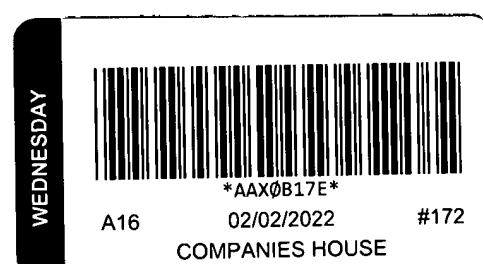


Company Registration No. 07559256 (England and Wales)

VALLEY INVICTA ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



VALLEY INVICTA ACADEMIES TRUST

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VALLEY INVICTA ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

C Daw
J Derrick (Accounting Officer)
M Fletcher
T Moore
J Moss
S Potipher
B Roodt
N Ware (Chair)
P Holland (Appointed 18 May 2021)

Members

D Izatt
J Moss
C Stevens
J Taylor
N Ware

Senior leadership teams

VIAT

CEO

J Derrick (Accounting Officer)

Chief Operating Officer / CFO

R Hayden

Director of Primary School Improvement

J Herbert

Invicta Grammar School

Headteacher

J Derrick

Deputy Headteacher

V Beales

Deputy Headteacher

M Giles

School of Science and Technology Maidstone

Headteacher

V Beales

Deputy Headteacher

D Fuller

Valley Park School

Headteacher

M Hutchinson

Deputy Headteacher

D Fuller (until 4 January 2021)

Deputy Headteacher

A Whatley (appointed 1 January 2021)

The Lenham School

Headteacher

C Foreman

Deputy Headteacher

A Burden

Deputy Headteacher

A Rain

Valley Invicta Primary Schools

Headteacher - Aylesford

L Stevens

Headteacher - East Borough

C Bacon

Headteacher - Holborough Lakes

L Vickers

Headteacher - Kings Hill

S Guthrie

Headteacher - Leybourne Chase

N Craig

Company secretary

Schofield Sweeney LLP

VALLEY INVICTA ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number 07559256 (England and Wales)

Registered office Invicta Grammar School
Hunstman Lane
Maidstone
Kent
ME14 5DS
United Kingdom

Independent auditor Azets Audit Services
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN
United Kingdom

Bankers HSBC
1/5 Week Street
Maidstone
Kent
ME14 1QW
United Kingdom

Solicitors Schofield Sweeney LLP
Wellington Street
Leeds
West Yorkshire
LS1 2AY
United Kingdom

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year ended 31 August 2021, the Trust operated 9 academies in the Maidstone area; an 11-18 selective girls' school; three 11-18 mixed non-selective schools and 5 mixed primary schools. In September 2021, the Trust opened a new non-selective secondary school (School of Science and Technology, Maidstone) to 192 Year 7 students.

Published admission numbers are:

Primary Phase

Valley Invicta Primary School at Aylesford	30
Valley Invicta Primary School at East Borough	60
Valley Invicta Primary School at Holborough Lakes	30
Valley Invicta Primary School at Kings Hill	30
Valley Invicta Primary School at Leybourne Chase	30

Secondary Phase

Invicta Grammar School	192
School of Science and Technology Maidstone	180
The Lenham School	150
Valley Park School	240

In the October 2020, census student numbers were:

Primary Phase

Valley Invicta Primary School at Aylesford	339 years R to 6
Valley Invicta Primary School at East Borough	458 years R to 6
Valley Invicta Primary School at Holborough Lakes	199 years R to 6
Valley Invicta Primary School at Kings Hill	196 years R to 6
Valley Invicta Primary School at Leybourne Chase	201 years R to 6

Secondary Phase

Invicta Grammar School	1,222 years 7 to 11	358 post 16
School of Science and Technology Maidstone	192 years 7 to 11	
The Lenham School	594 years 7 to 11	50 post 16
Valley Park School	1,345 years 7 to 11	332 post 16

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 charitable company is known as Valley Invicta Academies Trust.

The trustees of Valley Invicta Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Members' liability

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

Trustees' indemnities

The Trustees have indemnity insurance of £5m.

Method of recruitment and appointment or election of trustees

The members of the company comprise:

- The signatories to the memorandum;
- One person appointed by the Secretary of State in the event that the Secretary of State appoints a person for this purpose;
- The chairman of the directors; and
- Any person appointed unanimously by the existing members.

The articles of the Trust allow for:

- The members to appoint:
- Up to 12 Trustees
- Staff Directors through such process as they may determine provided that the total number of Trustees (including the Chief Executive Officer) who are employees of the Company does not exceed one third of the total number of Trustees.
- The Chief Executive Officer to be a Trustee for as long as they remain in office as such.
- A minimum of 2 Parent Trustees elected by the Parent members of the Local Governing Bodies
- The Trustees may appoint Co-opted Trustees

Each school in the Trust has its own school board with delegated powers reflected in their terms of reference. Each school board has 2 elected parent Governors.

Policies and procedures adopted for the induction and training of trustees

The Chair of the Trust ensures all new Trustees have a comprehensive induction and meets with relevant key personnel.

Organisational structure

The Board operates 4 sub-committees:

- Finance
- Audit
- Standards and School Improvement
- Pay

The Trust Chief Executive Officer (CEO) is the Accounting Officer. The Trust has its own Chief Operating Officer (COO) who is the Deputy to the CEO. The Chief Financial Officer operational duties fall under the remit of the COO who is supported by a team with the necessary financial qualifications.

During the year ended 31 August 2021, the Trust delegated financial decisions up to £25k at Invicta Grammar School, Valley Park School and The Lenham School to the respective Headteachers and at the Primary Schools, delegated financial decisions up to £5k to the respective Headteachers. Financial decisions above £25k and up to £50k are delegated to the same together with the CEO and COO. Financial decisions above £50k are at Trust level.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The Trust has retained responsibility for setting the pay and remuneration of the CEO and COO. The Trust has delegated responsibility for setting the pay and remuneration of Headteachers and support staff to the CEO and COO. The Trust has delegated responsibility for recommending the pay and remuneration of other members of the senior leadership and membership teams to the respective Headteacher.

Related parties and other connected charities and organisations

Per note 27.

