

Company Registration Number: 10292875 (England and Wales)

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

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
FOR THE PERIOD ENDED 31 AUGUST 2017

Members

M Snaith (appointed 25 July 2016)
M G Little (appointed 25 July 2016)
A Mitchell (appointed 12 January 2017)
L Rogers (appointed 25 July 2016)
P H Shreyhane (appointed 25 July 2016)
P Nicol (appointed 1 August 2016, resigned 31 October 2016)

Directors

M Snaith, Chair of Directors (appointed 25 July 2016)¹
P J Bevan, Staff Director (appointed 25 July 2016)
M W Foster, Chief Executive and Accounting Officer (appointed 25 July 2016)
S A Little (appointed 1 November 2016)¹
P Nicol (appointed 1 November 2016)¹
J B Nicholson (appointed 1 November 2016)
G P Reid (appointed 1 November 2016)¹
P Rushworth (appointed 1 November 2016)¹
C L Smith, Staff Director (appointed 25 July 2016)

¹ Finance and General Purposes Committee Members

Company registered number

10292875

Company name

Vision Learning Trust Limited

Principal and registered office

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

Company secretary

L Jobson (appointed 05/05/2017)

Senior management team

M W Foster, Chief Executive and Accounting Officer
P J Bevan, Head Teacher
C L Smith, Head Teacher
T A Woodhead, Business and Finance Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Advisers (continued)

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

Square One Law LLP
Anson House
Fleming Business Centre
Burdon Terrace
Jesmond
Newcastle Upon Tyne
NE2 3AE

VISION LEARNING TRUST LIMITED
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DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 25 July 2016 to 31 August 2017, the academy trust commenced operations on 1 April 2017. The annual report serves the purposes of both a Directors' report, and 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 899 (including nursery) on the school census on 18 May 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Details of the Directors who served during the period 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 has purchased insurance to protect directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

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 or any post held ex officio. Subject to remaining eligible to be a particular type of trustee, 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 academy 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.

Organisational structure

The academy trust's structure consists of Board Members, Board of Directors, Local Governing Bodies and the Senior Leadership Team.

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Members have 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 (barring the Head Teachers) are unpaid.

Connected organisations, including related party relationships

All Directors are required to declare any business interests that may impact on the academy trust. Five 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 23 to the Financial Statements.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity 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.

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

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

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 Limited consists of two schools, Hill View Infant Academy and Hill View Junior Academy. The Infant Academy has been graded as outstanding by Ofsted and both schools have a very high standard of education across all subjects and settings.

Both academies have performed extremely well academically and continue to be above floor standards which is summarised in the tables below.

Key performance indicators

Hill View Infant Academy:

Hill View Infant Academy is rated as outstanding by Ofsted. EYFS results and end of KS1 results are significantly above national results over a 3 year period. In 2016/17 disadvantaged pupils of academy outperformed non-disadvantaged pupils nationally and the percentage of pupils gaining greater depth across all subjects was significantly above national results. Our results for 2016/17 are shown below:-

EYFS (Good level of development)		Year 1 phonic screen	
School	88%	School	84%
National	71%	National	81%

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

KS1	READING %	WRITING %	MATHS %
	2017	2017	2017
School expected standard or above	88%	84%	89%
National expected standard or above	76%	68%	75%
School above expected standard	37%	29%	39%
National above expected standard	25%	16%	21%

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

Hill View Junior Academy:

Hill View Junior Academy is rated as good by Ofsted. End of Key Stage results consistently indicate that our pupils leave Hill View Junior having made good progress – this year being ranked in the top 5% for Writing and Top 25% for Maths and Reading. We also consistently achieve considerably higher results than national, our results for 2016-17 are shown below:

KS2	READING %	WRITING %	MATHS %	SPELLING, PUNCTUATION AND GRAMMAR (SPaG) %	READING, WRITING AND MATHS COMBINED %
	2017	2017	2017	2017	2017
School results	94%	96%	95%	92%	92%
National results	71%	76%	75%	77%	61%
School higher standard	46%	55%	41%	53%	31%
National higher standard	25%	18%	23%	31%	9%
Average progress score	3.86	4.92	3.67		

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

Key performance indicators (continued)

Scaled Scores	READING %	MATHS %	SPaG %
	2017	2017	2017
School	109.5	109.3	109.5
National	104.0	104.0	106.0

Key Performance Indicators

	<u>Vision Learning Trust Limited</u>	<u>Comparison</u>
Total GAG income per pupil (annualised)	£3,289	£3,703
Total GAG income ratio to total income (period)	77%	73.9%
Total staff costs / total costs (period)	76.4%	70.7%
Net Current assets as % of total income (annualised)	14.1%	28.1%
LGPS pension deficit per non-teaching staff member	£21,391	£34,395

As a new multi academy trust which has only been operating for five months since 1st April 2017 targets for monitoring performance have not yet been set or can only be reported on an annual basis. Consequently, the main KPI's that have been monitored in the period are shown above.

