

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

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THE EDUCATION VILLAGE ACADEMY TRUST
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THE EDUCATION VILLAGE ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Members

Father I Grieves (appointed 1 July 2012)
J O'Neill (appointed 22 August 2011)
T Fisher (appointed 22 August 2011)
H Radcliffe (appointed 16 September 2011)
S Richardson (appointed 22 August 2011)

Directors

A J Scott (appointed 16 September 2011, resigned 30 June 2012)
H Scott OBE (appointed 16 September 2011)
Father I Grieves (appointed 1 July 2012)
M Willis (appointed 1 July 2012)
B McKnight (appointed 16 September 2011)
G Taylor (appointed 25 April 2012, resigned 30 June 2012)
James O'Neill (appointed 22 August 2011)
John O'Neill (appointed 1 July 2012)
L Job (appointed 16 September 2011)
R Gartland (appointed 1 July 2012)
T Stebbings (appointed 22 August 2011, resigned 30 June 2012)
A MacKenzie (appointed 1 July 2012)
D Barley (appointed 16 September 2011, resigned 30 June 2012)
H Radcliffe (appointed 16 September 2011)
S Battensby (appointed 1 July 2012)
S Richardson (appointed 22 August 2011)
S Williams (appointed 13 January 2012, resigned 30 June 2012)
A Gerner (appointed 16 September 2011)
B Clarke (appointed 25 April 2012, resigned 30 June 2012)
E Horne (appointed 25 April 2012, resigned 30 June 2012)
R Ireland (appointed 1 July 2012)

Governors

A J Scott (appointed 1 July 2012)²
H Scott OBE (appointed 1 July 2012)²
Father I Grieves (appointed 1 July 2012)¹
K Antonich (appointed 11 October 2012)²
M Willis (appointed 1 July 2012)¹
B McKnight (appointed 1 July 2012)²
D Ross (appointed 1 July 2012)¹
G Taylor (appointed 1 July 2012)²
James O'Neill (appointed 1 July 2012)²
L Job (appointed 1 July 2012)^{1 2}
R Flowers (appointed 1 July 2012)¹
S Heritage (appointed 1 July 2012)¹
A McKenzie (appointed 1 July 2012)¹
D Barley (appointed 1 July 2012)²
D Usher (appointed 1 July 2012)¹
E Weston (appointed 16 July 2012)²
I Hartley (appointed 1 July 2012)¹
J Joyce (appointed 16 July 2012)²
K Humpleby (appointed 11 October 2012)²
N Robson (appointed 16 July 2012)²
S Battensby (appointed 1 July 2012)¹
S Richardson (appointed 1 July 2012)^{1 2}
S Williams (appointed 1 July 2012)²

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Governors (continued)

B Clarke (appointed 1 July 2012)²
C Lee (appointed 24 September 2012)²
E Horne (appointed 1 July 2012)²
L Crosby (appointed 1 July 2012)¹

¹ Gurney Pease Local Governing Body

² Education Village Local Governing Body

Company registered number

07748248

Registered office

The Education Village, Salters Lane South, Darlington, Co Durham, DL1 2AN

Senior statutory auditor

Christopher Beaumont BA(Hons) FCA DChA

Auditors

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

Bankers

Lloyds TSB Bank plc, Skinnergate, Darlington, Co Durham, DL3 7ND

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors present their annual report together with the Financial Statements and Auditors' Report of the Charitable Company for the period 22 August 2011 to 31 August 2012

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 Academy Trust was incorporated on 22 August 2011, and commenced trading on 1 April 2012.

The directors act as the trustees for the charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law.

Details of the directors and governors who served throughout the period except as noted are included in the Reference and Administrative Information on page 1.

During the period under review the directors held five meetings. No meetings of the Education Village Local Governing Body or Gurney Pease Local Governing Body were held as local governing bodies were not in place until Gurney Pease converted on 1 July 2012. Three meetings of the Education Village Federated Governing Body took place in the period 22 August 2011 to 31 March 2012, prior to the schools achieving academy conversion on 1 April 2012.

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.

Governors' indemnities

The Academy has purchased insurance to protect directors from claims arising against negligent acts, errors or omissions occurring whilst on Academy business.

Principal Activities

The principal activity is the operation of The Education Village Academy Trust which consists of Haughton Academy, Beaumont Hill Academy, Springfield Academy, and Gurney Pease Academy. Further details are provided under 'Objectives and Activities'.

Method of Recruitment and Appointment or Election of directors and governors

The term of office for any director and governor shall be four years, save that this time limit shall not apply to the Principal, staff directors appointed by virtue of position and Chairs of the Local Governing Bodies. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of directors and governors

It is intended to develop a formal induction policy for governors and directors, for adoption by the directors. This will specify that training and induction will depend on the existing experience of governors and directors and, where necessary, induction and training will be provided on charity, educational, legal and financial matters. All new directors and governors will be given a tour of the Academies and the chance to meet with staff and students and will be provided with copies of documents that they will need to undertake their role. It is anticipated that there will usually be only one or two new directors and governors a year so induction will usually be carried out informally and tailored specifically to the individual.