Objectives and activities

Objects and aims

The principal object of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Trust has a responsibility to establish and maintain schools.

Vision:

An exceptional cluster of primary and secondary schools at the heart of our local community.

Mission:

We aim to achieve our vision by bringing together a family of local schools - each with their own context, ethos, strengths and areas for development - to work together to enable every single child, and every member of our team, to 'be the very best they can be'.

Goals:

To have individuals who:

- Are lifelong learners of character
- Are creative thinkers and innovators
- Are collaborators and independent problem- solvers
- Are responsible and active role models/citizens
- Have a global outlook

Core Values:

- Integrity
- Collaboration
- Excellence

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

2020/21 objectives:

	Objectives	Achievement
1	To successfully deliver the Curriculum Recovery Plan (COVID-19) across the Trust with positive outcomes at all key stages	Curriculum Recovery Plan successfully delivered.
2	To ensure a 'Good' or above from Ofsted for Valley Invicta Primary School at Aylesford, Valley Invicta Primary School at East Borough and Invicta Grammar School.	Ofsted inspections did not take place during 2020/21 due to COVID-19.
3	To deliver the agreed Financial Plan, including Investment Plan (Campus Development), for 2020/21	2020/21 Financial Plan and Investment Plan successfully delivered.
4	To further develop School of Science and Technology Maidstone with external validation and within budget.	SST Maidstone operated within budget for Year 1 and external validation obtained.
5	To review and implement a VIAT IT, Performance and Monitoring system.	Monitoring system developed and implementation scheduled for 2021/22.
6	To further develop the Trust Leadership Structure and Strategy.	Leadership Structure and Trust Strategy developed and implemented.

2021/22 objectives:

	Objectives
1	To successfully deliver the Curriculum Recovery Plan (COVID-19) across the Trust with positive outcomes at all key stages with a focus on SEND, Personal Development and Reading/Writing;
2	To ensure a 'Good' or above from Ofsted for Valley Invicta Primary School at Aylesford, Valley Invicta Primary School at East Borough and Invicta Grammar School with a strong focus on External and Internal Monitoring and Evaluation;
3	To ensure that the Leadership Structures of all schools across the Trust are secure, with appropriate succession and reward plans in place;
4	To review and strengthen the Trust approach to Risk Management and Business Continuity.
5	To deliver the agreed Financial Plan and Investment Plan for 2021/22 and within budget.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Details of the Academy's admission policy can be found at <http://www.viat.org.uk/144/our-admission-arrangements>.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The level of success shown above against the 2020/21 objectives demonstrates the success of the schools within the Trust during the year.

Due to the COVID-19 pandemic, examination results were based on Teacher Assessment Grades (TAGs) which were submitted by each school. The results continued to show the strength of educational performance within each of the Valley Invicta Academies Trust schools.

Key Performance Indicators

The Trust holds its Schools to account through individual school performance agreements. The key indicators are:

- Quality of education
- Behaviour and attitude
- Personal development
- Leadership and management
- Effectiveness of sixth form / EYFS

Ofsted Inspection Outcome

Primary Phase

Valley Invicta Primary School at Aylesford	Good	2016
Valley Invicta Primary School at East Borough	Good	2015
Valley Invicta Primary School at Holborough Lakes	Good	2018
Valley Invicta Primary School at Kings Hill	Good	2018
Valley Invicta Primary School at Leybourne Chase	Good	2018

Secondary Phase

Invicta Grammar School	Outstanding	2012
School of Science and Technology Maidstone	Not yet inspected	
The Lenham School	Good	2019
Valley Park School	Good	2020

Student Recruitment

Invicta Grammar School and Valley Park School continue to be heavily over-subscribed each academic year. Numbers continue to be strong within all schools.

Financial Performance

Growing student numbers are continuing to increase funding across the Trust and enable significant investment, as well as absorb the financial challenges that have arisen as a result of COVID-19 pandemic without requiring additional financial support from the Education and Skills Funding Agency (ESFA).

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the 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 also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015). 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.

During the 2020/21-year income was generated from the following sources:

- DfE/ ESFA Grants of £28.5m (2019/20: £24.3m) including:
 - General Annual Grant funding of £25.4m (2019/20: £21.8m)
 - Pupil premium funding of £755k (2019/20: £692k)
 - UIFSM funding of £292k (2019/20: £248k)
 - Pay and Pension grants of £1.3m (2019/20: £1.2m)
 - Sports premium funding of £92k (2019/20: £91k)
- Local authority grants of £1.08m (2019/20: £958k)
- Exceptional Government funding of £501k (2019/20: 13k) including £383k of Covid catch up premium funding and £118k on mass testing funding.
- Capital funding of £1.5m (2019/20: £2.8m) was received including the following:
 - SCA funding of £1.25m (2019/20: £973k)
 - DFC funding of £115k (2019/20: £111k)
 - DfE Capital other capital grants of £105k (2019/20: £1.75m)

During the year ended 31 August 2021, total expenditure of £32,194k (2020: £28,098k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £1,162k (2020: excess of expenditure over income £148k).

At 31 August 2021, the net book value of fixed assets was £79,887k (2020: £80,588k). 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 pupils of the Academy.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust has recognised that with funding based on lagged student numbers, it has to meet the cost of additional resources to meet the needs of the students an academic year in advance of receiving the increase in funding.

The Trust raises additional funds through lettings of facilities outside of school hours and obtaining additional grants (e.g. Teaching School, Institute of Physics and Sport England Grants).

The principle risks to the organisation during the reporting period were staffing, the potential impact of COVID-19 on the provision of education and reduced income generation. The Trust Board reviewed and monitored the principle risks throughout the academic year as part of the Board Assurance Framework and Trust Risk Register. Working in partnership with the Trust insurance provider, the Executive Team were able to mitigate the significant financial liability resulting from the cancellation of local, national and international learning opportunities. The Trust worked hard to minimize further financial impacts of the ongoing pandemic (COVID-19). As a result, this contributed to an improved financial performance without impacting on the quality of education.

In the autumn, some of the schools within the Trust experienced a ransomware attack. Whilst the event was significant for each school, importantly the Trust was able to accelerate the implementation of the new infrastructure which had previously been agreed by the Trust Board. Consequently, the financial impact from the ransomware attack was neutralised by the previously agreed investment plan.

