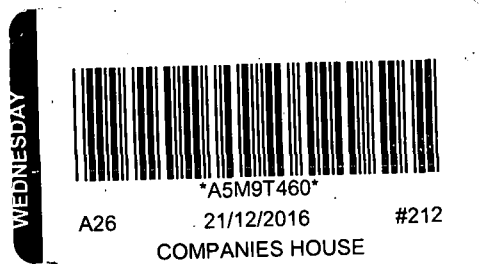


COMPANY REGISTRATION NUMBER 07748248

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2016**



**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2016

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### Members

T Fisher  
J O'Neill  
H Radcliffe #

### Trustees

H Barton  
M Butler\*  
R Gartland\* (Resigned 31 August 2016)  
J O'Neill  
H Radcliffe #  
R Sanghera # (Appointed 01 November 2015)  
H Scott OBE\*  
S Welsh  
L Job

### Key

\* Members of the Support and Resources  
Committee  
# Members of the Audit Committee

### Senior Management Team

Chief Executive  
Deputy Chief Executive  
Principal Beaumont Hill Special Academy  
Principal Gurney Pease Primary Academy  
Principal Haughton Secondary Academy  
Principal Marchbank Free School  
Principal Springfield Primary Academy  
Director of Finance

M Butler  
R Gartland to 31 August 2016  
C Devine to 31 August 2016  
A Sinclair  
J Lumb  
M Southwick  
A Henderson  
K Stevenson

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**REFERENCE AND ADMINISTRATIVE DETAILS *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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**Company Name** The Education Village Academy Trust

**Registered Office** The Education Village  
Salters Lane South  
Darlington  
County Durham  
DL1 2AN

**Company Registration Number** 07748248

**Independent Auditor** Tait Walker LLP  
Chartered Accountants &  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle Upon Tyne  
NE3 3LS

**Bankers** Lloyds Bank plc  
Northgate  
Darlington  
Country Durham  
DL1 1TL

**Solicitors** Ward Hadaway Solicitors  
5 Wellington Place  
Leeds  
LS1 4AP

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31st AUGUST 2016**

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### **TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditor's reports of the Charitable Company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates five Academies for pupils aged 2 – 19 serving different catchment areas across Darlington. The pupil capacity for each Academy varies from 42 to 900 with a combined pupil capacity of 1,645 and had a roll of 1,477 in the school census of October 2016.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Education Village Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Education Village Academy Trust.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details on pages 1 - 2.

#### **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' and Governors' Indemnities**

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

#### **Method of Recruitment and Appointment or Election of Trustees and Governors**

The term of office for any Trustee or Governor is four years, except for Staff Trustees and Governors appointed by virtue of position (e.g. Chief Executive and Academy Principals). Trustees and Governors remaining eligible may be re-appointed or re-elected. Directors are appointed by Members because of their skills and knowledge and how these will complement existing Board members. Similarly, Trustees appoint Governors for the contribution they can potentially make to the running of the Academies.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### **Policies and Procedures Adopted for the Induction and Training of Trustees and Governors**

The training and induction provided for new appointees depends on their existing experience. Where necessary training is provided on educational, legal and financial matters. All are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their respective roles. Throughout the year Trustees and Governors are offered opportunities to join training and workshops; they are all members of the National Governors' Association. All are invited to an annual Trust-wide Governance conference where a strategic update is delivered by the Trust's Chief Executive and Chair of its Board of Trustees. Training is also provided at the conference and the event promotes networking and sharing of good practice between individuals involved in different elements of the Trust's governance.

### **Organisational Structure**

The structure consists of: the Members, the Trustees, five Education Standards Committees (one for each Academy), the Executive 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 Trustees are responsible for setting Trust strategy and general policy, adopting an annual development plan and budget, monitoring the Academies' use of budgets and making major decisions about the strategic direction of the Academies, capital expenditure and senior staff appointments. The Education Standards Committees are responsible for monitoring the performance of the individual academies, including reviewing academic performance and pupil behaviour.

The Executive Leadership Team consists of the Chief Executive, Deputy Chief Executive and the Principals of each Academy, who lead and manage the Academy Trust at an executive level, implementing the policies of the Trustees 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 of each Academy, with limits above which a member of the Executive Leadership Team must countersign.

The Senior Leadership Team of each Academy includes the Principal, one or more Deputy Principals and where appropriate a number of Assistant Principals. The Middle Management of the Academies is centred on managers with Teaching and Learning Responsibilities (TLRs). These managers have delegated responsibility for the day-to-day-operation of particular areas, departments or aspects of their Academy, in particular organising the teaching staff, facilities and students.

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# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### **Arrangement for setting pay and remuneration of key management personnel**

The Trust's Chief Executive is appointed to a spot salary decided by the Board of Directors, taking into account the nature of the post, the level of qualifications, skills and experience required, market conditions and the wider context of the Trust and/or the education system. Pay progression or discretionary payments are determined by the Support and Resources committee on the basis of a successful annual appraisal demonstrating a sustained and high quality of performance and in which objectives relating to the Trust's leadership and management have been addressed.

Principals and other Academy leaders with teaching responsibilities are employed in accordance with the provisions of the School Teachers' Pay and Conditions (STP&C) Document. In reviewing pay scales the Board of Directors has regard to, but is not bound by, any changes to the national pay framework contained within the STP&C Document.

Progression for Principals and senior leaders is subject to a review of performance set against the annual appraisal review. The Board of Directors, advised by the Chief Executive, may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Board of Directors may decide that there should be no pay progression.

### **Related Parties and other Connected Charities and Organisations**

The Trust established a Trading Subsidiary, IT Systems & EVAT Partnership Limited (the 'Company'), in 2013. The Company provides IT services to EVAT's Academies, including technical support and purchase of hardware and software. The Company has its own Board of Directors, who regularly benchmark its strategies and services against market conditions. This year the Company has expanded to provide training for Special Education Needs professionals. The first courses will run from September 2016. The Company Board supported a new name for the Company which better reflects the training element; the Company is now named EdIT Learning Limited and the change has been registered with Companies House.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### **OBJECTIVES AND ACTIVITIES**

#### **Objects and Aims**

The principal object and activity of the charitable company is the operation of Haughton Academy, Beaumont Hill Academy, Springfield Academy, Gurney Pease Academy and Marchbank Free School 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 Academies, 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.

#### **Objectives, Strategies and Activities**

The Academy Trust's main objectives are encompassed in its values, vision and mission statement, which is as follows:

At The Education Village Academy Trust, all children, young people and adults are valued both as individuals and as part of the wider Trust community. We aim to provide a safe, happy and caring environment within which everyone can thrive.

#### **Core Values**

Our Trust's activities are informed by our core values, which mean that we:

1. recognise the worth of each individual by valuing the personal qualities they demonstrate in their learning, living and working;
  2. recognise the experiences of children and young people by valuing the talents and skills they bring into their schooling, and we commit to ensuring that schooling enhances these talents and skills;
  3. embrace difference and harmony by valuing diversity;
  4. display integrity and authenticity by valuing openness, trust, fairness, honesty and respect for all people;
  5. foster ambition, high aspirations and independent spirit by valuing each individual's ambitions, aptitudes and desire to create, explore and grow;
  6. commit to hard work and high standards in provision, behaviours and outcomes;
  7. help, support and enable others by valuing relationships with all stakeholders, being emotionally intelligent, building resilience and being forward-looking;
  8. acknowledge the role of networks by valuing the ways in which people can live together, collaborate and make positive contributions as citizens; and
  9. acknowledge the place of school in the community, including the broader global community, by valuing the essential nature of the relationships between schools and the social and economic environments in which they operate.
-



# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### **Our vision**

We want our children and young people to:

- achieve their potential in all areas of school life: academic, social, emotional and physical development;
- develop lively and enquiring minds;
- develop their self-esteem and self-discipline, allied to a positive ethos of community involvement and responsibility;
- acquire a growing awareness of and sensitivity to the needs and rights of others;
- become responsible for their own actions and decisions, whilst developing moral and ethical values; and
- habitually demonstrate tolerance, friendship and understanding.

In academies and schools that:

- are well led and effectively managed and staffed with high performing teams;
- provide welcoming, stimulating and purposeful learning environments;
- collaborate in impactful ways within and beyond our Trust;
- exemplify best practice and develop next practice;
- provide opportunities for staff to develop professionally and personally; and
- engage meaningfully with their local, regional, national and global communities.