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure

The structure consists of the Directors, two Local Governing Bodies, The Executive Leadership Team, the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The directors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the academies by the use of budgets and making major decisions about the direction of the academies, capital expenditure and senior staff appointments. The Local Governing Bodies are responsible for monitoring the performance of the individual academies, including reviewing academic performance and behaviour.

The Executive Leadership Team consists of the Principal and the Heads of School, who lead and manage the Academy Trust at an executive level, implementing the policies laid down by the Governors and reporting back to them. Members of the Executive Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of all staff except those in the Executive Team, which require a committee of the Board of Directors. Some spending control is devolved to members of the Senior Leadership Team, with limits above, which a member of the Executive must countersign.

The Senior Leadership Team includes the Executive Leadership Team, and the seven members of the Senior Leadership Team. The middle management of the Academy Trust is centred around managers with Teaching and Learning Responsibilities (TLRs). These managers are responsible for the day to day operation of the Academy Trust, in particular organising the teaching staff, facilities and students.

Risk management

Directors have approved a risk management policy and delegated approval of the risk register to the EVAT Support & Resources Committee. A verbal report was provided to the meeting in October 2012.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

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

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

OBJECTIVES AND ACTIVITIES

Objects

The principal object and activity of the Charitable Company is the operation of Houghton Academy, Beaumont Hill Academy, Springfield Academy and Gurney Pease Academy to provide education for students of different abilities between the ages of 2 and 19

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science, outdoor education, vocational subjects and their practical applications

Aims, objectives, strategies and activities

The Academy Trust's main objectives are encompassed in its mission statement which is as follows

At The Education Village, we aim to provide a safe, happy, caring and well-ordered environment within which every child can thrive. Students will be valued both as individuals and as part of the wider Village community

We believe strongly in the key themes of Every Child Matters

- Be healthy
- Stay safe
- Enjoy and achieve
- Make a positive contribution
- Achieve economic well-being

We want our students to

- attain the highest level possible in all areas of school life: academic, social, emotional and physical development,
- develop lively and enquiring minds,
- develop a sense of self-esteem and self-discipline, allied to a positive ethos of community involvement and responsibility,
- acquire a growing awareness and sensitivity towards the needs and rights of others, and
- become responsible for their own actions and decisions, whilst developing moral and ethical values

To support this we will

- provide a nurturing and friendly atmosphere by providing an environment where children are respected and valued and where individual needs are recognised and supported,
- bring out the best in every child from those identified as gifted and talented to those who require additional or intensive support. All children will achieve their potential, regardless of their gender, race, colour or religious beliefs,
- provide for each child as many different experiences, challenges and activities as possible in a safe and secure environment,
- encourage your child to care about family, friends, neighbours and their surroundings,
- support your child in leading an independent and purposeful life, preparing children for further education and promoting citizenship to encourage them to consider the needs of their local and wider community, and
- communicate regularly with you so that we work in partnership with parents and carers to achieve the very best outcomes

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

OBJECTIVES AND ACTIVITIES (continued)

We will support parents/carers to

- ensure your child attends school regularly and punctually, dressed and equipped according to the schools' expectations,
- become actively involved in your child's education, both at home and at school, making full use of our Virtual Learning Environment,
- be part of the Village learning community and regularly communicate with us through a range of means, and
- support our teachers in working together for the benefit of your child

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 2 and 19

Gurney Pease Academy promotes high achievement and learning for life by working with children to

- Develop enquiring minds and a spirit of curiosity
- Become highly motivated life-long learners
- Be flexible and adaptable for the modern world
- Have high self esteem - respecting themselves, others and the environment
- Be able to work independently and collaboratively
- Achieve high standards in all areas of the curriculum
- Gain advanced technological skills
- Seek to extend themselves in mind, body and spirit

We believe that each child will succeed through experiencing quality in

- A broad and challenging curriculum
- An enriching programme of extracurricular activities and visits
- A stimulating learning environment
- A rich, varied and up to date range of learning resources
- Innovative teaching and an investigative approach to learning
- An ethos of support, challenge and encouragement to succeed
- Learning partnerships between school, home and the community

We demonstrate our commitment to working as a learning community by

- Striving for continuous improvement in all that we do
- Working collaboratively towards common goals

Public Benefit

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

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

ACHIEVEMENTS AND PERFORMANCE
Beaumont Hill Academy

		GCSE or equivalent achievements						English		Maths	
	No on Roll	5+ A*-C Inc Maths and English	5+ A*-C	5+ A*-G Inc Maths and English	5+ A*-G	1+ A*-G	1+ passes	Entered	% cohort attaining A*-C	Entered	% cohort attaining A*-C
Number	32	2	5	6	10	15	30	7	3	17	5
%		6 3%	15 6%	18 8%	31 3%	46 9%	93 8%	21 9%	9 4%	53 1%	15 6%