The Trust considers the reserves held at 31 August 2021 reasonable taking account of future budget plans.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The Trust will continue to give consideration to a medium-term budget plan and to hold reserves at the year-end that:

- Are not above the maximum allowed at any time (unless committed for certain agreed large investment programmes);
- Are sufficient to allow the schools to operate with levels of resources considered appropriate for the delivery of outstanding education;
- Allow the school to deliver Best Value;
- Support any identified risks;
- Allow for planned development;
- The trust aims to hold funds based on 5% of income (less capital funding) being approximately £1.45m (2020: £1.3m).

The Trustees review the reserves levels of the Academy regularly. This review encompasses the nature of the income and expenditure streams and the need to match income with commitments and the nature of reserves. In determining the appropriate level of free reserves, the Trustees consider the three-year forecast, long term investment plans and ongoing expenditure.

The financial statements show unrestricted general funds of £1,270k (2020: £1,192k) that have been built up through income generations and voluntary activities.

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

Energy Source	Consumption		Scope	Emissions	
Gas (total kWh) per gas bills	5,408,169	Kwh	1	990.56	tCO2e
Electricity (total kWh) per elec bills	1,912,373	Kwh	2	406.05	tCO2e
Transport – Mini-bus	3,377	Kwh	1	0.88	tCO2e
Transport – total mileage fuel reimbursed	6,663	Kwh	3	1.61	tCO2e
Total	7,330,582	Kwh		1,399.11	tCO2e
Intensity Ratio				0.256	tCO2e per pupil

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy Source	Consumption		Scope	Emissions	
Gas (total kWh) per gas bills	3,125,529	Kwh	1	574.69	tCO2e
Electricity (total kWh) per elec bills	1,576,027	Kwh	2	367.43	tCO2e
Transport – Mini-bus	13,825	Kwh	1	3.52	tCO2e
Transport – total mileage fuel reimbursed	19,438	Kwh	3	4.69	tCO2e
Total	4,734,818	Kwh		950.33	tCO2e
Intensity Ratio				0.185	tCO2e per pupil

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement:

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

Replacement LED lighting programme. Biomass heating system in one of the secondary schools. Replacement of aluminium and wooden windows. Solar panels at School of Science and Technology Maidstone. Increased use of video conferencing across the organisation to reduce travel.

Investment policy and powers

The Trust wishes to maximise the total return on investments whilst containing risk to an acceptable level and maintaining a suitable profile of investments with regard to the possible need to fund future developments. The Trust does not hold endowment funds. During 2020/21, all surplus funds were held in interest earning accounts with the Trust's bankers.

Principal risks and uncertainties

The Trust has considered and agreed an on-going Board Assurance Framework and Risk Register. The Trust considers the principal risk that could affect performance is recruitment and retention of outstanding staff and strategies are in place to review and manage. The principal financial risk is reducing levels of funding. The Trust considers current reserves and increasing student numbers leaves the Trust well placed to manage the risk. The Trust believes that by providing Outstanding education the risk of recruitment and retention of students is low and this is demonstrated in the continuing increase in student numbers.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, its finances, and COVID-19 pandemic. The Trustees have implemented a number of systems to assess risks that the academy faces, especially in the operation areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on pages 13-16. The Trustees are satisfied that the major risks identified have been adequately mitigated where necessary through risk management. Trustees recognise that systems and risk management can only provide reasonable but not absolute assurance that major risks have been adequately managed.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

A particular financial risk is that public funding will not rise in line with the cost base, giving rise to potential unsustainable deficits within the Trust. This risk is mitigated by careful budget planning - overseen by the Finance and Audit Committees - and where possible securing additional resources to supplement government funding. A separate Risk and Audit Committee has been established.

Engagement with employees (including disabled persons)

The Trust engages with its employees continuously and in a number of ways to suit their different working patterns. This includes regular Trust leadership, Headteacher and line manager briefings, staff training days each academic year, a termly staff newsletter and regular visits by the Trust Executive to each school. We are looking to introduce more employee engagement initiatives in 2021/22 and continue to invest in the professional development of colleagues through Valley Invicta Teacher Training (VITT). The Trust seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their obligations under the Equality Act 2010. Our policies and procedures fully support those with disabilities. We encourage and support a wide diversity of applicants at the recruitment stage and all successful candidates undergo a health screening process to objectively advise line managers on workplace adjustments. For those colleagues with existing disabilities or those who become disabled during their time with the partnership, we work with them to make reasonable adjustments to working practices and/or environment in order to keep the employee safe, and effective. This includes support and training to line managers and colleagues to better understand the needs of those with disabilities if required. We endeavour to ensure that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with suppliers, customers, and others in business relationships

The Trust recognises that as a public service educational provider it needs to engage with its external stakeholders, which include suppliers, service providers and most importantly its parents, children and wider communities, in strict accordance with the Seven Principles of Public Life.

VALLEY INVICTA ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Promoting the success of the company

As directors of the charitable company, the Trustees have had considered the interests of the Trust and its stakeholders in decision making. Trustees are highly cognisant of their role and the role of the schools in their communities as agents of transformation. Where appropriate to do so, key stakeholders are consulted on specific policy decisions prior to their approval. For example, a consultation was undertaken, during the COVID-19 pandemic, regarding the risk assessment(s) on re-opening of the schools and also a consultation was conducted for the opening of the new Trust school – School of Science and Technology Maidstone. The Trust Board is robust in its commitment to its own code of conduct and that of its staff. It is aware of the potential for conflicts of interest and puts in place mechanisms to counter these where they apply. The Trustees place a high premium on ethical practice, and making decisions that are right for the communities and children they serve. During the year, this included ensuring appropriate due diligence was conducted around any decisions on trust capacity, pay, investment in infrastructure, and the development of the Trust central team.

Plans for future periods

The Trust has a vision to provide an exceptional cluster of schools at the heart of the local community. The aim is for all Schools within the Trust to be judged as 'Good' or above by external agencies and, to enable all students to be the very best they can be. Targets have been set to measure the quality of education.