The comparison figures for the period have been taken from the average figures for Primary Academies in the Kreston Academies Benchmark Report 2017. This report is based upon the data from over 320 academy trusts, which include over 600 individual schools.

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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 period ended 31 August 2017 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 and Special Educational Needs Funding for High Needs pupils, the use of which is also restricted to particular purposes.

During the period ended 31 August 2017, total expenditure of £1,670,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources (excluding fixed asset income). The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £421,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2017 the net book value of fixed assets was £7,577,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the local government pensions scheme, resulting in a deficit of £984,000 recognised on the balance sheet.

The academy trust held fund balances at 31 August 2017 of £7,134,000 comprising £6,620,000 of restricted funds and £514,000 of unrestricted funds.

Reserves policy

The level of reserves is reviewed by the Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £300,000.

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

FINANCIAL REVIEW (continued)

Reserves policy (continued)

This is considered sufficient to cover any:

- a) Delays between spending and receipt of grant
- b) Funding for any unplanned expenditure in future periods

The Directors continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied including:

- a) Building modification to meet current needs

Investments policy

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 but at present does not have any funds invested.

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 school 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.

PLANS FOR FUTURE PERIODS

As a newly formed academy trust we are aiming to consolidate practices across the trust in the first year. The overriding objective remains the drive to raise standards of attainment and progress in all levels and to ensure that the academies within the group 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 trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

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DIRECTORS' REPORT (continued)
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Disclosure of information to auditors

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the 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 auditor is 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 4 December 2017 and signed on its behalf by:

M Snaith
Chair of Directors



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.

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive, 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 3 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
M Snaith, Chair of Directors	3	3
P J Bevan, Staff Director	3	3
M W Foster, Chief Executive and Accounting Officer	3	3
S A Little	3	3
P Nicol	3	3
J B Nicholson	3	3
G P Reid	2	3
P Rushworth	2	3
C L Smith, Staff Director	2	3

The finance and general purposes 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, Head Teachers and Business and Finance Manager to ensure sound management of the academy trust's 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

Attendance at meetings in the period was as follows:

Director	Meetings attended	Out of a possible
M Snaith	1	1
S A Little	0	1
P Nicol	0	1
G P Reid	1	1
P Rushworth	1	1

Review of Value for Money

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

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GOVERNANCE STATEMENT (continued)

Review of Value for Money (continued)

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 period 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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Vision Learning Trust Limited for the period 25 July 2016 to 31 August 2017 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 period 25 July 2016 to 31 August 2017 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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework (continued)

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of petty cash/expenses procedures;
- Testing of income;
- Testing of the accounting systems and management information produced;
- Review of Director appointments/resignations and declarations of interest;
- Review of gifts and hospitality & honorarium/ex-gratia payments;
- Review of information technology strategy;
- Review of fixed assets;
- Review of VAT and Corporation tax position.

On a termly basis, the external auditors report to the Board of Directors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

Review of Effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the 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 general purposes 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 4 December 2017 and signed on their behalf, by:

M Snaith
Chair of Directors



M W Foster
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.