The SEN breakdown of the cohort is as follows

13 students - SEBD

12 students - SLD/MLD

4 students - ASC

3 students - PMLD

NB Seven students included in the details above have significant and severe SEN and are working at levels below the National Curriculum. These students have been entered for accreditation personalised to their needs

Headlines

2 students achieved 5 or more A* - C GCSE's (inc Maths and English)

3 students achieved 5 or more A* - C GCSE's

3 students achieved 5 or more A* - G GCSE's

2 students achieved 4 or more A* - G GCSE's

2 students achieved 3 or more A* - G GCSE's

96% of students achieved an ICT qualification (56% achieved a GCSE equivalent at C or above)

96% of students achieved an English qualification (29% achieved a grade at GCSE)

100% of students achieved a Maths qualification (56% achieved a grade at GCSE)

Haughton Academy

Performance Indicator	2012	2011
5+ A* - C including English and Maths	42%	49%
The headline figure above reflects the results for 17 students who received a D grade in English - had they taken the exam in January would have received a C. Our predicted outcome for this year was 53%		
5+ A* C	86%	88%
Students with 1 A* - G	99 4%	97 5%
Students achieving 5+ A*/A	21%	12%

KS4 Data 2012

AVG Capped 8	3+ A* - C	5+ A* - G	% A* - G Inc English and Maths	8 or more A* - A
340	97 4%	99 4%	97 8%	16 students

- Best ever Capped 8 point score, students gaining 3+ A* - C, 5+ A* - G and A* - G inc EM
- % of students gaining 8 or more A*/A grades has doubled
- Increase in Maths value added and outcomes (Ofsted action point)
- 69% made 3+ Levels of progress, 25% made 4+ LP, 5% made 5 LP
- Best ever A*/A results (RAP Priority - Increase rates of progress)

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

ACHIEVEMENTS AND PERFORMANCE (Continued)

Springfield Academy
KS1 Data 2012

L2B+ Writing	L2B+ Reading	L2B+ English	L2B+ Maths	L3 Writing	L3 Reading	L3 Maths	FSM %	SEN %
63%	73%	L2+ 77%	70%	10%	23%	7%	23%	20%

- Best ever % L4+ in English and Maths despite high FSM for cohort
- Best ever L5 Reading % (Ofsted action point)
- Best ever L5 Writing % (Ofsted action point)
- Continuation of high attainment and high rates of progress on 5 year trend
L4+ Eng & Maths 2008 = 61%, 2009 = 63%, 2010 = 71%, 2011 = 77%, 2012 = 80%

KS2 Data 2012

L4+ Writing	L4+ Reading	L4+ Maths	L5 Writing	L5 Reading	L5 Maths	L4 E & M	2 levels progress English	2 levels progress Maths	FSM %	SEN %
87%	83%	80%	27%	43%	23%	80%	97% 40% made 3 levels progress	90% 23% made 3 levels progress	43%	20%

- Year on year improvement in all areas
- Highest ever attainment in L2B+ Writing and overall English
- Highest ever attainment in L3 Writing
- Equal highest attainment ever in L2B+ Reading and Math

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

ACHIEVEMENTS AND PERFORMANCE (Continued)

Gurney Pease Academy

	L4+ Writing	L4+ Reading	L4+ Maths	L5 Writing	L5 Reading	L5 Maths	%L4 English & Maths	2 levels progress English	2 levels progress Maths	FSM %	SEN %
2011	60%	80%	85%	0%	10%	15%	80%	85%	85%	50%	25%
2011 National	75%	84%	80%	20%	42%	35%	74%	83%	82%		
2012	79%	86%	79%	0%	36%	36%	71%	92%	100%	36%	36%

Cohort size 14 pupils so each child carries a weighting of 7 1%

- Best ever 2 levels of progress in English and Mathematics (46% of all pupils made 3+ levels of progress in reading and 42 9% of all pupils made 3+ levels of progress in Mathematics)
- Percentage of L5 pupils in Reading and Mathematics greatly improved over last year (A school improvement priority 2011-12)
- Increase of 19% L4+ in writing (A school improvement priority 2011-12)
- Need to improve % of Level 5 writers

Trends over time for L4+ in English and Mathematics -
2008 = 67 9% 2009= 66 7% 2011= 80% 2012 = 71%

Key Stage 1 Data

L2B+ Writing	L2B+ Reading	L2+ English	L2B+ Maths	L3 Writing	L3 Reading	L3 Maths	FSM %	SEN %
18 5%	48 1%	48 1%	44 4%	0%	11 1%	11 1%	55%	33%

- High mobility in cohort (33%)
- Looking at progress of children since end of reception 52% of cohort scored 6+ in reading and 48% gained 2b+ i.e. expected progress 48% of cohort scored 6+ in writing but gained 24% 2b+, some under achievement 52% scored 6+ in Maths and 44 4% gained 2b+, some under achievement

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

FINANCIAL REVIEW

Going Concern

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

Financial report for the period

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) formerly the Young People's Learning Agency (YPLA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the period 22 August 2011 to 31 August 2012 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 DfE/EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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 Period 22 August 2011 to 31 August 2012, total expenditure of £7,829,000 was exceeded by recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £1,734,000.