The Trust recognises that recruiting and retaining teachers of the highest quality is essential and continues to work to ensure high quality recruitment and retention plans are in place across the Trust.

Auditor

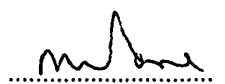
In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2021 and signed on its behalf by:


J Derrick
Accounting Officer


N Ware
Chair

VALLEY INVICTA ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Office, 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 Valley Invicta Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees divides its responsibilities into 3 main areas:

- Standards and Improvement
- Finance and Audit
- Strategy

The Board of Trustees has formally met seven times during the year, as well as participating in additional COVID-19 'Keeping-in-Touch' Trust Board meetings. Attendance during the year at formal meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
C Daw	3	7
J Derrick (Accounting Officer)	7	7
M Fletcher	5	7
T Moore	7	7
J Moss	6	7
S Potipher	6	7
B Roodt	3	7
N Ware (Chair)	7	7
P Holland (Appointed 18 May 2021)	2	2

The Trust Board delegates to sub-Trust Board Committees (comprised of board trustees) through the Scheme of Delegation which encompasses the Terms of Reference, clear lines of responsibility, accountability and decision-making. Therefore, the seven formal Trust Board meetings, combined with the numerous sub-committee meetings attended by Trustees, ensured the academy fulfilled their duties of having the recommended number of meetings by the ESFA.

The Trust Board continues to review and reflect on its composition and working practices.

Trustees undertake a self-evaluation of their skills annually to identify areas where new co-opted Trustees and Governors could contribute effectively.

Finance and Audit are Committees of the main Board of Trustees. The Finance Committee has delegated responsibility from the Trust Board for financial scrutiny and oversight in line with the Academies Financial Handbook, furthermore, for making financial decisions in line with remits laid down in the Trust's Procurement and Tendering Policy. Its purpose is to monitor budgets and challenge variances and make recommendations for budget approval to the Board of Trustees based on information received. The Committee also reviews the reports produced by the Internal Auditor and ensures all issues raised are addressed. This Committee formally met 6 times during the period.

VALLEY INVICTA ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Finance and Audit are Committees of the main Board of Trustees. The Finance Committee has delegated responsibility from the Trust Board for financial scrutiny and oversight in line with the Academies Financial Handbook, furthermore, for making financial decisions in line with remits laid down in the Trust's Procurement and Tendering Policy. Its purpose is to monitor budgets and challenge variances and make recommendations for budget approval to the Board of Trustees based on information received. The Committee also reviews the reports produced by the Internal Auditor and ensures all issues raised are addressed. This Committee formally met 5 times during the period due to COVID-19. During COVID-19, the Trust Board meetings included scrutiny of the Financial Position due to a necessity to review the Governance arrangements during the pandemic.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Daw	4	6
J Derrick (Accounting Officer)	6	6
M Fletcher	4	6
T Moore	4	6
J Moss	6	7
S Potipher	6	6
B Roodt	5	6
N Ware (Chair)	6	6
P Holland (Appointed 18 May 2021)	2	2

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 trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Educational outcomes
 - Ensuring the needs of all pupils are identified and results in effective allocation of resources
 - On-going review of staffing structures to ensure consistent with needs of the curriculum
- Maximising income
 - Ensuring popularity of the schools continues to grow to maximise pupil numbers and subsequent funding
 - Ensuring all available funding is secured
 - Maximising the generation of income through trading activities
- Improvements in spending
 - Effective procedures for review of staff performance and reward
 - Procurement at Trust level to ensure best pricing, in particular this year demonstrated in IT resources
 - Sharing best practice across the schools within the Trust
- Benchmarking
 - Reviewing key benchmarking data against schools within the Trust

VALLEY INVICTA ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 Valley Invicta Academies Trust for the period 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 trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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 trustees has considered the need for a specific internal audit function, separate from the external auditors, and appointed UHY Hacker Young in 2020/21 to perform additional checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the board of trustees financial systems. The role includes a range of checks on the Trust's financial and HR systems. In particular the checks carried out in the current period included:

- testing of payroll and personnel systems
- testing of purchase systems
- testing of safeguarding

UHY Hacker Young report directly to the Finance and Audit Committee.

The directors confirm that the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

VALLEY INVICTA ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 Chief Financial Officer who has 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 Trust Board and there are not weaknesses to address.

Approved by order of the board of trustees on 9 December 2021 and signed on its behalf by:

J Derrick
Accounting Officer



N Ware
Chair



VALLEY INVICTA ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE


FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Valley Invicta Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2020.

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

J Derrick
Accounting Officer

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VALLEY INVICTA ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Valley Invicta Academies Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

J Derrick
Accounting Officer



N Ware
Chair



VALLEY INVICTA ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY INVICTA ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Valley Invicta Academies 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

VALLEY INVICTA ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY INVICTA ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

VALLEY INVICTA ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY INVICTA ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations, considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

VALLEY INVICTA ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY INVICTA ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

Azets Audit Services Limited

Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

14 December 2021
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Chartered Accountants
Statutory Auditor

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
United Kingdom
ME14 3EN

VALLEY INVICTA ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VALLEY INVICTA ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 2 July 2021 and further to the requirements of the Education & 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 Valley Invicta Academies Trust during the period 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 Valley Invicta Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Valley Invicta Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Valley Invicta Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Valley Invicta Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Valley Invicta Academies Trust's funding agreement with the Secretary of State for Education dated 31 August 2012 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 period 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.