In support of the above vision, our mission is to:

- create a nurturing and friendly atmosphere by providing an environment where children, young people and adults are respected and valued;
- bring out the best in every child and young person by meeting the full range of individual needs;
- provide different experiences, challenges and activities;
- develop tolerance and respect for self and others;
- equip children and young people for lifelong learning; and
- enhance every individual's life chances.

### **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 have paid due regard to this guidance in deciding what activities the charity should undertake.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### STRATEGIC REPORT

#### Achievements and Performance

##### Review of Activities

The following information summarises the academic performance of each of the five academies within the Trust.

#### **Beaumont Hill Academy (*An all through Special School*)**

##### Progress in English - whole cohorts

English	Target Judgement 2015-16	Pupils making expected / (exceeded) progress	Judgement	Target Met?
KS1	Outstanding		Outstanding	Yes
KS2	Outstanding		Outstanding	Yes
KS3	Outstanding		Outstanding	Yes
KS4	Outstanding		Outstanding	Yes
KS5 (Re)	Outstanding		Outstanding	Yes
KS5 (Wr)	Outstanding		Outstanding	Yes
KS5 (S+L)	Outstanding	80% (20%)	Good	No

##### Expected Progress in English Summer 16 for whole cohorts (Pupil Premium)

FSM	Non FSM	Gap	LAC	Non LAC	Gap
90%	89%	+1%	84%	89%	-5%

Male	Female	Gap
87%	98%	-11%

##### Progress in Maths – whole cohorts

Maths	Target Judgement 2015-16	Pupils making expected / (exceeded) progress	Judgement	Target Met?
KS1	Outstanding		Outstanding	Yes
KS2	Outstanding		Outstanding	Yes
KS3	Outstanding		Outstanding	Yes
KS4	Outstanding		Good	No
KS5 (Nu)	Outstanding		Outstanding	Yes
KS5 (Da)	Outstanding		Outstanding	Yes
KS5(MMS)	Outstanding		Outstanding	Yes

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2016

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Expected Progress in Maths Summer 16 for whole cohorts (Pupil Premium)

FSM	Non FSM	Gap	LAC	Non LAC	Gap
87%	90%	-3%	82%	90%	-8%

Male	Female	Gap
89%	100%	-11%

### KS4 outcomes (GCSE)

14 students, achieved a GCSE or equivalent at A\*-G in English or Maths.

#### English

- 9 students achieved GCSE or equivalent passes in English – 7 students were entered for both GCSE Language and Literature - 100% students entered passed both GCSE's

#### Maths

- 3 students achieved a GCSE in Maths ranging from C-G – 50% students who sat the exam passed
- Yr 10 - 4 students also passed GCSE Maths ranging from C-G

The SEN breakdown of the cohort (of 28) is as follows:

- 8 students - SEMH
- 7 students - MLD
- 3 students – ASC - HF
- 1 students – ASC - LF
- 4 students – SLD
- 5 students – PMLD

18 students were given the opportunity to enter for level 1 accreditations, despite some having very low starting points at KS2.

N.B. 5 students have significant and severe SEN. Where possible, these students were entered for courses specific to their personalised pathways and the vast majority achieved certifications in a number of accredited courses at Entry level (e.g. life and living skills).

Ofsted inspected Beaumont Hill Academy in May 2013 and found the Academy's overall effectiveness to be 'Good'.

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2016**

### Haughton Academy (*A Mainstream Secondary*)

#### Headline Figures

		<u>2014</u>	<u>2015</u>	<u>2016</u>
5+ A*-C	% Achieved	46.6%	54.2%	61.1%
5+A*-C, including English and maths	% Achieved	45.3%	45.8%	58.3%
Attainment 8	Score	43.28	43.16	45.3
	Grade	4.33	4.32	4.53
Progress 8	VA Score	-0.41	-0.3	-0.52
Ebacc	% Entered	34.5%	18.1%	35.4%
	% Achieved	8.1%	5.6%	13%
Basics	Number	84	85	90
	% Achieved	56.8%	48%	63%
Maths	3LOP	56.9%	50.0%	63%
	4LOP	22.2%	21.5%	27%
English	3LOP	85.8%	74.4%	81%
	4LOP	48.2%	29.7%	37.3%

(LOP=Levels of Progress)

We are delighted with the continual improvement in outcomes at Haughton Academy. The headline figures for Haughton have shown a steady improvement from 2014 to 2016 in every measure, apart from Progress 8. This improvement is steady and sustained and borne out of high quality teaching and learning linked closely to staff having an increasingly confident knowledge of data and pupil tracking.

The Progress 8 figure is disappointing. There is a clear context that the Haughton Academy Education Standards Committee (ESC) have fully discussed involving 12 pupils out of the 144, who were educated since Year 10, at Rise Carr, Pupil Referral School (6) and Home and Hospital (6). These pupils nationally are termed at 'outliers' and seriously affect a schools P8 score. They did not follow a Progress 8 curriculum and in most cases only studied 4-5 subjects. With these pupils removed from the data, an analysis for the remaining 132 pupils, increases all of the headline figures and notably the P8 score moves up to -0.38.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

---

#### **Strategies in place to improve results for 2017:**

- A new designated Head of Year 11.
- Targeted Year 11 Tutor groups providing subject specific support in pupil's weaker areas.
- Middle leadership is increasingly strong with a good number of consistently strong and improving departments.
- Middle Leaders are used as coaches and to support other colleagues.
- Teaching and Learning monitoring is targeted for 2016-17 to the departments with weaker 2016 outcomes.
- Senior Leaders and Governors hold leaders to account. Members of the ESC are a key feature of the Academy and know the Academy very well. They are involved in evaluating the strengths and weaknesses and provide a good level of external challenge to senior leaders. They attend leadership meetings and initiate enquiries based upon the Key Performance Indicators that they receive at the ESC meetings.
- To continue to raise standards, while addressing weaknesses in Science. A new Subject Leader is in place and governors have approved temporary overstaffing of the department.
- Increased staffing for English and Maths has been implemented and Pupil Premium has been used to fund designated Teaching Assistants in both areas.
- A behaviour for learning team is supporting early intervention to prevent the need for alternative education where outcomes have been poor.
- A new SEN team has been established to support the SENDCO. This has been made up of three designated Teaching Assistants.

Despite requesting a deferral until September 2016, Ofsted inspected the Academy in May 2016 and found it to Require Improvement. Leadership and Management did receive a good grade, in recognition of the recent journey of improvement.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### **Springfield Academy (A Mainstream Primary)**

- Attendance was 95.8%. Persistent Absentee rates were 11%. This has increased as it is based on new threshold of 90% rather than 85%.
- Places for our Reception class were over-subscribed; pupil numbers across the Academy remain high.
- Children entering Nursery are generally below the national average. The percentage of children achieving a Good Level of Development at the end of Reception rose to 62%. This is below the national average but has shown a rising trend over the past 3 years.

### **Phonics**

	<b>2014</b>	<b>2015</b>	<b>Target</b>	<b>2016</b>	<b>National</b>
<b>Y1</b>	86%	73%	80%	77%	81%
<b>Y2 retest</b>	91%	75%	88%	100%	90%

- 77% of children in Y1 met the expected standard in the phonics test. This is an improvement on last year's figure of 73% but below the national figure of 81%.
- 100% of children in Y2 passed the phonics retest.