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

At 31 August 2012 the net book value of fixed assets was £22,298,000 and movements in tangible fixed assets are shown in note 18 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a deficit of £3,344,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2012 of £20,178,000 comprising £19,299,000 of restricted funds and £879,000 of unrestricted funds.

Financial and Risk Management Objectives and Policies

The Academy is subject to a number of risks and uncertainties in common with other Academies. The Academy has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/EFA, and a falling demographic in the secondary sector, which is due to continue until 2017. In addition the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy balance sheet.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

FINANCIAL REVIEW (continued)

Reserves policy

The Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to 6% to 9% of 'total incoming resources less restricted fixed asset income', and ideally 7.5% of this income (equivalent to 4 weeks' expenditure, approximately £1,555,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) are in surplus by £879,000 (see note 22).

Investment Policy

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

PLANS FOR FUTURE PERIODS

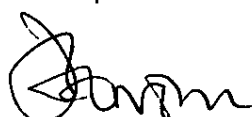
In 2012, the Education Village Academy Trust, (EVAT) with the support of Darlington Local Authority, the local MP, and all Darlington schools, successfully applied to the Department for Education to open a 30 place special free school for primary age children with Behavioural and Social Emotional Difficulties (BESD). The proposed Marchbank Free School will open its doors in September 2013, and be a key partner in EVAT. This highly ground breaking development meets a current gap in special educational needs (SEN) provision in the area, and will be well supported by the Board of Directors and Leadership Team at EVAT.

AUDITOR

The directors confirm that so far as they are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

APPROVAL

The report of the directors was approved on 17 December 2012 and signed on their behalf by



James O'Neill
Chair

THE EDUCATION VILLAGE ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The directors and Local Governing Bodies has delegated the day-to-day responsibility to the Executive Principal, as Accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Education Village Academy Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the directors and Local Governing Bodies any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The directors have formally met 5 times during the year. Attendance during the year at meetings of the directors was as follows:

Director	Meetings attended	Out of a possible
D Barley	2	4
S Battensby	1	1
B Clarke	3	4
R Gartland	1	1
A Gerner	4	5
Father I Grieves	1	1
E Horne	3	3
R Ireland	1	1
L Job	5	5
A MacKenzie	1	1
B McKnight	4	5
James O'Neill	3	5
John O'Neill	0	1
H Radcliffe	3	5
S Richardson	5	5
A J Scott	2	4
H I Scott OBE	4	5
T Stebbings	2	4
G Taylor	3	4
S Williams	2	4
M Willis	1	1

The Academy Trust was incorporated on 22 August 2011 but academy conversion for Beaumont Hill, Haughton and Springfield was not achieved until 1 April 2012. Therefore, in the period August 2011 to April 2012, the schools maintained their pre-existing federated Governing Body.

As the three schools within the Education Village had previously operated with a single federated Governing Body, the Department for Education agreed that it was not necessary to establish a Local Governing Body for each school and a single tier Board of Directors was therefore established.

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GOVERNANCE STATEMENT (continued)

In the period prior to conversion, Gurney Pease Primary School, a feeder primary to Haughton School, expressed an interest in joining the multi Academy Trust. In order to accommodate the conversion of Gurney Pease within the Academy Trust, it was agreed that the existing structure would be amended and two Local Governing Bodies would be established (one for Gurney Pease Academy and one for the three schools within the Education Village). This necessitated a significant change to both the composition and membership of the Board of Directors, to ensure appropriate representation from all schools. Gurney Pease Academy achieved academy status on 1 July 2012 and a number of directors resigned their directorships, many to take up places on the Education Village Local Governing Body. A significant number of new directors were also appointed, primarily to represent Gurney Pease Academy on the Board of Directors.

The EVAT Support and Resources Committee is a committee of the main Board of Directors. Its purpose is to monitor the academies' financial performance and consider issues related to personnel, health & safety and premises. Prior to conversion of the schools to academy status on 1 April 2012, the federated Governing Body operated a Village Support and Resources Committee with a similar remit and purpose. In the period 1 April to 31 August 2012, the committee considered the academy budgets, management accounts, devolved formula capital allocations and IT Services medium term financial plan, services and contracts, including PFI contract monitoring, staffing proposals, the financial management and governance evaluation, school funding reform, and relevant policies. Attendance at meetings in the period 1 April 2012 to 31 August 2012 was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
B McKnight	2	2
S Richardson	2	2
H Scott	2	2

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Education Village Academy Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The directors have adopted a Risk Management Policy and delegated approval of the Risk Register to the EVAT Support and Resources Committee. The committee received a report on the risk register at its meeting in October 2012.