M W Foster
Accounting Officer

4 December 2017

A handwritten signature in black ink, appearing to read 'M. W. Foster', with a stylized flourish at the end.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017

The Directors (who act as governors of Vision Learning Trust Limited and 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 Annual Accounts Direction issued 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 4 December 2017 and signed on its behalf by:



M Snaith
Chair of Directors

VISION LEARNING TRUST LIMITED
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**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 for the period ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

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

Other information (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report including the Strategic Report 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' remunerations specified by law 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 Statement of Directors' Responsibilities, 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's 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**

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

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



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
Statutory Auditors

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
4 December 2017

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' 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 25 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 period 25 July 2016 to 31 August 2017 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 the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vision Learning Trust Limited and the 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 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 25 July 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO VISION
LEARNING TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

Approach (continued)

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;
- Obtained formal letter 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 register of interests and consideration of related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 25 July 2016 to 31 August 2017 have 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 Accountants

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

4 December 2017

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	
Note					
INCOME FROM:					
Donations & capital grants:					
Transfer from local authority on conversion	2	508	(917)	7,638	7,229
Other donations and capital grants	2	-	-	7	7
Charitable activities	3	-	1,498	-	1,498
Other trading activities	4	99	-	-	99
TOTAL INCOME		<u>607</u>	<u>581</u>	<u>7,645</u>	<u>8,833</u>
EXPENDITURE ON:					
Charitable activities		93	1,516	61	1,670
TOTAL EXPENDITURE	6	<u>93</u>	<u>1,516</u>	<u>61</u>	<u>1,670</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		514	(935)	7,584	7,163
Actuarial losses on defined benefit pension schemes	20	-	(29)	-	(29)
NET MOVEMENT IN FUNDS		<u>514</u>	<u>(964)</u>	<u>7,584</u>	<u>7,134</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		<u><u>514</u></u>	<u><u>(964)</u></u>	<u><u>7,584</u></u>	<u><u>7,134</u></u>

All of the academy trust's activities derive from acquisitions in the current financial period.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000
FIXED ASSETS			
Tangible assets	12		7,577
CURRENT ASSETS			
Debtors	13	134	
Cash at bank and in hand		905	
		1,039	
CREDITORS: amounts falling due within one year	14	(498)	
		541	
NET CURRENT ASSETS			
			8,118
TOTAL ASSETS LESS CURRENT LIABILITIES			8,118
Defined benefit pension scheme liability	20		(984)
			7,134
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	15	20	
Restricted fixed asset funds	15	7,584	
		7,604	
Restricted income funds excluding pension liability		7,604	
Pension reserve		(984)	
		6,620	
Total restricted income funds			6,620
Unrestricted income funds	15		514
			7,134
TOTAL FUNDS			
			7,134

The financial statements on pages 22 to 44 were approved by the Directors, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:

M Snaith
Chair of Directors



VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £000
Cash flows from operating activities		
Net cash provided by operating activities	17	898
		<hr/>
Capital grants from DfE/ESFA		7
		<hr/>
Net cash provided by investing activities		7
		<hr/>
Change in cash and cash equivalents in the period		905
Cash and cash equivalents brought forward		-
		<hr/>
Cash and cash equivalents carried forward	18	905
		<hr/> <hr/>

All of the cash flows are derived from acquisitions in the current financial period.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Vision Learning Trust Limited constitutes a public benefit entity as defined by 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 PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

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

Certain types of income are shown in the Statement of Financial Activities incorporating Income and Expenditure Account net of expenditure as follows:

Where assets are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land & Buildings	-	125/50 years
Fixtures and fittings	-	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 incorporating Income and Expenditure Account.

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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 instruments.

1.11 TAXATION

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

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from Hill View Infant School and Hill View Junior School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 19.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.14 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 Department for Education 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 and include grants from the Department for Education.

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgment:

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 £61,000.

Land and buildings – Land and buildings are held under a 125 year lease from Sunderland City Council. These assets are included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, 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 trust could use them without major modification.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Transfer from local authority on conversion	508	(917)	7,638	7,229
Capital Grants	-	-	7	7
	<u>508</u>	<u>(917)</u>	<u>7,645</u>	<u>7,236</u>

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,232	1,232
Pupil Premium	-	63	63
Other DfE/ESFA Grants	-	58	58
PE Teacher Grant	-	8	8
Academy Conversion Grant	-	50	50
	<u>-</u>	<u>1,411</u>	<u>1,411</u>
Other Government grants			
SEND	-	4	4
Other Government grants	-	83	83
	<u>-</u>	<u>87</u>	<u>87</u>
	<u>-</u>	<u>1,498</u>	<u>1,498</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
Other income	68	-	68
School trips	4	-	4
Catering	27	-	27
	<u>99</u>	<u>-</u>	<u>99</u>