### **KS1 Data 2016**

	<b>Expected Standard</b>	<b>National</b>	<b>Greater Depth</b>	<b>National Greater Depth</b>
Reading	71%	74%	23%	24%
Writing	65%	65%	3%	13%
Maths	81%	73%	13%	18%
RWM	65%	**	0	**

\*\*No national average for RWM has been published

- This is the first set of data for the new SATS which are based on the new national curriculum and assessing without levels.
  - 100% of pupils made at least expected progress from EYFS to KS1 in maths, with 97% in reading and 90% in writing.
  - 100% of all disadvantaged pupils (pupil premium) made at least expected progress in all subjects.
-

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### Springfield KS2 Data 2016

	Teacher Assessment (TA)	Expected Standard (Test)	National	High Score/ Greater Depth	Scaled Score	Progress
Reading	59%	62%	66%	24%	102.8	1.11
Writing TA	76%	76%	74%	7%	N/A	0.20
Maths	69%	66%	70%	14%	103.1	0.84
RWM	59%	55%	53%	7%	N/A	
GPS	79%	76%	72%	21%	104.4	

- This is the first set of data for the new SATS which are based on the new national curriculum and assessing without levels.
- The Academy was broadly in line with national figures for writing and GPS and just below for reading and maths (1 pupil).
- The Academy did not achieve the attainment element of the DFE floor standard for RWM of 65% but has made sufficient progress in all subjects and therefore is judged to be above the 2016 floor standards.
- The progress measure and scaled score are above national for all subjects.
- Out of the 13 children who did not meet the Expected Standard in RWM, analysis of the data showed that 2/13 missed out on reading and/or maths by 1 or 2 marks. Very strong cases for appeals on marking were rejected by the NCA.
- 4/13 had poor attendance (less than 90%) despite multi-agency intervention. 4/13 were "mobile" (eg new to the academy in KS2 (2 from Y5 onwards)).
- The gap between disadvantaged and non-disadvantaged pupils was wider than national. However 92% of PP children made expected or outstanding progress in maths, 83% in reading and 100% in maths from KS1-KS2.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

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#### **Springfield Priorities:**

Ofsted inspected Springfield Academy in February 2016 and found the Academy Requires Improvement. As a result a post-Ofsted action plan has been prepared and is being monitored by the LA, CEO and ESC every month,

The key priorities for the academy are to:

- Improve the quality of teaching and learning;
- Improve leadership and management, including governance; and
- Improve the provision in the Early Years.

#### **Strategies in place**

- Appointment of Assistant Head teacher/English Lead to add extra capacity to the leadership team.
- Deputy Head teacher/EYFS lead is now based in Foundation Stage to improve overall effectiveness in the Early Years.
- Link governors against the key Ofsted priorities are now in place.



# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2016

#### Gurney Pease Academy (A Mainstream Primary)

- Attendance was maintained in 2015-2016, with an overall school attendance figure of 95.4%. Under the new persistent absentee expectation of 90%+ attendance, 7.8% of children fell into this category, compared to 1.8% in the previous year.
- The Academy remains under capacity with 194 pupils on roll (capacity 236).
- Although two-year old provision is having a positive impact upon the attainment of the children who leave this provision and enter our Nursery, our children still enter Nursery well-below what is expected.

#### Phonics

	2014	2015	Target	2016	National
Y1	62%	59%	77%	69%	81%
Y2 retest	100%	25%	100%	79%	90%

- Our average score on the Year 1 test also rose again this year for the third year running.
- Although the national average rose to 81%, there is evidence that we are narrowing the gap between our results and national.
- There is a gap between the % of PP children meeting the expected standard in phonics compared to all pupils nationally, but this gap is also closing and has done so for the last three years.

#### KS1 Data 2016

	Expected Standard	National	Greater Depth	National Greater Depth
Reading	71%	74%	36%	24%
Writing	54%	65%	0%	13%
Maths	61%	73%	13%	18%
RWM	50%	**	0%	**

\*\*No national average for RWM has been published

- With the introduction of the new curriculum and new, higher expected standards in Year 2 in 2016, school saw a dip in results.
- Year 2 children were also assessed on whether they were working at greater depth; reading was our strongest subject with 36% of children reading at greater depth compared to 24% nationally.
- There is a gap between the attainment of pupil premium children at Gurney Pease compared to non pupil premium children nationally.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2016

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- Progress data from the end of Reception to the end of Year 2 demonstrates that 96% of pupil made expected progress in reading and writing and 92% made expected progress in maths, in a cohort where a number of the children had not been on roll at Gurney Pease since Reception.
- Better than expected progress in reading was high at 42%.

#### KS2 Data 2016

	Expected Standard (Test)	National	High Score/ Greater Depth	Scaled Score
Reading	60%	66%	25%	100.1
Writing TA	60%	74%	30%	N/A
Maths	70%	70%	15%	102.7
RWM	45%	53%	10%	N/A
GPS	65%	72%	20%	102

- This was a small cohort where **each pupil made up 5%**.
- Progress measure in Maths and Reading were very positive, both being well above the floor standards. Reading was 3.66 and maths was 3.48. Progress in writing was also above floor at -0.57.
- All Pupil Premium pupils made expected (or better) progress in Maths, 90% made expected or better progress in writing and 80% in reading.
- In terms of children making more than expected (outstanding) progress, in reading this figure was 53%, in writing it was 68% and in maths 47%. These figures are significantly higher than the national figures.

#### 2016-2017 Priorities for next year are:

- To increase the % of children reaching age-related expectations in writing in all year groups, in particular at the end of each key stage.
- To improve pupil attainment in Maths with a particular focus upon developing reasoning skills.
- To increase the attainment of disadvantaged pupils, in particular pupil premium.
- To increase parental engagement with their children's progress and learning.
- To continue to raise awareness and understanding of bullying and e-safety with parents and pupils.

Ofsted inspected Gurney Pease Academy in July 2013 and found the Academy's overall effectiveness to be 'Good'.

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

YEAR ENDED 31st AUGUST 2016

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### Marchbank Free School (A Special Needs Primary Academy)

#### Academic year 2015 – 16

Attendance at the end of the academic year 2015-16 was 96.04% and our target was 96%. The application to expand was successful and the school now has 42 places (+ up to an additional 10%). The school is currently full with 45 children.

All children who are placed at Marchbank have suffered significant interruptions to their learning prior to placement. They are therefore all behind their mainstream peers due to missed learning experiences and interrupted education. A number of children have unidentified additional learning difficulties at the point of placement.

Progress this academic year has been affected by the raised expectations of the new national curriculum. Academic *attainment* for the majority of children remains significantly less than national age related expectations, but Marchbank's pupils make at least as much *progress* as their peers.

#### End of KS1 progress

Cohort size: 4 (1 child at Marchbank for 5 terms / 3 children at Marchbank for 2 terms)

	Reading	Writing	Maths
Expected progress	25%	50%	25%
Better than expected progress	0%	0%	0%

#### KS1 – KS2 progress (children making expected progress)

Cohort size: 5 (2 children for 9 terms, 1 child for 4 terms, 2 children for 3 terms)

	Total	National	Difference
Reading	75%	n/a	n/a
Writing	100%	n/a	n/a
Maths	100%	n/a	n/a

#### KS1 – KS2 progress (children making better than expected progress)

	Total	National	Difference
Reading	25%	n/a	n/a
Writing	50%	n/a	n/a
Maths	75%	n/a	n/a

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2016

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Full cohort (children making expected progress in academic year)

Cohort size: 42 children

	Reading	Writing	Maths
Expected progress	79%	74%	70%
Better than expected progress	26%	30%	21%

Very small numbers can have a significant impact on percentages. There is no identified gap between the groups, but the pattern is that pupils who are in the Pupil Premium group make good or better progress.

### Overview of progress 2013/14 – 2015/16

	Reading		Writing		Maths	
	Expected	Better than expected	Expected	Better than expected	Expected	Better than expected
2013-14	80%	28%	92%	48%	84%	56%
2014-15	92%	23%	94%	51%	94%	49%
2015-16	79%	26%	74%	30%	70%	21%

NB: 2013-14 & 2014-15 National Curriculum (NC) levels were used. Expected progress in NC levels was 2 sub-levels. Better than expected progress is 3+ sub-levels.

2015-16 – Assessment without levels was introduced. Expected progress is 3 points or if children have an identified secondary need e.g. MLD/ASC then expected progress is 2 points.

Ofsted inspected Marchbank Free School in June 2015 and found the School to be 'Good' across all areas.

### **Key Performance Indicators**

The key performance indicators of the Academy Trust relate to the achievements of students within the individual academies. Please see the achievements and performance section for details of achievements of students, broken down by academy.

### **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.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

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#### **Financial Review**

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive grants for fixed assets from the DfE/EFA. 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 year ended 31 August 2016, total expenditure of £14,317k was in excess of recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £703k.

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

At 31 August 2016 the net book value of fixed assets was £24,057k and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust's Academies.

The provisions of FRS102 in respect of defined benefit pension schemes have been applied in full, resulting in a deficit of £5,846k recognised on the balance sheet.

The Academy Trust held fund balances at 31 August 2016 of £20,553k comprising £18,587k of restricted funds and £1,966k of unrestricted funds.