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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

VALLEY INVICTA ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VALLEY INVICTA ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

Azets Audit Services Limited

Reporting Accountant

Azets Audit Services

Dated: 14 December 2021
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VALLEY INVICTA ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	3	-	553	1,471	2,024	28,446
Charitable activities:						
- Funding for educational operations	4	-	30,238	-	30,238	25,425
- Funding for teaching schools	30	-	178	-	178	236
Other trading activities	5	255	-	-	255	263
Investments	6	16	-	-	16	19
Total		<u>271</u>	<u>30,969</u>	<u>1,471</u>	<u>32,711</u>	<u>54,389</u>
Expenditure on:						
Raising funds	8	130	-	-	130	21
Charitable activities:						
- Educational operations	9	-	29,758	2,116	31,874	27,885
- Teaching Schools	30	-	190	-	190	192
Total	8	<u>130</u>	<u>29,948</u>	<u>2,116</u>	<u>32,194</u>	<u>28,098</u>
Net income/(expenditure)		141	1,021	(645)	517	26,291
Transfers between funds	19	(63)	(118)	181	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(2,005)	-	(2,005)	(2,026)
Net movement in funds		78	(1,102)	(464)	(1,488)	24,265
Reconciliation of funds						
Total funds brought forward		<u>1,192</u>	<u>(9,029)</u>	<u>81,536</u>	<u>73,699</u>	<u>49,434</u>
Total funds carried forward		<u>1,270</u>	<u>(10,131)</u>	<u>81,072</u>	<u>72,211</u>	<u>73,699</u>

VALLEY INVICTA ACADEMIES TRUST

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

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds	Restricted funds:		Total
		£'000	General	Fixed asset	2020
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	741	27,705	28,446
Charitable activities:					
- Funding for educational operations	4	-	25,425	-	25,425
- Funding for teaching schools	30	-	236	-	236
Other trading activities	5	263	-	-	263
Investments	6	19	-	-	19
Total		<u>282</u>	<u>26,402</u>	<u>27,705</u>	<u>54,389</u>
Expenditure on:					
Raising funds	8	21	-	-	21
Charitable activities:					
- Educational operations	9	-	26,323	1,562	27,885
- Teaching Schools	30	-	192	-	192
Total	8	<u>21</u>	<u>26,515</u>	<u>1,562</u>	<u>28,098</u>
Net income/(expenditure)		261	(113)	26,143	26,291
Transfers between funds	19	7	104	(111)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(2,026)	-	(2,026)
Net movement in funds		268	(2,035)	26,032	24,265
Reconciliation of funds					
Total funds brought forward		924	(6,994)	55,504	49,434
Total funds carried forward		<u>1,192</u>	<u>(9,029)</u>	<u>81,536</u>	<u>73,699</u>

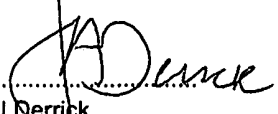
VALLEY INVICTA ACADEMIES TRUST

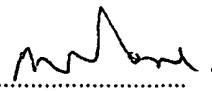
BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	£'000	2021 £'000	£'000	2020 £'000
Fixed assets					
Tangible assets	14		79,887		80,588
Current assets					
Debtors	15	1,659		1,811	
Cash at bank and in hand		8,105		5,022	
		<u>9,764</u>		<u>6,833</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(3,145)		(2,876)	
Net current assets			6,619		3,957
Total assets less current liabilities			86,506		84,545
Creditors: amounts falling due after more than one year	17		(215)		(274)
Net assets excluding pension liability			86,291		84,271
Defined benefit pension liability	21		(14,080)		(10,572)
Net assets			<u>72,211</u>		<u>73,699</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			81,072		81,536
- Restricted income funds			3,949		1,543
- Pension reserve			(14,080)		(10,572)
Total restricted funds			70,941		72,507
Unrestricted income funds	19		1,270		1,192
Total funds			<u>72,211</u>		<u>73,699</u>

The accounts on pages 26 to 54 were approved by the trustees and authorised for issue on and are signed on their behalf by:


J Derrick
Accounting Officer


N Ware
Chair

Company Number 07559256

VALLEY INVICTA ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	£'000	2021 £'000	2020 £'000
Cash flows from operating activities				
Net cash provided by operating activities	22		3,199	797
Cash flows from investing activities				
Dividends, interest and rents from investments		16		19
Capital funding received from ESFA		1,649		2,841
Purchase of tangible fixed assets		(1,720)		(2,572)
Proceeds from sale of tangible fixed assets		-		4
Net cash (used in)/provided by investing activities			(55)	292
Cash flows from financing activities				
Repayment of other loan		(61)		(72)
Net cash used in financing activities			(61)	(72)
Net increase in cash and cash equivalents in the reporting period			3,083	1,017
Cash and cash equivalents at beginning of the year			5,022	4,005
Cash and cash equivalents at end of the year			8,105	5,022

VALLEY INVICTA ACADEMIES TRUST

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

The accounts of the Valley Invicta Academies Trust (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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are presented in pound sterling and are rounded to the nearest £1,000, unless otherwise stated.

1.2 Going concern

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

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.

The General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. General capital grants are recognised when receivable and are not deferred over the life on which they are expended. Unspent amounts of general capital grants are reflected in the balance in the restricted fixed asset funds.

Sponsorship income

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

Donations

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

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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 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.

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 are allocated on the portion of the asset's use.

Non statutory/non-contractual staff severance payments are recognised immediately once they become payable.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The freehold and leasehold properties have been included at donated value as provided by the Local Authority when completing their desktop valuation. In the absence of a Local Authority valuation donated assets have been valued at cost.

The academy has use of the leasehold properties under a 125 year lease from conversion from Kent County Council. No rent is payable for use of these leased premises.

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

Land and buildings	2% on cost
Leasehold land and buildings	buildings - 2% on cost; land - over lease lifetime
Computer equipment	33% on cost
Fixtures, fittings & equipment	20% on cost

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

1.6 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.

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.9 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure 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.

1.11 Fund accounting

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

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

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

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.12 Agency agreements

The academy trust acts as an agent distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The Trust did not use any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 29.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 21, 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 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.

