	-	14	(14)	-	-	-
Pension reserve	(2,588)	-	(293)	-	135	(2,746)
	(2,574)	4,005	(4,169)	(129)	135	(2,732)
Restricted fixed asset funds						
Legacy Asset	7,110	-	(127)	-	-	6,983
DfE/ESFA capital grants	74	18	(26)	-	-	66
Capital expenditure from GAG	28	-	(20)	129	-	137
Donations	4	15	(4)	-	-	15
CIF	-	908	(49)	-	-	859
	7,216	941	(226)	129	-	8,060
Total Restricted funds	4,642	4,946	(4,395)	-	135	5,328

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18. Statement of funds (continued)

Total funds	5,514	5,121	(4,539)	-	135	6,231
	<u>5,514</u>	<u>5,121</u>	<u>(4,539)</u>	<u>-</u>	<u>135</u>	<u>6,231</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE Group grants includes PE and Sport Premium funding which must be spent on PE and Sports curriculum costs, Rates Relief funding and Teachers' Pay Grant. Also included is Universal Infant Free School Meals funding must be spent on costs relating to the provision of meals to pupils.

SEN is additional funding for pupils with special educational needs.

Early Years Funding must be spent on costs relating to the provision of education to pupils.

Other Government grants relates to local authority pupil premium to be spent as the school sees fit to support deprived students

The COVID catchup premium must be spent on activities to support pupils' education recovery.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from school trips, catering and other income with the relevant costs allocated accordingly.

A transfer of £129,000 was made from General Annual Grant to Restricted Fixed Assets for the purchase of fixed assets during the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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18. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted general funds	682	294	(104)	-	-	872
Restricted general funds						
General Annual Grant(GAG)	-	2,922	(2,910)	(12)	-	-
Pupil Premium	-	142	(142)	-	-	-
UIFSM	-	130	(130)	-	-	-
Other DfE Group	-	222	(208)	-	-	14
SEN	-	33	(33)	-	-	-
Early Years Funding	-	362	(362)	-	-	-
Other Government grants	-	23	(23)	-	-	-
Non Government grants	-	5	(5)	-	-	-
Pension reserve	(1,529)	-	(177)	-	(882)	(2,588)
	<u>(1,529)</u>	<u>3,839</u>	<u>(3,990)</u>	<u>(12)</u>	<u>(882)</u>	<u>(2,574)</u>
Restricted fixed asset funds						
Legacy Asset	7,251	-	(141)	-	-	7,110
DfE/ESFA capital grants	74	18	(18)	-	-	74
Capital expenditure from GAG	35	-	(19)	12	-	28
Donations	2	3	(1)	-	-	4
	<u>7,362</u>	<u>21</u>	<u>(179)</u>	<u>12</u>	<u>-</u>	<u>7,216</u>

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18. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Total Restricted funds	5,833	3,860	(4,169)	-	(882)	4,642
Total funds	6,515	4,154	(4,273)	-	(882)	5,514

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Hill View Infants	213	267
Hill View Juniors	681	598
Central	23	21
Total before fixed asset funds and pension reserve	917	886
Restricted fixed asset fund	8,060	7,216
Pension reserve	(2,746)	(2,588)
Total	6,231	5,514

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Hill View Infants	1,518	179	28	402	2,127	2,058
Hill View Juniors	1,518	135	50	285	1,988	1,912
Central	66	65	-	110	241	124
Academy trust	3,102	379	78	797	4,356	4,094

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed assets funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	7,684	7,684
Current assets	928	244	585	1,757
Creditors due within one year	(25)	(230)	(164)	(419)
Creditors due in more than one year	-	-	(45)	(45)
Provisions for liabilities and charges	-	(2,746)	-	(2,746)
Total	903	(2,732)	8,060	6,231

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed assets funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	7,184	7,184
Current assets	907	183	32	1,122
Creditors due within one year	(35)	(169)	-	(204)
Provisions for liabilities and charges	-	(2,588)	-	(2,588)
Total	872	(2,574)	7,216	5,514

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £000	2020 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	582	(119)
Adjustments for:		
Depreciation	183	179
Capital grants from DfE and other capital income	(383)	(21)
Interest receivable	(4)	(6)
Defined benefit pension scheme cost less contributions payable	250	149
Defined benefit pension scheme finance cost	43	28
Increase in debtors	(687)	(347)
Increase/(decrease) in creditors	210	(46)
Net cash provided by/(used in) operating activities	194	(183)

21. Cash flows from financing activities

	2021 £000	2020 £000
Cash inflows from new borrowing	50	-
Net cash provided by financing activities	50	-

22. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	4	6
Purchase of tangible fixed assets	(683)	(41)
Capital grants from DfE Group	383	21
Net cash used in investing activities	(296)	(14)

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23. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	499	551
Total cash and cash equivalents	499	551

24. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	551	(52)	499
Debt due within 1 year	-	(5)	(5)
Debt due after 1 year	-	(45)	(45)
	551	(102)	449

25. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	62	18

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £372,000 (2020 - £363,000).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £208,000 (2020 - £199,000), of which employer's contributions totalled £161,000 (2020 - £159,000) and employees' contributions totalled £47,000 (2020 - £40,000). The agreed contribution rates for future years are 25% for employers and 6% for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.10	3.80
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	75.00	75.00

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	25.1	25.0
Retiring in 20 years		
Males	23.6	23.5
Females	26.9	26.8

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(169)	(145)
Discount rate -0.1%	176	151
Mortality assumption - 1 year increase	(251)	(209)
Mortality assumption - 1 year decrease	258	209
CPI rate +0.1%	142	122
CPI rate -0.1%	(136)	(116)

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26. Pension commitments (continued)

Share of scheme assets

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

	2021 £000	2020 £000
Equities	2,241	1,725
Government bonds	85	77
Corporate bonds	811	738
Property	323	297
Cash and other liquid assets	161	61
Other	411	326
Total market value of assets	4,032	3,224

The actual return on scheme assets was £629,000 (2020 - £716,000).

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

	2021 £000	2020 £000
Current service cost	(412)	(308)
Interest income	56	46
Interest cost	(99)	(74)
Total amount recognised in the Statement of Financial Activities	(455)	(336)

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

	2021 £000	2020 £000
At 1 September	5,812	3,866
Current service cost	412	308
Interest cost	99	74
Employee contributions	47	40
Actuarial losses	438	1,552
Benefits paid	(30)	(28)
At 31 August	6,778	5,812

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26. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	3,224	2,337
Interest income	56	46
Actuarial gains	573	670
Employer contributions	162	159
Employee contributions	47	40
Benefits paid	(30)	(28)
At 31 August	<u>4,032</u>	<u>3,224</u>

27. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	7	7
Later than 1 year and not later than 5 years	17	19
	<u>24</u>	<u>26</u>

28. Related party transactions

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

No related party transactions took place in the period of account, other than certain directors' remuneration and expenses already disclosed in note 11.