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

5. CHARITABLE ACTIVITIES

	Total funds 2017 £000
DIRECT COSTS	
Wages and salaries	841
National insurance	74
Pension cost	176
Educational supplies	26
Other direct costs	15
	1,132
SUPPORT COSTS	
Wages and salaries	117
National insurance	7
Net interest cost on pension scheme	29
Depreciation	61
Pension income	10
Staff development	2
Technology costs	22
Maintenance of premises and equipment	21
Cleaning	31
Rates	8
Energy	15
Insurance	11
Security	4
Transport	4
Catering	113
Occupancy costs	5
Other support costs	33
Governance costs	45
	538
	1,670

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

6. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000
Academy's educational operations:				
Direct costs	1,091	-	41	1,132
Support costs	153	151	234	538
	<u>1,244</u>	<u>151</u>	<u>275</u>	<u>1,670</u>

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

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

There were no ex-gratia payments in the period.

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £000
Depreciation of tangible fixed assets:	
- owned by the charity	61
Auditors' remuneration - audit	7
Auditors' remuneration - other services	1
Operating lease rentals	9
	<u>78</u>

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

8. STAFF COSTS

Staff costs were as follows:

	2017 £000
Wages and salaries	945
Social security costs	81
Operating costs of defined benefit pension schemes	205
	1,231
Supply staff costs	13
	1,244

Included in operating costs of defined benefit pension schemes is a charge of £28,000 relating to the pension deficit actuarial adjustment.

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

	2017 No.
Teachers	69
Administration & support	45
Management	7
	121
	121

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

	2017 No.
In the band £60,001 - £70,000	1
In the band £70,001 - £80,000	1
In the band £80,001 - £90,000	1

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust in the period was £109,000.

VISION LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

9. CENTRAL SERVICES

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

- Leadership and business management
- Standards and data
- Finance and governance

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

- Percentage of statutory funding received.

The actual amounts charged during the year were as follows:

	2017 £000
Hill View Infant Academy	30
Hill View Junior Academy	33
	63
Total	63

10. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors have 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 other staff members under their contracts of employment, and not in respect of their role as Directors, The value of Directors' remuneration and other benefits was as follows:

		2017 £000
C L Smith (Head Teacher)	Remuneration	25-30
	Pension contributions paid	0-5
P J Bevan (Head Teacher)	Remuneration	30-35
	Pension contributions paid	5-10

During the period ended 31 August 2017, no Directors received any reimbursement of expenses.

11. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2017 was £661.

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12. TANGIBLE FIXED ASSETS

	Freehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST				
At 25 July 2016	-	-	-	-
Additions	7,541	11	86	7,638
At 31 August 2017	7,541	11	86	7,638
DEPRECIATION				
At 25 July 2016	-	-	-	-
Charge for the period	47	1	13	61
At 31 August 2017	47	1	13	61
NET BOOK VALUE				
At 31 August 2017	7,494	10	73	7,577

13. DEBTORS

	2017
	£000
VAT recoverable	40
Other debtors	1
Prepayments and accrued income	93
	134
	134

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017
	£000
Trade creditors	339
Accruals and deferred income	159
	498
	498
	£000
DEFERRED INCOME	
Resources deferred during the year	117
	117

Deferred income relates to Universal Infant Free School Meals, Devolved Formula Capital and trip income.

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15. STATEMENT OF FUNDS

	Balance at 25 July 2016 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
UNRESTRICTED FUNDS					
Unrestricted general funds	-	607	(93)	-	514
RESTRICTED FUNDS					
General Annual Grant (GAG)	-	1,232	(1,212)	-	20
Pupil Premium	-	63	(63)	-	-
Universal Infant Free School Meals	-	55	(55)	-	-
PE Teacher Grant	-	8	(8)	-	-
Academy Conversion Grant	-	50	(50)	-	-
SEND	-	4	(4)	-	-
Early Years Funding	-	80	(80)	-	-
Other Government grants	-	3	(3)	-	-
Rates relief	-	3	(3)	-	-
Pension reserve	-	(917)	(38)	(29)	(984)
	-	581	(1,516)	(29)	(964)
RESTRICTED FIXED ASSET FUNDS					
Legacy assets	-	7,638	(61)	-	7,577
DfE/ESFA capital grants	-	7	-	-	7
	-	7,645	(61)	-	7,584
Total restricted funds	-	8,226	(1,577)	(29)	6,620
Total of funds	-	8,833	(1,670)	(29)	7,134

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 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.