Critical areas of judgement

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Donated fixed assets	-	-	-	24,864
Capital grants	-	1,471	1,471	2,841
Other donations	-	553	553	741
	-	2,024	2,024	28,446

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	25,414	25,414	21,795
Other DfE / ESFA grants:				
UFSM	-	292	292	248
Pupil premium	-	755	755	692
Teachers pension grants	-	985	985	907
Teachers pay grants	-	344	344	317
PE and sports premium	-	92	92	91
Rates	-	217	217	114
Others	-	380	380	177
	-	28,479	28,479	24,341
Other government grants				
Local authority grants	-	1,079	1,079	958
Exceptional government funding				
Coronavirus exceptional support	-	-	-	13
Other Coronavirus funding	-	501	501	-
	-	501	501	13
Other funding				
Teaching Schools income	-	178	178	236
Other incoming resources	-	179	179	113
	-	357	357	349
Total funding	-	30,416	30,416	25,661

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

(Continued)

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

- The funding received for coronavirus exceptional support covers £Nil (2020: £13k) of cleaning premises costs and free school meals. These costs are included in notes 8 and 9 below as appropriate.
- Other Coronavirus funding, represents the COVID-19 catch-up premium of £383k which has been spent as follows £151k on the quality of education which included IT equipment and £232k on targeted support including additional teacher support for students.
- Other Coronavirus funding also includes £118k support for mass testing spent on the staffing and infrastructure to deliver the tests on site.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	80	-	80	137
Other income	175	-	175	126
	<u>255</u>	<u>-</u>	<u>255</u>	<u>263</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Short term deposits	16	-	16	19
	<u>16</u>	<u>-</u>	<u>16</u>	<u>19</u>

7 Central services

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

- human resources
- payroll
- ICT
- communications
- marketing
- leadership & management
- premises maintenance
- management of capital works

The academy trust charges for these services on the pro rata based based on pupil numbers.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Central services (Continued)

The amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Central services	-	-
Invicta Grammar School	447	401
Valley Park School	487	446
Aylesford Primary School	74	69
VIPS at Holborough Lakes	45	40
VIPS at Kings Hill	40	36
VIPS at Leybourne Chase	44	39
The Lenham School	184	153
VIPS at East Borough	101	92
School of Science and Technology, Maidstone	60	-
	<u>1,482</u>	<u>1,276</u>

8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Expenditure on raising funds					
- Direct costs	78	52	-	130	21
Academy's educational operations					
- Direct costs	19,221	1,672	2,651	23,544	21,118
- Allocated support costs	4,330	2,696	1,304	8,330	6,767
Teaching Schools					
- Direct costs	-	-	178	178	181
- Allocated support costs	-	-	12	12	11
	<u>23,629</u>	<u>4,420</u>	<u>4,145</u>	<u>32,194</u>	<u>28,098</u>

Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Fees payable to auditor for:		
- Audit	16	14
- Other services	12	9
Operating lease rentals	396	395
Depreciation of tangible fixed assets	2,112	1,562
Loss on disposal of fixed assets	4	-
Net interest on defined benefit pension liability	162	132
	<u></u>	<u></u>

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	2021 £'000	2020 £'000
All from restricted funds:		
Direct costs		
Educational operations	23,544	21,118
Teaching Schools	178	181
Support costs		
Educational operations	8,330	6,767
Teaching Schools	12	11
	<u>32,064</u>	<u>28,077</u>

	Teaching schools £'000	Educational operations £'000	Total 2021 £'000	Total 2020 £'000
Analysis of support costs				
Support staff costs	-	4,330	4,330	3,639
Depreciation	-	444	444	244
Technology costs	-	323	323	235
Premises costs	-	2,252	2,252	1,739
Other support costs	12	953	965	898
Governance costs	-	28	28	23
	<u>12</u>	<u>8,330</u>	<u>8,342</u>	<u>6,778</u>

10 Governance costs

	Total 2021 £'000	Total 2020 £'000
All from restricted funds:		
Amounts included in support costs		
Auditor's remuneration		
- Audit of financial statements	21	14
- Other audit costs	2	5
Other governance costs	5	4
	<u>28</u>	<u>23</u>

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only receives remuneration in respect of services she provides undertaking the role of staff member under her contract of employment, and not in respect of her services as a trustee.

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

J Derrick (Headteacher, Trustee and CEO)

- Remuneration £190k - £195k (2020: £190k - £195k)
- Employer's pension contributions paid £45k - £50k (2020: £40k - £45k)

During the year expenses totalling no expenses were reimbursed or paid directly to the trustees in respect of travel and other costs incurred (2020: £783 to 1 trustee).

Other related party transactions involving the trustees are set out within the related parties note.

12 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	16,732	15,165
Social security costs	1,622	1,460
Pension costs	5,041	4,130
Staff costs - employees	23,395	20,755
Agency staff costs	220	270
Staff restructuring costs	14	65
Total staff expenditure	23,629	21,090

Staff restructuring costs comprise:

Redundancy payments	2	-
Severance payments	12	65
	14	65

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory severance payment totalling £12k (2020: £5k).

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Staff

(Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	294	271
Administration and support	282	258
Management	15	17
	<u>591</u>	<u>546</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	11	9
£70,001 - £80,000	2	1
£80,001 - £90,000	-	4
£90,001 - £100,000	2	2
£100,001 - £110,000	2	1
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-
£190,001 - £200,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the academy trust was £2,078k (2020: £1,951k).

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £692 (2020: £4,694). The cost of this insurance is included in the total insurance cost.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Land and buildings	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2020	60,903	26,563	1,374	1,327	90,167
Reclassification	4	(6)	1	1	-
Additions	640	178	358	239	1,415
Disposals	-	(4)	-	-	(4)
At 31 August 2021	61,547	26,731	1,733	1,567	91,578
Depreciation					
At 1 September 2020	5,859	1,840	763	1,117	9,579
Charge for the year	726	946	342	98	2,112
At 31 August 2021	6,585	2,786	1,105	1,215	11,691
Net book value					
At 31 August 2021	54,962	23,945	628	352	79,887
At 31 August 2020	55,044	24,723	611	210	80,588

Included in land and buildings are assets under construction of £385k which are not depreciated.

Additions to land and buildings comprise work done to existing school buildings, the completion of the sports hall and assets under construction on the gym conversion.

Included in leasehold property is land of £7,171k which is depreciated over the lease lifetime of 125 years.

15 Debtors

	2021 £'000	2020 £'000
Trade debtors	26	47
VAT recoverable	310	312
Other debtors	649	686
Prepayments and accrued income	674	766
	1,659	1,811

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Other loans	59	61
Trade creditors	958	1,049
Other taxation and social security	412	363
Other creditors	568	406
Accruals and deferred income	1,148	997
	<u>3,145</u>	<u>2,876</u>

17 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Other loans	215	274
	<u>215</u>	<u>274</u>
Analysis of loans	2021 £'000	2020 £'000
Wholly repayable within five years	274	335
Less: included in current liabilities	(59)	(61)
	<u>215</u>	<u>274</u>
Amounts included above	<u>215</u>	<u>274</u>
Loan maturity		
Debt due in one year or less	59	59
Due in more than one year but not more than two years	59	58
Due in more than two years but not more than five years	156	176
Due in more than five years	-	42
	<u>274</u>	<u>335</u>

Included within other loans are loans of £46k and £228k from Kent County Council which are to be repaid over a remaining 4 and 5 years respectively.