#### **Reserves policy**

The Directors review the reserve levels of the 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 Trustees 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 £1million). 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 £1,966k (see note 19).

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# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

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At the year end, the restricted funds of the Academy Trust (excluding pension liability) were £382k (2015: £584k). Unrestricted funds of the Academy Trust at the year end were £1,966k (2015: £1,637k).

#### **Cash balances**

Cash balances held by the Trust include amounts due to creditors for late invoices, PAYE, NIC and pension at 31 August 2016.

The Directors have encouraged the preparation of prudent medium term budget plans with a view to identified risks to future funding and expenditure.

Haughton Academy continues to educate fewer pupils than it has capacity for due to demographics. Uncertainty around changes to funding formulae, together with Index linked rises in PFI charges and increases in pension and national insurance to be funded from static income are the major risks.

#### **Investment Policy**

The Trust has a Treasury Management Policy, the objectives of which are to ensure the Trust:

- maintains sufficient cash balances in its current account to meet its day-to-day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk; and
- considers spreading risk between differing types of investment and institutions to reduce credit risk.

Working with the Trust's bank and other local and established financial organisations, the Trust has invested cash reserves across accounts to receive higher rates of interest whilst remaining within Financial Services Compensation limits. The Trust is mindful that investments are made ethically and with socially and environmentally responsible organisations; it has also ensured cash is accessible and not tied into long term investments.

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Trust continue to be funding combined with performance in its Academies. Whilst numbers are improving, its largest Academy is not full and was judged to 'Require Improvement' following an Ofsted inspection in May 2016. GCSE results this year showed a 12 percentage point improvement in the number of pupils achieving 5 GCSEs at A\*-C including English and

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

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Maths. One of the Trust's Primary Academies has been inspected since the last Trustees' report and the outcome was 'Requires Improvement'. Both Primary Academies have considerable strengths and have demonstrated strong performance over time, but embedding and delivering a new curriculum and progress measures with pupils who, at the time of admission, are generally below national average standards will remain a challenge in the short term.

The Trust's two special needs academies are under pressure to take more pupils. One increased its capacity by 17% last year and immediately filled those places; the other is applying to the EFA to increase capacity by 13% and already has children waiting to fill these places if the proposal is approved. The high needs in terms of staffing in these settings combined with the constraints of the buildings continue to make it difficult to expand further to fully meet demand. These facts, combined with the freeze on some grants whilst salaries, national insurance and pension contributions are increasing mean the next few years for the Trust will be lean. This is no different to the position other Trusts face and the prudent level of reserves held will provide a degree of stability in difficult circumstances.

Trustees and the Executive Leadership Team have assessed other major risks to which the Trust and its Academies are exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academies and their finances.

Trustees chair an established Audit Committee to review the Risk Register, consider new risks and identify issues or areas for further investigation, audit or scrutiny by the Trust's External Auditor or other appropriate person(s). Where significant financial risk still remains, the Trust has ensured it has 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 fully implements the requirements of the Safer Recruitment procedures and staff have received training in this area in addition to training on Safeguarding and Child Protection.

#### **Plans for Future Periods**

Pressure for the Trust to admit more children with Special Educational Needs has continued and shows no sign of abating. Following a successful application to the Department for Education to expand the Trust's Primary Free School for Children with Social, Emotional and Mental Health (SEMH) needs, all additional places were immediately filled. The Trust's all-through Special Needs Academy caters for a wider range of needs and is under similar pressure to expand. In view of this pressure, and the Trust's growing reputation for high quality SEN provision, it has submitted an application to open a second Free School for secondary students with SEMH. We expect the response to our proposal in the spring, and if successful plan for the new School to open in September 2018.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

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Haughton Academy had previously been inspected by Ofsted in February 2014 and the Trustees and Governors were disappointed with its 'Requires Improvement' judgement. Since then a number of new leaders have been appointed, including a new Principal. EVAT had applied to Ofsted to have the next scheduled inspection deferred to allow the new Principal and his team time to effect and evidence impactful change. Having indicated that they understood the context and would take it into account when scheduling the next inspection, unfortunately Ofsted arrived to inspect the Academy in May 2016, only 8 months into the new Principal's tenure and before the summer's results. Therefore, the outcome was once again 'Requires Improvement' but with a 'Good' grading for Leadership and Management, and the written report containing many complimentary comments regarding the changes and improvements that had been made under the new leadership. As a result of those developments, outcomes for students were significantly improved this year. The Government's key indicator for secondary pupils was the proportion achieving at least five GCSEs at grades A\*-C, including English and maths. Haughton Academy's outcomes improved by 12 percentage points, from 46% in 2015 to 58% in 2016. The Academy's leadership, supported by Governors and Directors, is working with a clear purpose to further improve outcomes and behaviours so that the Academy is securely 'Good' at its next full inspection.

The Trust continues to plan for the negative impact of local demographics on Haughton's intake, which will continue next year. The Trust seeks to protect the other Academies from any implications and to continue to appoint and retain high quality teachers in Haughton until the student population begins its projected growth once more. The anticipated gap between the flat-lining of school funding and the incremental increase in staff salaries, pension and national insurance contributions will pose a financial challenge for all Academies in the Trust.

Beaumont Hill Academy is at capacity and the Trust has applied to the Department for Education to increase its capacity, but this will only help in the short term. The Academy is unable to expand further due to the constraints of the building it occupies. The Trust has submitted an application for a new Free School and, if successful, this will be a significant step forward, allowing the Trust to provide and target specialised care and support for students with a diverse range of educational needs.

Springfield Academy is also at capacity and Staff and Governors are working to further improve standards following a disappointing Ofsted Inspection in February. The Academy was found to 'Require Improvement' and the Principal is being supported to implement a number of plans for improvement.

Gurney Pease Academy Staff and Governors are working to further improve standards to ensure the Academy's continued success.



# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2016

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Gurney Pease and Beaumont Hill Academies anticipate an Ofsted inspection in the next 12 months. Achieving positive outcomes from these visits is a fundamentally significant focus for the Trust's Board and Executive.

The Trust continues to provide a centralised model for support services, which includes provision for administrative and management support across the Trust in finance, data, HR and health & safety. The Trust provides high quality services which utilise significant economies of scale, ensuring best value for each of its Academies.

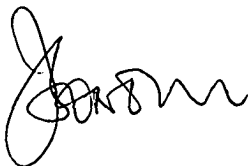
#### **Disclosure of information to auditors**

The Trustees 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 Trustees 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 Trustees' Report, incorporating a strategic report, was approved by order of the Board of Directors on *15 December 2016* and signed on the Board's behalf by:



J O'Neill  
Chair of the Board of Directors

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31st AUGUST 2016**

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### **Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Education Village Academy Trust has effective and appropriate systems of control, financial and otherwise. However, such systems are 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 Trustees have delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Education Village Academy Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to 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 Trustees formally met five times during the year ended 31 August 2016. Attendance during the year at meetings of the directors was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
H Barton	5	5
M Butler	5	5
R Gartland	3	5
L Job	2	5
J O'Neill (Chair)	5	5
H Radcliffe	5	5
R Sanghera	2	4
H Scott OBE	4	5
S Welsh	4	5

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

### YEAR ENDED 31st AUGUST 2016

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The EVAT Support and Resources Committee is a committee of the Board of Directors. Its purpose is to monitor the Academies' financial performance and consider issues related to personnel, health & safety and premises. In the year ended 31 August 2016 the Committee considered the Academies' budgets, management accounts, services and contracts, staffing proposals, relevant policies and teacher pay recommendations. Attendance at meetings in the period was as follows:

<b>Trustee/Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Butler	3	3
A Dallin	1	3
R Gartland	2	3
D Jones	0	1
J Joyce	2	3
N Little	2	2
P North	2	3
H Scott OBE (Chair)	3	3

The Audit Committee is also a committee of the main Board of Directors. Its purpose is to advise the Academy Trust on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). Attendance at meetings in the period was as follows:

<b>Trustee/Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
B McKnight	2	2
H Radcliffe (Chair)	3	3
R Sanghera	1	3
J Sturrock	2	3
J Wilson	2	2
D Wood	3	3

#### **Review of Value for Money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors 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:

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT** *(continued)*

**YEAR ENDED 31st AUGUST 2016**

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### **Raising pupil achievement & attainment**

On an annual basis, the Trust's Academy Principals create costed Raising Achievement Plans, which reflect the overall strategic direction of the Trust and which outline the measurable outcomes to be achieved by each Academy.