Universal Infant Free School Meals funding must be spent on costs relating to the provision of meals to pupils.

PE Teacher Grant funding must be spent on PE and Sports curriculum costs.

Academy Conversion Grant is funding to be spent on the conversion process of a school to academy status.

SEND 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.

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15. STATEMENT OF FUNDS (continued)

Other Government grants relate to Rates relief. Rates relief must be used to pay local authority rates costs.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 20.

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.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000
Hill View Infant Academy	146
Hill View Junior Academy	368
Central	20
	534
Total before fixed asset fund and pension reserve	534
Restricted fixed asset fund	7,584
Pension reserve	(984)
	7,134
Total	7,134

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000
Hill View Infant Academy	559	75	12	145	791
Hill View Junior Academy	504	51	14	117	686
Central	28	27	-	77	132
	1,091	153	26	339	1,609
	1,091	153	26	339	1,609

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NOTES TO THE FINANCIAL STATEMENTS
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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	7,577	7,577
Current assets	544	488	7	1,039
Creditors due within one year	(30)	(468)	-	(498)
Provisions for liabilities and charges	-	(984)	-	(984)
	<u>514</u>	<u>(964)</u>	<u>7,584</u>	<u>7,134</u>

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £000
Net income for the year (as per Statement of Financial Activities)	7,163
Adjustment for:	
Depreciation charges	61
Increase in debtors	(134)
Increase in creditors	498
Capital grants from DfE and other capital income	(7)
Defined benefit pension scheme obligation inherited	917
Defined benefit pension scheme cost less contributions payable	28
Defined benefit pension scheme finance cost	10
Fixed assets inherited on conversion	(7,638)
Net cash provided by operating activities	<u>898</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000
Cash in hand	905
Total	<u>905</u>

19. CONVERSION TO AN ACADEMY TRUST

On 1 April 2017 Hill View Infants and Hill View Juniors converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Vision Learning Trust Limited from Sunderland City Council for £508,000 consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion.

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19. CONVERSION TO AN ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	7,541	7,541
- Other tangible fixed assets	-	-	97	97
LGPS pension surplus/(deficit)	-	(917)	-	(917)
Cash	508	-	-	508
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets/(liabilities)	508	(917)	7,638	7,229
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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20. PENSION COMMITMENTS (continued)

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from conversion. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £101,000.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £94,000, of which employer's contributions totalled £76,000 and employees' contributions totalled £18,000. The agreed contribution rates for future years are 25.2% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017
Discount rate for scheme liabilities	2.50 %
Rate of increase in salaries	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %
Inflation assumption (CPI)	2.00 %
Commutation of pensions to lump sums	75.00 %

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

	2017
Retiring today	
Males	22.8
Females	26.3
Retiring in 20 years	
Males	25.0
Females	28.6

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20. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £000
Discount rate +0.1%	2,727
Discount rate -0.1%	2,851
Mortality assumption - 1 year increase	2,706
Mortality assumption - 1 year decrease	2,870
CPI rate +0.1%	2,822
CPI rate -0.1%	2,754

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

	Fair value at 31 August 2017 £000
Equities	1,193
Government bonds	70
Corporate bonds	208
Property	162
Cash and other liquid assets	70
Other	101
Total market value of assets	1,804

The actual return on scheme assets was £62,000.

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000
Current service cost	(104)
Interest income	18
Interest cost	(28)
Total	(114)
Actual return on scheme assets	62

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2017 £000
Opening defined benefit obligation	2,575
Current service cost	104
Interest cost	28
Employee contributions	18
Actuarial gains	73
Benefits paid	(10)
	2,788
Closing defined benefit obligation	2,788

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

	2017 £000
Opening fair value of scheme assets	1,658
Interest income	18
Actuarial gains	44
Employer contributions	76
Employee contributions	18
Benefits paid	(10)
	1,804
Closing fair value of scheme assets	1,804

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000
AMOUNTS PAYABLE:	
Within 1 year	9
Between 1 and 5 years	14
	23
Total	23

22. NET INTEREST COST ON PENSION SCHEME

	2017 £000
Interest income on pension scheme assets	18
Interest on pension scheme liabilities	(28)
	(10)
	(10)

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NOTES TO THE FINANCIAL STATEMENTS
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23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain Directors' remuneration and expenses already disclosed in note 10.