18 Deferred income

	2021 £'000	2020 £'000
Deferred income is included within:		
Creditors due within one year	666	776
	<u>666</u>	<u>776</u>

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18	Deferred income		(Continued)
	Deferred income at 1 September 2020	776	686
	Released from previous years	(776)	(686)
	Resources deferred in the year	666	776
		<hr/>	<hr/>
	Deferred income at 31 August 2021	666	776
		<hr/>	<hr/>

At the balance sheet date the academy trust was holding funds received in advance for trips, laptop scheme projects, 16+ travel and bursary, catering and lettings. In addition it had received funding in advance for universal free school meals and re-organisation costs.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	1,483	25,414	(22,878)	(70)	3,949
UIFSM	-	292	(292)	-	-
Pupil premium	-	755	(755)	-	-
Teachers pension grants	-	985	(985)	-	-
Teachers pay grants	-	344	(344)	-	-
PE and sports premium	-	92	(92)	-	-
Rates	-	217	(217)	-	-
Other DfE / ESFA grants	-	380	(380)	-	-
Other government grants	-	1,079	(1,079)	-	-
COVID funding	-	501	(501)	-	-
Teaching Schools	60	178	(190)	(48)	-
Other restricted funds	-	732	(732)	-	-
Pension reserve	(10,572)	-	(1,503)	(2,005)	(14,080)
	<u>(9,029)</u>	<u>30,969</u>	<u>(29,948)</u>	<u>(2,123)</u>	<u>(10,131)</u>
Restricted fixed asset funds					
Fixed asset fund	80,588	-	(2,116)	1,415	79,887
DFE capital grant	1,241	1,471	-	(1,260)	1,452
Other government grants	42	-	-	(35)	7
Liability adopted on conversion	(335)	-	-	61	(274)
	<u>81,536</u>	<u>1,471</u>	<u>(2,116)</u>	<u>181</u>	<u>81,072</u>
Total restricted funds	<u>72,507</u>	<u>32,440</u>	<u>(32,064)</u>	<u>(1,942)</u>	<u>70,941</u>
Unrestricted funds					
General funds	<u>1,192</u>	<u>271</u>	<u>(130)</u>	<u>(63)</u>	<u>1,270</u>
Total funds	<u>73,699</u>	<u>32,711</u>	<u>(32,194)</u>	<u>(2,005)</u>	<u>72,211</u>

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

The restricted general funds relate to income received to cover the annual running costs of the Academy.
The restricted fixed asset funds relate to income received to fund capital projects.

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Universal free school meals, pupil premium, teachers pay grant, teachers pension grant, COVID funding:
Income from the EFSA as described.

Other DFE/ESFA grants: This includes post opening and summer school grants

Other government grants: This includes High Needs Funding, Specialist Resource Provision, Budget Share
Protection and Pupil Referral.

The transfer of funds relates to the purchase of fixed assets during the period and to cover the additional
costs spent out of GAG funding.

DFE capital grants include Devolved Formula Capital allocations ,School Condition allocations and ICT
grants.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	464	21,795	(20,880)	104	1,483
UIFSM	-	248	(248)	-	-
Pupil premium	-	692	(692)	-	-
Teachers pension grants	-	907	(907)	-	-
Teachers pay grants	-	317	(317)	-	-
PE and sports premium	-	91	(91)	-	-
Rates	-	114	(114)	-	-
Other DfE / ESFA grants	58	177	(235)	-	-
Other government grants	-	971	(971)	-	-
Teaching Schools	16	236	(192)	-	60
Other restricted funds	-	854	(854)	-	-
Pension reserve	(7,532)	-	(1,014)	(2,026)	(10,572)
	<u>(6,994)</u>	<u>26,402</u>	<u>(26,515)</u>	<u>(1,922)</u>	<u>(9,029)</u>
Restricted fixed asset funds					
Fixed asset fund	54,718	24,864	(1,562)	2,568	80,588
DFE capital grant	1,150	2,841	-	(2,750)	1,241
Other government grants	43	-	-	(1)	42
Liability adopted on conversion	(407)	-	-	72	(335)
	<u>55,504</u>	<u>27,705</u>	<u>(1,562)</u>	<u>(111)</u>	<u>81,536</u>
Total restricted funds	<u>48,510</u>	<u>54,107</u>	<u>(28,077)</u>	<u>(2,033)</u>	<u>72,507</u>
Unrestricted funds					
General funds	<u>924</u>	<u>282</u>	<u>(21)</u>	<u>7</u>	<u>1,192</u>
Total funds	<u>49,434</u>	<u>54,389</u>	<u>(28,098)</u>	<u>(2,026)</u>	<u>73,699</u>

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

Total funds analysis by academy

	2021 £'000	2020 £'000
Fund balances at 31 August 2021 were allocated as follows:		
Central services	421	211
Invicta Grammar School	1,632	1,110
Valley Park School	1,775	721
Aylesford Primary School	233	95
VIPS at Holborough Lakes	336	274
VIPS at Kings Hill	179	70
VIPS at Leybourne Chase	238	216
The Lenham School	29	(252)
VIPS at East Borough	285	300
School of Science and Technology, Maidstone	91	(10)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	5,220	2,735
Restricted fixed asset fund	81,072	81,536
Pension reserve	(14,080)	(10,572)
	<hr/>	<hr/>
Total funds	72,212	73,699
	<hr/>	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000	Total 2020 £'000
Central services	538	2,022	56	532	3,148	2,457
Invicta Grammar School	5,272	696	720	884	7,572	7,293
Valley Park School	5,530	745	749	940	7,964	7,582
Aylesford Primary School	965	117	171	103	1,356	1,313
VIPS at Holborough Lakes	763	89	105	99	1,056	883
VIPS at Kings Hill	788	75	85	91	1,039	940
VIPS at Leybourne Chase	730	62	107	104	1,003	855
The Lenham School	2,238	218	338	424	3,218	3,150
VIPS at East Borough	1,622	240	161	153	2,176	1,969
School of Science and Technology, Maidstone	775	144	159	307	1,385	94
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	19,221	4,408	2,651	3,798	30,078	26,536
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	79,887	79,887
Current assets	1,270	6,757	1,737	9,764
Creditors falling due within one year	-	(2,808)	(337)	(3,145)
Creditors falling due after one year	-	-	(215)	(215)
Defined benefit pension liability	-	(14,080)	-	(14,080)
Total net assets	1,270	(10,131)	81,072	72,211