For a detailed review of the Academies' results, see the Trustees' Report and Financial Statements.

Principals submit data on attendance, behaviour, pupil premium spending and current progress on a regular basis to the Education Standards Committees and the Board of Trustees.

Teaching staff pay progression is rigorously managed and linked directly to pupil outcomes and individual staff performance.

### **Governance and financial oversight**

The Trust has a governance structure in place to support the academies within the Trust to achieve the economic, efficient and effective use of all the resources in their charge.

The Trust's Support and Resources Committee (S&R) is the committee of the Board responsible for Finance. The S&R approves the annual budget for all of the academies in the Trust and expenditure in excess of £25,000. Meetings of the S&R review the management accounts and cash flow statements for the Trust and discuss any issues arising from the budget versus actual variances in the reports. Areas of significant expenditure are discussed, including utility costs and capital expenditure for IT equipment, to ensure that management practices are reviewed and educational resources are kept up-to-date. Any mid-year adjustments to staffing budgets are discussed and approved, ensuring that Trustees are aware of changes to requirements as the year progresses.

### **Better purchasing and procurement**

In line with the Trust's Finance Policy and procedures manual, before ordering items over £1,000, three quotes are obtained from different suppliers. Competitive tendering is used to ensure best value for items of major expenditure. This includes tendering for the appointment of auditors, legal advisors and for insurance cover. Contracts awarded this year following a competitive tendering exercise include a new catering supplier for The Education Village (the contract will commence 1 September 2016) and a new printing and photocopying contract, which will save the Trust around £50K per annum for each of the next five years.

The Trust looks to access alternative funding streams and additional support where it is available. This year Beaumont Hill Academy took delivery of a new mini-bus, a gift provided by parents. The Trust's Company (EdIT Learning LTD) also gift-aided £10K to the Trust for use in its Academies.

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# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT** *(continued)*

### **YEAR ENDED 31st AUGUST 2016**

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The Academies in the Trust have also benefited from economies of scale by sharing central support resources and by negotiating contracts Trust-wide.

#### **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 The Education Village Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

Changes to the requirements of the 2015 Academies Financial Handbook mean that the Trust is no longer compelled to establish or retain an Audit Committee. However, Trustees value the additional assurance the Committee has provided, and resolved to retain the Committee, reviewing its purpose and efficacy in due course. The Committee has met on three occasions in the last year to review 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 Audit Committee reports to the Trustees, who are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 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 Trust's Support and Resources Committee;
- regular reviews by the 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; and
- identification and management of risks.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

### YEAR ENDED 31st AUGUST 2016

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The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Tait Walker LLP to undertake a programme of internal assurance on the Academy Trust's financial systems. The Trustees also use the Audit Committee to advise on the adequacy and effectiveness of the Trust's financial controls.

The programme of internal assurance includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems and controls;
- testing of HR procedures;
- testing of bank reconciliations;
- testing of purchasing systems and controls; and
- testing of related parties.

On a termly basis, Tait Walker LLP report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

#### **Review of Effectiveness**


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

- the work of the Audit Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 and Audit Committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 15.12.16.....  
and signed on its behalf by:

  
J O'Neill  
Chair

  
M Butler  
Accounting Officer

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**YEAR ENDED 31st AUGUST 2016**

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As Accounting Officer of The Education Village Academy Trust, I have considered my responsibility to notify the Academy Trust Board of 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by The Education Village 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 2015.

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, they will be notified to the Board of Trustees and EFA.



M Butler  
Accounting Officer  
15.12.16

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**YEAR ENDED 31st AUGUST 2016**

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The Trustees (who act as governors 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 Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academy Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and group will continue in operation.

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 group 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 group 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 and group 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 EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

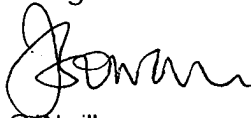
**STATEMENT OF TRUSTEES' RESPONSIBILITIES *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 15.12.16.....  
and signed on its behalf by:



J O'Neill  
Chair

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDUCATION VILLAGE ACADEMY TRUST**

**YEAR ENDED 31 AUGUST 2016**

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We have audited the group and parent company financial statements of The Education Village Academy Trust for the year ended 31 August 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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) including FRS102 'The Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2015 to 2016 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 30 to 31, the Trustees (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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDUCATION VILLAGE  
ACADEMY TRUST *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable parent company's affairs at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the trustees annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDUCATION VILLAGE  
ACADEMY TRUST (continued)**

**YEAR ENDED 31 AUGUST 2016**

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**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 by the Academy Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the Academy Trust's financial statements 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.

*Tait Walker LLP*

Brian Laidlaw BA CA (Senior Statutory Auditor)  
For and on behalf of  
Tait Walker LLP  
Chartered Accountants & Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

*16th December 2016*

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EDUCATION VILLAGE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

**YEAR ENDED 31 AUGUST 2016**

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In accordance with the terms of our engagement letter dated 8 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies' Accounts Direction 2015 to 2016, 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 1 September 2015 to 31 August 2016 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 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 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 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 REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirement of The Education Village Academy Trust funding agreement with the Secretary of State dated 1<sup>st</sup> August 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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.

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 AUGUST 2016**

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of senior management and directors of the Academy Trust;
- Inspection and review of the accounting records, meeting minutes, internal control procedures;
- Obtaining and reviewing management representations and declarations of interest; and
- Observation and re-performance of financial controls.

**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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Tait Walker LLP*

Tait Walker LLP  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

*16th December 2016*

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING  
THE INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 AUGUST 2016**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset	Total Funds 2016	Total Funds 2015
	Note	£000	£000	£000	£000	£000
<b>INCOMING RESOURCES</b>						
Donations & capital grants	3	87	-	46	133	248
Charitable activities:						
Funding for the academy trust's educational operations	4	147	13,060	-	13,207	12,740
Other trading activities	5	265	-	-	265	161
Investments	6	9	-	-	9	4
<b>TOTAL INCOMING RESOURCES</b>		<b>508</b>	<b>13,060</b>	<b>46</b>	<b>13,614</b>	<b>13,153</b>
<b>EXPENDITURE ON:</b>						
Raising funds		(1)	-	-	(1)	(19)
Charitable activities:						
Academy trust educational operations	7	(178)	(13,298)	(840)	(14,316)	(13,955)
<b>TOTAL EXPENDITURE</b>		<b>(179)</b>	<b>(13,298)</b>	<b>(840)</b>	<b>(14,317)</b>	<b>(13,974)</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>329</b>	<b>(238)</b>	<b>(794)</b>	<b>(703)</b>	<b>(821)</b>
Carried Forward		329	(238)	(794)	(703)	(821)

The notes on pages 44 to 78 form part of these financial statements

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING  
THE INCOME AND EXPENDITURE ACCOUNT) *(continued)***

**YEAR ENDED 31 AUGUST 2016**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset	Total Funds 2016	Total Funds 2015
	Note	£000	£000	£000	£000	£000
Brought forward		329	(238)	(794)	(703)	(821)
<b>Transfers between funds</b>		-	(161)	161	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(3,163)	-	(3,163)	10
<b>NET MOVEMENT IN FUNDS</b>		<u>329</u>	<u>(3,562)</u>	<u>(633)</u>	<u>(3,866)</u>	<u>(811)</u>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		<u>1,637</u>	<u>(1,902)</u>	<u>24,684</u>	<u>24,419</u>	25,230
<b>Total funds carried forward</b>	19	<u>1,966</u>	<u>(5,464)</u>	<u>24,051</u>	<u>20,553</u>	24,419

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing group activities.