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 directors,
- regular reviews by the EVAT Support and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (as set purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

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GOVERNANCE STATEMENT (continued)

The directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the directors have appointed A Gerner, a director, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The directors have agreed that the work of the Responsible Officer will be undertaken by the auditors, Clive Owen & Co LLP.

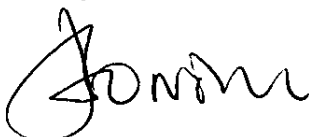
REVIEW OF EFFECTIVENESS


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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the directors on 17 December 2012 and signed on their behalf, by


James O'Neill
Governor


S Richardson
Accounting officer

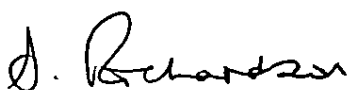
THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting officer of The Education Village Academy Trust I have considered my responsibility to notify the Academy Trust directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



S Richardson
Accounting officer

17 December 2012

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (who act as trustees for charitable activities of The Education Village Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

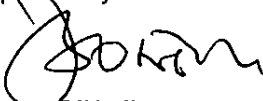
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the directors on 17 December 2012 and signed on its behalf by


James O'Neill
Governor

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION VILLAGE ACADEMY TRUST

We have audited the financial statements of The Education Village Academy Trust for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATION VILLAGE ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Christopher Beaumont BA(Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

Clive Owen & Co LLP

Chartered Accountants
Statutory Auditor

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
17 December 2012

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE EDUCATION VILLAGE
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Education Village Academy Trust during the period 22 August 2011 to 31 August 2012 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 The Education Village Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Education Village Academy Trust and the EFA 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 The Education Village Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF THE EDUCATION VILLAGE ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE AUDITORS**

The Accounting officer is responsible, under the requirements of The Education Village Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2012, and the Academies Financial Handbook as published by DfES in 2012, 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 2011/12. 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 22 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE EDUCATION VILLAGE
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 22 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

A handwritten signature in black ink, appearing to read 'Clive Owen & Co LLP', is written across the page.

Clive Owen & Co LLP

Chartered Accountants
Statutory Auditor

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

17 December 2012

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Restricted fixed asset funds 2012 £000	Total funds 2012 £000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income - transfer from Local Authority on conversion	3	892	-	22,479	23,371
Activities for generating funds	4	219	-	-	219
Investment income	5	1	-	-	1
Incoming resources from charitable activities	6	-	4,733	69	4,802
TOTAL INCOMING RESOURCES		1,112	4,733	22,548	28,393
RESOURCES EXPENDED					
Charitable activities	12	-	4,727	250	4,977
Governance costs	7	64	9	-	73
Other resources expended - transfer from Local Authority on conversion	8	-	2,779	-	2,779
TOTAL RESOURCES EXPENDED	11	64	7,515	250	7,829
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		1,048	(2,782)	22,298	20,564
Transfers between Funds	21	(169)	169	-	-
NET INCOME FOR THE YEAR		879	(2,613)	22,298	20,564
Actuarial gains and losses on defined benefit pension schemes		-	(386)	-	(386)
NET MOVEMENT IN FUNDS FOR THE YEAR		879	(2,999)	22,298	20,178
Total funds at 22 August 2011		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2012		879	(2,999)	22,298	20,178

All of the Academy Trust's activities derive from acquisitions in the current financial period

The Statement of Financial Activities includes all gains and losses recognised in the period

The notes on pages 24 to 44 form part of these financial statements

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER 07748248

BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£000	2012 £000
FIXED ASSETS			
Tangible assets	18		22,298
CURRENT ASSETS			
Debtors	19	730	
Cash at bank		1,726	
		<u>2,456</u>	
CREDITORS: amounts falling due within one year	20	(1,232)	
NET CURRENT ASSETS			<u>1,224</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,522</u>
Defined benefit pension scheme liability	27		(3,344)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>20,178</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	21	345	
Restricted fixed asset funds	21	22,298	
		<u>22,643</u>	
Restricted funds excluding pension liability			
Pension reserve		(3,344)	
		<u></u>	
Total restricted funds			19,299
Unrestricted funds	21		<u>879</u>
TOTAL FUNDS			<u><u>20,178</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 17 December 2012 and are signed on their behalf, by


James O'Neill, Chair

The notes on pages 24 to 44 form part of these financial statements

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	period ended 31 August 2012 £000
Net cash flow from operating activities	23	23,313
Capital expenditure and financial investment		(22,479)
Cash transferred on conversion to an academy trust	25	892
INCREASE IN CASH IN THE PERIOD		1,726

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

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2012**

	period ended 31 August 2012 £000
Increase in cash in the period	1,726
MOVEMENT IN NET FUNDS IN THE PERIOD	1,726
NET FUNDS AT 31 AUGUST 2012	1,726

**STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE
FOR THE PERIOD ENDED 31 AUGUST 2012**

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Restricted fixed asset funds 2012 £000	Total funds 2012 £000
Net movement in funds for the year	879	(2,999)	22,298	20,178
Resources used for net acquisitions of tangible fixed assets	-	-	(22,548)	(22,548)
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	879	(2,999)	(250)	(2,370)

The notes on pages 24 to 44 form part of these financial statements

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy Trust is a company limited by guarantee. There are 5 members of the company. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

1.3 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 Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Academy Trust being notified of an impending distribution or the legacy being received.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 is certainty of receipt.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period one year from the date of approval of the financial statements.