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	80,588	80,588
Current assets	1,192	4,347	1,294	6,833
Creditors falling due within one year	-	(2,804)	(72)	(2,876)
Creditors falling due after one year	-	-	(274)	(274)
Defined benefit pension liability	-	(10,572)	-	(10,572)
Total net assets	1,192	(9,029)	81,536	73,699

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £446k were payable to the schemes at 31 August 2021 (2020: £367k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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% employer administration charge)
- 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. The 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 the TPS in the period amounted to £2,470k (2020: £2,160k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.5% for employers and 4.5%-12.5% for employees.

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

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	940	778
Employees' contributions	290	240
Total contributions	1,230	1,018

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.9	3.25
Rate of increase for pensions in payment/inflation	2.9	2.25
Discount rate for scheme liabilities	1.65	1.6
Inflation assumption (CPI)	2.9	2.25

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	23.8	23.8
Retiring in 20 years		
- Males	23.3	23.2
- Females	25.3	25.2

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

	2021 £'000	2020 £'000
Discount rate + 0.1%	(718)	(554)
Discount rate - 0.1%	737	570
Mortality assumption + 1 year	1079	772
Mortality assumption - 1 year	(1,038)	(551)
Long term salary increase + 0.1%	74	62
Long term salary increase - 0.1%	(73)	(61)

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

	2021 Fair value £'000	2020 Fair value £'000
Equities	8,842	6,947
Government bonds	76	72
Other bonds	1,875	1,385
Absolute return fund	940	817
Property	1,389	1,179
Other assets	387	327
Total market value of assets	13,509	10,727

The actual return on scheme assets was £1,622,000 (2020: £1,189,000).

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	2,274	1,655
Interest income	(181)	(168)
Interest cost	343	300
Benefit changes, curtailments and settlements gains or losses	7	5
Total operating charge	2,443	1,792
Changes in the present value of defined benefit obligations	2021 £'000	2020 £'000
At 1 September 2020	21,299	16,141
Current service cost	2,274	1,655
Interest cost	343	300
Employee contributions	290	240
Actuarial loss	3,446	3,047
Benefits paid	(63)	(84)
At 31 August 2021	27,589	21,299
Changes in the fair value of the academy trust's share of scheme assets	2021 £'000	2020 £'000
At 1 September 2020	10,727	8,609
Interest income	181	168
Actuarial gain	1,441	1,021
Employer contributions	940	778
Employee contributions	290	240
Benefits paid	(63)	(84)
Effect of non-routine settlements	(7)	(5)
At 31 August 2021	13,509	10,727

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
Net income for the reporting period (as per the statement of financial activities)	517	26,291
Adjusted for:		
Capital grants from DfE and other capital income	(1,471)	(27,705)
Investment income receivable	(16)	(19)
Defined benefit pension costs less contributions payable	1,341	882
Defined benefit pension scheme finance cost	162	132
Depreciation of tangible fixed assets	2,112	1,562
Loss on disposal of fixed assets	4	-
(Increase) in debtors	(26)	(334)
Increase/(decrease) in creditors	576	(12)
Net cash provided by operating activities	3,199	797

23 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	5,022	3,083	8,105
Loans falling due within one year	(61)	2	(59)
Loans falling due after more than one year	(274)	59	(215)
	4,687	3,144	7,831

24 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Educational Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purposes of the Academy;
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the accounts	1,867	390

Capital commitments comprise work on the gym refurbishment £1,770k and work on a food technology room £97k. The work will be funded from reserves.

26 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	308	308
Amounts due in two and five years	236	224
	544	532

27 Related party transactions

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

The daughter of J Derrick was employed by the trust as a head of mathematics. She was paid within the normal salary scales for her role and received no special treatment as a result of being related to a director.

The trustee (until 18 May 2020), D Cochrane-Dyet, is a partner of MHA MacIntyre Hudson. During the year the firm charged the academy £Nil (2020: £47k) for the use of office space and associated services.

The trustee, N Ware, is a director for PiXL Club (Partners in Excellence). During the year the Club charged the academy £10k (2020: £42k) for consultancy services.

The trustee, J Moss, is an employee of Canterbury Christ Church University (CCCU). During the year the university charged the academy £Nil (2020: £10k) for teacher training fees. The Teaching school operational charges from CCCU were £Nil (2020: £77k). A total sum of £Nil (2020: £39k) was charged by the academy to CCCU in respect of the Teaching school.

Where contracts for goods/services exceeded £2,500 in the year, the excess over £2,500 was provided for at no more than cost.

VALLEY INVICTA ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

28 Members' liability

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

29 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA and also collects money from students for 16+ travel cards as an agent for KCC. In the accounting period 31 August 2021 the trust received and distributed £52k (2020: £56k) and £15k (2020: £24k) from the funds respectively. Creditors include £152k (2020: £115k) in respect of these arrangements.

30 Teaching Schools trading account

	2021		2020	
	£'000	£'000	£'000	£'000
Direct income				
Other income		178		236
Direct costs				
Other direct costs	178		181	
	=====		=====	
Other costs				
Other support costs	12		11	
	=====		=====	
Total operating costs		(190)		(192)
Transfers between funds excluding depreciation		(48)		-
		-----		-----
(Deficit)/surplus from teaching schools		(60)		44
Teaching Schools balances at 1 September 2020		60		16
		-----		-----
Teaching Schools balances at 31 August 2021		-		60
		=====		=====