**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY REGISTRATION NUMBER: 07748248**

**CONSOLIDATED BALANCE SHEET**  
**as at 31 AUGUST 2016**

		<b>2016</b>		<b>2015</b>	
	<b>Note</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>FIXED ASSETS</b>					
Tangible fixed assets	<b>13</b>		<b>24,057</b>		24,696
<b>CURRENT ASSETS</b>					
Stocks	<b>16</b>	-		4	
Debtors	<b>17</b>	<b>529</b>		550	
Cash at bank and in hand		<b>2,862</b>		2,934	
		<b>3,391</b>		3,488	
<b>CREDITORS: amounts falling due within one year</b>	<b>18</b>	<b>(1,049)</b>		(1,279)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<b>2,342</b>		2,209
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>26,399</b>		26,905
Defined benefit pension scheme liability	<b>26</b>		<b>(5,846)</b>		(2,486)
<b>TOTAL NET ASSETS</b>			<b>20,553</b>		24,419

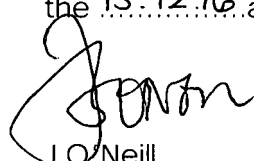
The notes on pages 44 to 78 form part of these financial statements

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY REGISTRATION NUMBER: 07748248**

**CONSOLIDATED BALANCE SHEET** *(continued)*  
**as at 31 AUGUST 2016**

		2016		2015	
	Note	£000	£000	£000	£000
<b>FUNDS OF THE ACADEMY TRUST</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	19	24,051		24,684	
Restricted Income fund	19	382		584	
Pension reserve	19	<u>(5,846)</u>		<u>(2,486)</u>	
<b>TOTAL RESTRICTED FUNDS</b>			<b>18,587</b>		22,782
Unrestricted income funds	19		<u>1,966</u>		<u>1,637</u>
<b>TOTAL FUNDS</b>			<u><b>20,553</b></u>		<u><b>24,419</b></u>

These financial statements were approved by the trustees and authorised for issue on the 15.12.16 and are signed on their behalf by:

  
J O'Neill  
Chair

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
 COMPANY REGISTRATION NUMBER: 07748248

**ACADEMY TRUST BALANCE SHEET**  
**as at 31 AUGUST 2016**

		2016		2015	
	Note	£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible fixed assets	14		24,051		24,684
<b>CURRENT ASSETS</b>					
Debtors	17	503		536	
Cash at bank		2,838		2,884	
		<u>3,341</u>		<u>3,420</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(1,007)</u>		<u>(1,214)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>2,334</u>		<u>2,206</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>26,385</b>		<b>26,890</b>
Defined benefit pension scheme liability	26		<u>(5,846)</u>		<u>(2,486)</u>
<b>TOTAL NET ASSETS</b>			<u><b>20,539</b></u>		<u><b>24,404</b></u>

The notes on pages 44 to 78 form part of these financial statements

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY REGISTRATION NUMBER: 07748248**

**ACADEMY TRUST BALANCE SHEET** *(continued)*  
**as at 31 AUGUST 2016**

		2016		2015	
	Note	£000	£000	£000	£000
<b>FUNDS OF THE ACADEMY TRUST</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	19	24,051		24,684	
Restricted Income fund	19	382		584	
Pension reserve	19	<u>(5,846)</u>		<u>(2,486)</u>	
<b>TOTAL RESTRICTED FUNDS</b>			<b>18,587</b>		22,782
Unrestricted income funds	19		<u>1,952</u>		<u>1,622</u>
<b>TOTAL FUNDS</b>			<u><b>20,539</b></u>		<u><b>24,404</b></u>

These financial statements were approved by the trustees and authorised for issue on the 15.12.16 and are signed on their behalf by:

  
 J O'Neill  
 Chair

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED GROUP CASH FLOW STATEMENT**

**YEAR ENDED 31 AUGUST 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	<b>22</b>	<b>83</b>	<b>417</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>	<b>23</b>	<b>9</b>	<b>4</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>	<b>24</b>	<b>(164)</b>	<b>(216)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<b>(72)</b>	<b>205</b>
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER 2015</b>	<b>25</b>	<b>2,934</b>	<b>2,729</b>
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST 2016</b>	<b>25</b>	<b>2,862</b>	<b>2,934</b>

The notes on pages 44 to 78 form part of these financial statements

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES**

#### **Statement of 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.

#### **Basis of preparation**

These financial statements are the first financial statements of The Education Village Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Education Village Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

#### **Explanation of transition to FRS102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

#### **A – Change in recognition of LGPS interest cost**

Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £87k and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **B – Income Recognition**

Under the previous UK GAAP, income was recognised when the Academy was entitled to the income, a reasonable estimate of the amount could be made, and the Academy was virtually certain of receipt. Under FRS102 SORP 2015, income is recognised when receipt of income is probable, rather than virtually certain.

There have been no changes to the amounts recognised in the 2015 financial statements as a result of the implementation of FRS102.

#### **Basis of accounting**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Education Village Academy Trust meets the definition of a public benefit entity under FRS102.

#### **Going concern**

The Trustees 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 trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Incoming resources**

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.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Grants receivable**

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

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

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

#### **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### **Donations**

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

#### **Other income**

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

#### **Donated goods, facilities and services**

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



# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

---

### **1. ACCOUNTING POLICIES *(continued)***

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.

#### **Investment income**

Interest receivable is included in the Statement of Financial Activities on an accruals basis.

#### **Expenditure**

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

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.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Tangible Fixed Assets**

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long term leasehold property	-	50 years straight line
Long term leasehold land	-	125 years straight line
Motor Vehicles	-	4 years straight line
Fixtures & fittings	-	7 years straight line
Computer Equipment	-	3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

#### **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.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Provisions**

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

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

#### **Leased Assets**

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

#### **Investments**

The Academy's shareholding in the wholly owned subsidiary, EdIT Learning is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

#### **Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Taxation**

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

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

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

#### **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 and include grants from the Education Funding Agency and Department for Education.

#### **Critical accounting estimates and areas of judgement**

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

#### *Critical accounting estimates and assumptions*

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

#### *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Depreciation*

The company has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £847k (2015 - £811k).

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

### 1. ACCOUNTING POLICIES (continued)

#### *Critical areas of judgement*

#### *Assessing indicator of impairment*

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

### 2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2016.

### 3. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2016	Total Funds 2015
	£000	£000	£000	£000	£000
Capital grants	-	-	46	46	129
Other donations	87	-	-	87	119
	<u>87</u>	<u>-</u>	<u>46</u>	<u>133</u>	<u>248</u>
Total 2015	<u>86</u>	<u>-</u>	<u>162</u>	<u>248</u>	

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds	Restricted General Funds	Total Funds 2016	Total Funds 2015
	£000	£000	£000	£000
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	8,752	8,752	8,509
Start Up Grants	-	-	-	39
Other DfE/EFA grants	-	889	889	913
	<u>-</u>	<u>9,641</u>	<u>9,641</u>	<u>9,461</u>
<b>Other Government grants</b>				
Local authority grants	-	390	390	400
	<u>-</u>	<u>390</u>	<u>390</u>	<u>400</u>
Other income from the Academy Trust's educational operations	147	3,029	3,176	2,879
	<u>147</u>	<u>13,060</u>	<u>13,207</u>	<u>12,740</u>
Total 2015	<u>71</u>	<u>12,669</u>	<u>12,740</u>	

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**5. OTHER TRADING ACTIVITIES**

	Unrestricted Funds	Restricted General Funds	Total Funds 2016	Total Funds 2015
	£000	£000	£000	£000
Subsidiary income	12	-	12	11
Fundraising income	8	-	8	15
Training	2	-	2	-
Lettings & Hire	9	-	9	12
Other income	234	-	234	123
	<u>265</u>	<u>-</u>	<u>265</u>	<u>161</u>
Total 2015	<u>161</u>	<u>-</u>	<u>161</u>	

**6. INVESTMENT INCOME**

	Unrestricted Funds	Restricted General Funds	Total Funds 2016	Total Funds 2015
	£000	£000	£000	£000
Short term deposits	9	-	9	4
	<u>9</u>	<u>-</u>	<u>9</u>	<u>4</u>
Total 2015	<u>4</u>	<u>-</u>	<u>4</u>	



**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**7. EXPENDITURE**

	Staff Costs	Non Pay Expenditure		Total 2016	Total 2015
	Premises	Other			
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	1	1	19
Academy's educational operations:					
Direct costs	7,092	-	605	7,697	7,447
Allocated support costs	3,356	1,032	2,231	6,619	6,508
	<u>10,448</u>	<u>1,032</u>	<u>2,837</u>	<u>14,317</u>	<u>13,974</u>
Total 2015	<u>9,879</u>	<u>1,041</u>	<u>3,054</u>	<u>13,974</u>	

Net income/(expenditure) for the period includes:

	2016	2015
	£000	£000
Operating lease rentals	8	4
Depreciation	847	810
Fees payable to auditor for:		
audit	6	6
other services	<u>4</u>	<u>2</u>