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	over 50 years
Motor vehicles	-	over 4 years
Fixtures and fittings	-	over 7 years
Computer equipment	-	over 3 years

1.8 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.

1.9 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from The Education Village to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Fixed assets transferred totalled £20,897,000 land and buildings being £20,797,000. A surplus from the Local Authority of £750,000 was transferred at 1 April 2012.

The assets and liabilities transferred on conversion from Gurney Pease Primary School to The Education Village Academy Trust trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Fixed assets transferred totalled £1,582,000 land and buildings being £1,579,000. A surplus from the Local Authority of £142,000 was transferred at 1 July 2012.

Further details of the transaction are set out in note 25.

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

2. GENERAL ANNUAL GRANT (GAG)

Springfield Academy

	2012 £000
Result and Carry Forward for the Year	
GAG Allocation for current year	398
Total GAG Available to spend	398
Recurrent expenditure from GAG	(361)
GAG Carried forward to next year	37
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(48)
GAG to surrender to DfE	(11)
(12% rule breached if result is positive)	No breach

Beaumont Hill

	2012 £000
Result and Carry Forward for the Year	
GAG Allocation for current year	1,862
Total GAG Available to spend	1,862
Recurrent expenditure from GAG	(1,723)
GAG Carried forward to next year	139
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(223)
GAG to surrender to DfE	(84)
(12% rule breached if result is positive)	No breach

Haughton Academy

	2012 £000
Result and Carry Forward for the Year	
GAG Allocation for current year	2,052
Total GAG Available to spend	2,052
Recurrent expenditure from GAG	(1,923)
GAG Carried forward to next year	129
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(246)
GAG to surrender to DfE	(117)
(12% rule breached if result is positive)	No breach

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

2. GENERAL ANNUAL GRANT (GAG) (continued)

Gurney Pease

	2012 £000
Result and Carry Forward for the Year	
GAG Allocation for current year	146
Total GAG Available to spend	<u>146</u>
Recurrent expenditure from GAG	(131)
GAG Carried forward to next year	<u>15</u>
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(18)
GAG to surrender to DfE	<u>(3)</u>
(12% rule breached if result is positive)	No breach

3. VOLUNTARY INCOME

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
Transfer from Local Authority on conversion	892	-	892
Fixed assets transferred from Local Authority on conversion	-	22,479	22,479
	<u>892</u>	<u>22,479</u>	<u>23,371</u>
Voluntary income	<u>892</u>	<u>22,479</u>	<u>23,371</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
Other income	219	-	219
	<u>219</u>	<u>-</u>	<u>219</u>

5. INVESTMENT INCOME

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
Investment income	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
Academy's Educational Operations	-	4,802	4,802

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
DfE/EFA revenue grant			
General Annual Grant (GAG)	-	4,458	4,458
Pupil premium	-	143	143
SUG A	-	100	100
16-18 bursary	-	3	3
	-	4,704	4,704
Other government grants			
Other government grants	-	29	29
	-	29	29
Capital Grants			
Devolved formula capital	-	15	15
Other capital grants	-	54	54
	-	69	69
	-	4,802	4,802

7. GOVERNANCE COSTS

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
Auditors' remuneration	8	-	8
Responsible officer fees	1	-	1
Professional fees	55	9	64
	64	9	73

THE EDUCATION VILLAGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
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8 OTHER RESOURCES EXPENDED

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Total funds 2012 £000
Donated on conversion from Local Authority	-	2,779	2,779
	<u> </u>	<u> </u>	<u> </u>

9. DIRECT COSTS

	Academy's Educational Operations £000	Total 2012 £000
Education supplies and services	108	108
Other supplies and services	187	187
Furniture and equipment	22	22
Technology costs not capitalised	219	219
Staff development	27	27
Other expenditure	8	8
Transport costs	22	22
Wages and salaries	2,094	2,094
National insurance	159	159
Pension cost	389	389
	<u> </u>	<u> </u>
	<u>3,235</u>	<u>3,235</u>

10. SUPPORT COSTS

	Academy's Educational Operations £000	Total 2012 £000
Pension adjustments	44	44
Maintenance of premises	237	237
Other occupancy costs	113	113
Other supplies and services	35	35
Furniture and equipment	2	2
Other expenditure	5	5
Wages and salaries	855	855
National insurance	53	53
Pension cost	148	148
Depreciation	250	250
	<u> </u>	<u> </u>
	<u>1,742</u>	<u>1,742</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £000	Depreciation 2012 £000	Other costs 2012 £000	Total 2012 £000
Academy's Educational Operations	3,698	250	1,029	4,977
Governance	-	-	73	73
Other resources expended	-	-	2,779	2,779
	<u>3,698</u>	<u>250</u>	<u>3,881</u>	<u>7,829</u>