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**8. CHARITABLE ACTIVITIES**

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000</b>	<b>£000</b>
Direct costs	<b>7,697</b>	7,447
Support costs	<b>6,619</b>	6,508
	<b><u>14,316</u></b>	<b><u>13,955</u></b>

**Analysis of support costs**

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000</b>	<b>£000</b>
Support staff costs	<b>3,356</b>	3,156
Depreciation	<b>847</b>	810
Technology costs	<b>286</b>	324
Premises costs	<b>1,032</b>	1,041
Other support costs	<b>957</b>	1,049
Governance costs	<b>141</b>	128
	<b><u>6,619</u></b>	<b><u>6,508</u></b>

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs during the period were:

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>7,752</b>	7,552
Social security costs	<b>635</b>	555
Operating costs of defined benefit pension schemes	<b>1,172</b>	1,045
	<b>9,559</b>	9,152
Supply staff costs	<b>764</b>	658
Staff restructuring costs	<b>125</b>	69
	<b>10,448</b>	9,879
Staff restructuring costs comprise:		
Redundancy payments	<b>94</b>	69
Severance payments	<b>31</b>	-
	<b>125</b>	69

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £92k (2015 - £69,000). Individually, the payments were: £14,373, £2,005, £3,700, £20,000, £1,705, £17,725, £2,436, £11,397 and £18,265.

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**9. STAFF COSTS (*continued*)**

**c. Staff numbers**

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

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>115</b>	110
Administration and support	<b>187</b>	174
Management	<b>7</b>	7
	<b><u>309</u></b>	<b><u>291</u></b>

**d. Higher paid staff**

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

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	<b>1</b>	2
£70,001 - £80,000	<b>2</b>	-
£80,001 - £90,000	<b>-</b>	1
£90,001 - £100,000	<b>2</b>	2
£110,001 - £120,000	<b>1</b>	-
	<b><u>1</u></b>	<b><u>-</u></b>

**e. 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) received by key management personnel for their services to the Academy Trust was £706,411 (2015 - £674,830).

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **10. RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees’ remuneration and other benefits was as follows:

**M Butler (Principal)**

Remuneration Band: £110,000 - £115,000 (2015 - £60,000 - £65,000)

Employers’ Pension Contributions Paid: £15,000 - £20,000 (2015 - £5,000 - £10,000)

**R Gartland (Staff Trustee)**

Remuneration Band: £80,000 - £85,000 (2015 - £80,000 - £85,000)

Employers’ Pension Contributions Paid: £10,000 - £15,000 (2015 - £10,000 - £15,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £440 were reimbursed to 6 Trustees (2015 - £350 to 1 Trustee).

Other related party transactions involving the trustees are set out in note 27.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £1,881 (2015 - £2,133). The cost of this insurance is included in the total insurance cost.

### 12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Human Resources;
- Financial Services;
- Governance Services;
- Education and Support Services; and
- Technology Support Services.

The Trust recharges for these services in proportion to the number of students at each Academy.

The actual amounts charged during the year were as follows:

	2016	2015
	£000	£000
Gurney Pease Academy	57	51
Springfield Academy	75	68
Beaumont Hill Academy	327	292
Haughton Academy	230	206
Marchbank Academy	36	29
	<u>725</u>	<u>646</u>

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**13. TANGIBLE FIXED ASSETS GROUP**

	Leasehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Computer Equipment	Leasehold Improve- ments	Total
	£000	£000	£000	£000	£000	£000
<b>COST</b>						
At 1 Sep 2015	24,485	217	37	1,130	1,155	27,024
Additions	65	80	30	35	-	210
Disposals	-	-	-	(4)	-	(4)
<b>At 31 Aug 2016</b>	<b>24,550</b>	<b>297</b>	<b>67</b>	<b>1,161</b>	<b>1,155</b>	<b>27,230</b>
<b>DEPRECIATION</b>						
At 1 Sep 2015	1,558	46	6	695	23	2,328
Charged in the year	490	37	13	284	23	847
Disposals	-	-	-	(2)	-	(2)
<b>At 31 Aug 2016</b>	<b>2,048</b>	<b>83</b>	<b>19</b>	<b>977</b>	<b>46</b>	<b>3,173</b>
<b>NET BOOK VALUES</b>						
<b>At 31 Aug 2016</b>	<b>22,502</b>	<b>214</b>	<b>48</b>	<b>184</b>	<b>1,109</b>	<b>24,057</b>
At 31 Aug 2015	22,927	171	31	435	1,132	24,696

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**14. TANGIBLE FIXED ASSETS ACADEMY TRUST**

	Leasehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Computer Equipment	Leasehold Improve- ments	Total
	£000	£000	£000	£000	£000	£000
<b>COST</b>						
At 1 Sep 2015	24,485	207	37	991	1,155	26,875
Additions	65	79	30	35	-	209
Disposals	-	-	-	(4)	-	(4)
<b>At 31 Aug 2016</b>	<b><u>24,550</u></b>	<b><u>286</u></b>	<b><u>67</u></b>	<b><u>1,022</u></b>	<b><u>1,155</u></b>	<b><u>27,080</u></b>
<b>DEPRECIATION</b>						
At 1 Sep 2015	1,558	39	6	565	23	2,191
Charged in the year	490	37	13	277	23	840
Disposals	-	-	-	(2)	-	(2)
<b>At 31 Aug 2016</b>	<b><u>2,048</u></b>	<b><u>76</u></b>	<b><u>19</u></b>	<b><u>840</u></b>	<b><u>46</u></b>	<b><u>3,029</u></b>
<b>NET BOOK VALUES</b>						
<b>At 31 Aug 2016</b>	<b><u>22,502</u></b>	<b><u>210</u></b>	<b><u>48</u></b>	<b><u>182</u></b>	<b><u>1,109</u></b>	<b><u>24,051</u></b>
At 31 Aug 2015	<u>22,927</u>	<u>168</u>	<u>31</u>	<u>426</u>	<u>1,132</u>	<u>24,684</u>



# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

### 15. FIXED ASSET INVESTMENTS

The following was a subsidiary undertaking of the Academy Trust:

Subsidiary	Country of Origin	Holding %
EdiT Learning Limited (formerly IT Systems & EVAT Partnership Limited)	England & Wales	100

The aggregate of the share capital and reserves at the year end and the profit or loss for the year for the subsidiary undertakings were as follows:

	2016 Loss for the year £000	2016 Aggregate amount of share capital and reserves £000	2015 Loss for the year £000	2015 Aggregate amount of share capital and reserves £000
EdiT Learning Limited	<u>1</u>	<u>14</u>	<u>18</u>	<u>15</u>

### 16. STOCKS

	Group 2016 £000	2015 £000	Academy Trust 2016 £000	2015 £000
Stock	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>

**THE EDUCATION VILLAGE ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**17. DEBTORS**

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	<b>74</b>	15	<b>74</b>	15
VAT recoverable	<b>101</b>	150	<b>95</b>	150
Prepayments and accrued income	<b>354</b>	385	<b>326</b>	345
Amounts due from group undertakings	<b>-</b>	-	<b>8</b>	26
	<b><u>529</u></b>	<u>550</u>	<b><u>503</u></b>	<u>536</u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	<b>209</b>	328	<b>176</b>	283
Other taxation and social security	<b>330</b>	309	<b>325</b>	304
Other creditors	<b>-</b>	13	<b>-</b>	-
Accruals and deferred income	<b>510</b>	629	<b>506</b>	627
	<b><u>1,049</u></b>	<u>1,279</u>	<b><u>1,007</u></b>	<u>1,214</u>

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (*continued*)**

**Deferred Income**

	<b>Group 2016</b>	<b>2015</b>	<b>Academy Trust 2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 Sep 2015	<b>150</b>	292	<b>150</b>	256
Released from previous years	<b>(150)</b>	(292)	<b>(150)</b>	(256)
Resources deferred in the year	<b>127</b>	150	<b>127</b>	150
At 31 Aug 2016	<b>127</b>	150	<b>127</b>	150

At the balance sheet date the Trust was holding funds received in advance in respect of nursery funding, outreach funding, universal infant free school meals and high needs funding.