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £000	Support costs 2012 £000	Total 2012 £000
Academy's Educational Operations	<u>3,235</u>	<u>1,742</u>	<u>4,977</u>

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	period ended 31 August 2012 £000
Depreciation of tangible fixed assets - owned by the charity	<u>250</u>

During the period, no Governors received any benefits in kind

During the period, no Governors received any reimbursement of expenses

14 AUDITORS' REMUNERATION

	period ended 31 August 2012 £000
Fees payable to the Academy Trust's auditor for the audit of the Academy Trust's annual accounts	<u>8</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

15. STAFF COSTS

Staff costs were as follows

	period ended 31 August 2012 £000
Wages and salaries	2,949
Social security costs	212
Other pension costs (Note 27)	537
	<hr/> 3,698 <hr/>

Included with Other pension costs is £135,000 recognised in the Statement of financial activities in respect of movements in the LGPS deficit, and a £42,000 repayment in respect of the LGPS deficit

The average number of persons (including the senior management team) employed by the Academy Trust during the period was as follows

	period ended 31 August 2012 No
Teaching	112
Support staff	146
Administration staff	22
Management	6
	<hr/> 286 <hr/>

The number of employees whose annualised emoluments fell within the following bands was

	period ended 31 August 2012 No
In the band £60,001 - £70,000	6
In the band £70,001 - £80,000	4
In the band £110,001 - £120,000	1
	<hr/> 11 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. GOVERNORS' REMUNERATION

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors. The value of governors' remuneration including pension and benefits in kind for the period was as follows:

2012

S Richardson	£50,000 - £55,000
R Ireland	£35,000 - £40,000
J O'Neill	£35,000 - £40,000
R Gartland	£30,000 - £35,000
G Taylor	£20,000 - £25,000
B Clarke	£10,000 - £15,000
S Battensby	£10,000 - £15,000
R Pavey	£10,000 - £15,000

17. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

The cost of this insurance is £1,980 and is included in the total insurance cost.

18. TANGIBLE FIXED ASSETS

	Long Term Leasehold £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 22 August 2011	-	-	-	-	-
Additions	-	-	28	42	70
Transfer on conversion	22,376	4	27	71	22,478
At 31 August 2012	22,376	4	55	113	22,548
Depreciation					
At 22 August 2011	-	-	-	-	-
Charge for the period	178	4	4	64	250
At 31 August 2012	178	4	4	64	250
Net book value					
At 31 August 2012	22,198	-	51	49	22,298

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**NOTES TO THE FINANCIAL STATEMENTS
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19 DEBTORS

	2012 £000
Trade debtors	2
VAT debtor	181
Accrued income	378
Prepayments	169
	<hr/> 730 <hr/>

20. CREDITORS

Amounts falling due within one year

	2012 £000
Trade creditors	363
Social security and other taxes	164
Deferred income	238
Other creditors	161
Accruals	306
	<hr/> 1,232 <hr/>

	£000
Deferred income	
Resources deferred during the year	<hr/> 238 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

21. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted funds	-	1,112	(64)	(169)	-	879
Restricted funds						
General Annual Grant (GAG)	-	4,458	(4,138)	-	-	320
Pupil premium	-	143	(143)	-	-	-
Start up grant	-	100	(75)	-	-	25
16-18 Bursary	-	3	(3)	-	-	-
Other government grants	-	29	(198)	169	-	-
Pension reserve	-	-	(2,958)	-	(386)	(3,344)
	-	4,733	(7,515)	169	(386)	(2,999)
Restricted fixed asset funds						
Transfer on conversion from Local Authority	-	22,479	(247)	-	-	22,232
Devolved formula capital	-	15	(1)	-	-	14
Other capital grants	-	54	(2)	-	-	52
	-	22,548	(250)	-	-	22,298
Total restricted funds	-	27,281	(7,765)	169	(386)	19,299
Total of funds	-	28,393	(7,829)	-	(386)	20,178

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

General annual grant (GAG) must be used for the normal running costs of the Academy including salaries and related costs, overheads, repairs and maintenance and insurance. The Academy is allowed to carry forward a total at 31 August 2012 of up to £535,000, being equal to 12% of the current years GAG allocation. Of the carried forward amount up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes. The carried forward balance available for future use is £314,000.

Other DfE/EFA grants include Pupil Premium and Start up grants. The Pupil Premium is additional funding to be spent as the school sees fit to support deprived students. The Start up grants was to cover legal and other administration costs of the conversion process.

Other government grants are received for funding Nursery and One to One programmes, and University student placements.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 26.

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

Unrestricted funds includes the income from school trips, lettings, staff absences insurance and other sundry income streams, with the relevant costs allocated accordingly.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2012 £000	Restricted funds 2012 £000	Restricted fixed asset funds 2012 £000	Total funds 2012 £000
Tangible fixed assets	-	-	22,298	22,298
Current assets	2,006	345	-	2,456
Creditors due within one year	(1,232)	-	-	(1,232)
Provisions for liabilities and charges	-	(3,344)	-	(3,344)
	<u>879</u>	<u>(2,999)</u>	<u>22,298</u>	<u>20,178</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. NET CASH FLOW FROM OPERATING ACTIVITIES

	period ended 31 August 2012 £000
Net incoming resources before revaluations	20,564
Cash transferred on conversion to an academy trust	(892)
Depreciation of tangible fixed assets	250
Capital grants from DfE	(15)
Capital grants transferred on conversion to an academy trust	(54)
Increase in debtors	(730)
Increase in creditors	1,232
FRS 17 adjustments	2,958
Net cash inflow from operations	23,313
	period ended 31 August 2012 £000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(22,548)
Capital grants from DfE	15
Capital grants transferred on conversion to an academy trust	54
Net cash outflow capital expenditure	(22,479)

24. ANALYSIS OF CHANGES IN NET DEBT

	22 August 2011 £000	Cash flow £000	Other non-cash changes £000	31 August 2012 £000
Cash at bank and in hand	-	1,726	-	1,726
Net funds	-	1,726	-	1,726

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**NOTES TO THE FINANCIAL STATEMENTS
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25. CONVERSION TO AN ACADEMY TRUST

On 1 April 2012 The Education Village converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Education Village Academy Trust from Darlington Borough Council for £NIL consideration. On 1 July 2012 Gurney Pease Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Education Village Academy Trust from Darlington Borough Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding amount recognised in the Statement of financial activities as voluntary income and other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	22,376	22,376
- Other tangible fixed assets	-	-	103	103
Budget surplus/(deficit) on LA funds	892	-	-	892
Net assets/(liabilities)	<u>892</u>	<u>-</u>	<u>22,479</u>	<u>23,371</u>

The above net assets include £892,000 that were transferred as cash.

26. CAPITAL COMMITMENTS

At 31 August 2012 the Academy Trust had capital commitments as follows:

	2012 £000
Contracted for but not provided in these financial statements	<u>293</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

The TPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds The total contribution made for the period ended 31 August 2012 was £353,000, of which employers' contributions totalled £228,000

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ('SCR') is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years)

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS17 and 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 and the implications for the Academy Trust in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £185,000, of which employer's contributions totalled £132,000. The agreed contribution rate for future years are 16.6% for employers and 5.5% - 7.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	period ended 31 August 2012 £000
Present value of funded obligations	(6,251)
Fair value of scheme assets	2,907
	<hr/>
Net liability	(3,344)
	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows

	period ended 31 August 2012 £000
Current service cost	(190)
Interest on obligation	(106)
Expected return on scheme assets	62
Past service cost	55
	<hr/>
Total	(179)
	<hr/> <hr/>

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

	period ended 31 August 2012 £000
Current service cost	190
Interest cost	106
Contributions by scheme participants	20
Actuarial Losses	322
Benefits paid	(3)
Donated on conversion from LA	5,616
	<hr/>
Closing defined benefit obligation	6,251
	<hr/> <hr/>

Movements in the fair value of the Academy Trust's share of scheme assets

	period ended 31 August 2012 £000
Expected return on assets	62
Actuarial gains and (losses)	(64)
Contributions by employees	20
Benefits paid	(3)
Donated on conversion from LA	2,837
Contribution by employer	55
	<hr/>
	2,907
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £386,000

The Academy Trust expects to contribute £440,000 to its Defined benefit pension scheme in 2013

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2012
Equities	51.70 %
Property	6.90 %
Government bonds	29.30 %
Corporate bonds	10.80 %
Cash	13.00 %
Other	- %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2012
Discount rate for scheme liabilities	4.20 %
Rate of increase in salaries	4.70 %
Rate of increase for pensions in payment / inflation	2.20 %
Inflation assumption (CPI)	2.20 %
RPI inflation	3.20 %
Rate of increase to deferred pensions	2.20 %

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

	2012
Retiring today	
Males	22.0
Females	24.1
Retiring in 20 years	
Males	23.8
Females	26.1

Amounts for the current period are as follows

Defined benefit pension schemes

	2012 £000
Defined benefit obligation	(6,251)
Scheme assets	2,907
Deficit	(3,344)
Experience adjustments on scheme liabilities	(386)
Experience adjustments on scheme assets	(64)

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NOTES TO THE FINANCIAL STATEMENTS
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28. OPERATING LEASE COMMITMENTS

At 31 August 2012 the Academy Trust had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £000	Other 2012 £000
Expiry date:		
Between 2 and 5 years	-	11