**THE EDUCATION VILLAGE ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**19. FUNDS**

	At 1 Sep 2015	Income	Expenses	Gains, losses and transfers	At 31 Aug 2016
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	584	8,674	(8,715)	(161)	<b>382</b>
Pupil Premium	–	730	(730)	–	<b>–</b>
Pension reserve	(2,486)	–	(197)	(3,163)	<b>(5,846)</b>
Other grants	–	3,656	(3,656)	–	<b>–</b>
	<u>(1,902)</u>	<u>13,060</u>	<u>(13,298)</u>	<u>(3,324)</u>	<u><b>(5,464)</b></u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	20,642	–	(703)	–	<b>19,939</b>
DfE/EFA capital grants	1,247	46	(42)	–	<b>1,251</b>
Capital expenditure from GAG	892	–	(30)	–	<b>862</b>
Other capital funds	<u>1,903</u>	<u>–</u>	<u>(65)</u>	<u>161</u>	<u><b>1,999</b></u>
	<u>24,684</u>	<u>46</u>	<u>(840)</u>	<u>161</u>	<u><b>24,051</b></u>
<b>Total restricted funds</b>	<u>22,782</u>	<u>13,106</u>	<u>(14,138)</u>	<u>(3,163)</u>	<u><b>18,587</b></u>
<b>Total unrestricted funds</b>	<u>1,637</u>	<u>508</u>	<u>(179)</u>	<u>–</u>	<u><b>1,966</b></u>
<b>Total funds</b>	<u>24,419</u>	<u>13,614</u>	<u>(14,317)</u>	<u>(3,163)</u>	<u><b>20,553</b></u>

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **19. FUNDS (*continued*)**

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy.

**THE EDUCATION VILLAGE ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**19. FUNDS (*continued*)**

**Funds by Academy**

Fund balances at the year-end were allocated as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Beaumont Hill Academy	<b>723</b>	739
Gurney Pease Academy	<b>256</b>	254
Haughton Academy	<b>665</b>	681
Marchbank Academy	<b>510</b>	348
Springfield Academy	<b>180</b>	184
Central Services	<b>–</b>	–
EdIT	<b>14</b>	15
Total before fixed assets and pension reserve	<b>2,348</b>	2,221
Restricted fixed asset fund	<b>24,051</b>	24,684
Pension reserve	<b>(5,846)</b>	(2,486)
Total	<b>20,553</b>	24,419

**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**19. FUNDS (continued)**

**Analysis of academies by cost**

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

	Teaching and Education Support Staff Costs	Other Support Staff Costs	Education Supplies	Other Costs (Excl. depreciation)	2016
	£000	£000	£000	£000	£000
Gurney Pease	735	99	4	338	1,176
Springfield	819	125	9	279	1,232
Beaumont Hill	3,405	519	37	1,161	5,122
Haughton	3,378	515	37	1,151	5,081
Marchbank	505	110	2	242	859
EdIT	-	-	-	1	1
	<u>8,842</u>	<u>1,368</u>	<u>89</u>	<u>3,172</u>	<u>13,471</u>

	Teaching and Education Support Staff Costs	Other Support Staff Costs	Education Supplies	Other Costs (Excl. depreciation)	2015
	£000	£000	£000	£000	£000
Gurney Pease	500	256	51	196	1,003
Springfield	647	299	32	282	1,260
Beaumont Hill	2,649	1,227	129	1,156	5,161
Haughton	2,570	1,190	125	1,122	5,007
Marchbank	309	158	20	138	625
EdIT	-	-	-	19	19
	<u>6,675</u>	<u>3,130</u>	<u>357</u>	<u>2,913</u>	<u>13,075</u>

**THE EDUCATION VILLAGE ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	6	-	24,051	24,057
Current assets	1,960	1,431	-	3,391
Current liabilities	-	(1,049)	-	(1,049)
Pension scheme liability	-	(5,846)	-	(5,846)
Total net assets	<u>1,966</u>	<u>(5,464)</u>	<u>24,051</u>	<u>20,553</u>

**21. OPERATING LEASE COMMITMENTS**

As at 31 August 2016, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts due within one year	20	4
Amounts due between one and five years	75	3
	<u>95</u>	<u>7</u>



**THE EDUCATION VILLAGE ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**22. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM  
OPERATING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>(703)</b>	(821)
Adjusted for:		
Depreciation (note 13)	<b>847</b>	836
Profit/(loss) on disposal of assets	<b>2</b>	–
Capital grants from DfE and other capital income	<b>(46)</b>	(162)
Interest receivable (note 6)	<b>(9)</b>	(4)
Defined benefit pension scheme cost less contributions payable (note 26)	<b>108</b>	110
Defined benefit pension scheme finance cost (note 26)	<b>89</b>	80
(Increase)/decrease in stocks	<b>4</b>	1
(Increase)/decrease in debtors	<b>21</b>	(18)
Increase/(decrease) in creditors	<b>(230)</b>	395
<b>Net cash provided by/(used in) Operating Activities</b>	<b><u>83</u></b>	<b><u>417</u></b>

**23. CASHFLOWS FROM FINANCING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Investment income (note 6)	<b><u>9</u></b>	<u>4</u>
<b>Net cash provided by/(used in) financing activities</b>	<b><u>9</u></b>	<b><u>4</u></b>

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**24. CASHFLOWS FROM INVESTING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Purchase of tangible fixed assets	<b>(210)</b>	<b>(378)</b>
Capital grants from DfE/EFA	<b>46</b>	<b>162</b>
<b>Net cash provided by/(used in) investing activities</b>	<b><u>(164)</u></b>	<b><u>(216)</u></b>

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	<b><u>2,862</u></b>	<b><u>2,934</u></b>
<b>Total cash and cash equivalents</b>	<b><u>2,862</u></b>	<b><u>2,934</u></b>

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **26. 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 Durham County Council. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £134,201 (2015: £127,634) were payable to the schemes at 31 August 2016 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 26. PENSION AND SIMILAR OBLIGATIONS (*continued*)

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £740,857 (2015: £627,584).

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 a multi-employer pension scheme. The 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.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

### 26. PENSION AND SIMILAR OBLIGATIONS (*continued*)

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £427,939 (2015: £398,000), of which employer's contributions totalled £290,230 (2015: £270,000) and employees' contributions totalled £137,709 (2015: £128,000). The agreed contribution rates for future years are 12.8 per cent for employers and between 6.5 – 12.5 per cent for employees.

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

#### Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	3.4	3.8
Rate of increase for pensions in payment/inflation	1.9	2.1
Discount rate for scheme liabilities	2.0	3.8
Inflation assumption (CPI)	1.9	2.1

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.70	22.60
Females	25.20	24.80
<i>Retiring in 20 years</i>		
Males	24.90	25.10
Females	27.50	27.40

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**26. PENSION AND SIMILAR OBLIGATIONS (*continued*)**

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	2,436	2,204
Debt instruments	2,279	1,670
Property	446	274
Other	412	341
Total market value of assets	<u>5,573</u>	<u>4,489</u>

The actual return on scheme assets was £794,000 (2015: (£3,000)).

**Amounts recognised in the statement of financial activities**

	2016 £000	2015 £000
Current service cost (net of employee contributions)	428	403
Net interest cost	89	80
Total operating charge	<u>517</u>	<u>483</u>

**THE EDUCATION VILLAGE ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**26. PENSION AND SIMILAR OBLIGATIONS (*continued*)**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 September	<b>6,975</b>	6,610
Current service cost	<b>428</b>	403
Interest cost	<b>265</b>	243
Employee contributions	<b>134</b>	120
Actuarial (gain)/loss	<b>3,781</b>	(176)
Benefits paid	<b>(164)</b>	(225)
<b>At 31 August</b>	<b><u>11,419</u></b>	<b><u>6,975</u></b>

**Changes in the fair value of the academy's share of scheme assets:**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 September	<b>4,489</b>	4,304
Interest income	<b>176</b>	163
Actuarial gain/(loss)	<b>618</b>	(166)
Employer contributions	<b>320</b>	293
Employee contributions	<b>134</b>	120
Benefits paid	<b>(164)</b>	(225)
<b>At 31 August</b>	<b><u>5,573</u></b>	<b><u>4,489</u></b>

# **THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **27. RELATED PARTY TRANSACTIONS**

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

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

There were no transactions with related parties within the year.

### **28. ULTIMATE CONTROLLING PARTY**

The members of the board consider that there is no ultimate controlling party of the group of the Academy Trust other than the Academy Trust's members themselves.