

COMPANY REGISTRATION NUMBER 07748248

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited by Guarantee
Financial Statements
YEAR ENDED 31 AUGUST 2017



THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited by Guarantee

Financial Statements

Year Ended 31st August 2017

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THE EDUCATION VILLAGE ACADEMY TRUST

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Reference and Administrative Details

Year Ended 31st August 2017

Members

T Fisher
J O'Neill
H Radcliffe #

Trustees

H Barton
M Butler*
J O'Neill (Chair)
H Radcliffe #
R Sanghera #
H Scott OBE *
S Welsh
L Job

Senior Management Team

Chief Executive	M Butler
Principal Beaumont Hill Special Academy	C Green
Principal Gurney Pease Primary Academy	A Sinclair
Principal Haughton Secondary Academy	J Lumb
Principal Marchbank Free School	M Southwick
Principal Springfield Primary Academy	A Henderson
Director of Finance	K Stevenson

Key

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

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Reference and Administrative Details *(continued)*

Year Ended 31st August 2017

Company Name	The Education Village Academy Trust
Principal and 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 21-23 Northgate Darlington Country Durham DL1 1TL
Solicitors	Ward Hadaway Solicitors 5 Wellington Place Leeds LS1 4AP

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Trustee's Report *(continued)*

Year Ended 31st August 2017

The Trustees present their annual report together with the consolidated financial statements and auditor's report of the Charitable Company for the period 1 September 2016 to 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates five Academies for pupils aged 2 to 19 serving different catchment areas across Darlington and, in the case of the two special academies, beyond. The pupil capacity for each Academy varies from 42 to 900 with a combined pupil capacity of 1,645 and had a roll of 1,539 in the school census of October 2017.

The principal activity of the subsidiary trading company was the provision of IT services to schools and colleges.

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 page 1.

Members' Liability

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

Trustees' 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

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, experience 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.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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Trustee's Report *(continued)*

Year Ended 31st August 2017

Trustees and Governors are offered opportunities to join training and workshops; they are all members of the National Governors' Association.

Organisational Structure

The structure consists of: the Members, the Trustees, five Education Standards Committees (one for each Academy), the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The 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 and scrutinising academic performance and pupil behaviour.

The Executive Leadership Team consists of the Chief Executive, the Director of Finance and Operations 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 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.

Arrangements 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 Board of Directors 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.

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Trustee's Report *(continued)*

Year Ended 31st August 2017

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. Last year the Company has expanded to provide training for Special Education Needs professionals and adopted a new name to reflect the training element; the Company is now named EdIT Learning Limited.

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 to 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 are 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;

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Trustee's Report *(continued)*

Year Ended 31st August 2017

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.

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.

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Trustee's Report *(continued)*

Year Ended 31st August 2017

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.

Strategic Report

Achievements and Performance

Marchbank Free School (a small Primary for children with SEMH)

The following information needs to be contextualised with an acknowledgment that all of the children in this specialist environment have suffered significant interruption to their education prior to placement, all of them have emotional difficulties that often act as barriers to learning and a number of the children have learning difficulties. Year groups are very small in number therefore the attainment data is cohort-specific.

In the phonics screening check neither of the 2 children met the threshold; however, the children had only been on roll for a matter of weeks. KS1 assessments were lower than national average: reading 14%, writing 0%, maths 29% and science 29%. However, KS1 progress was higher than national average with 100% making expected progress in reading and 14% making better than expected. 100% of children made expected progress in writing. Progress in maths was 86% making expected with 29% making better than expected progress. Marchbank KS2 attainment was the best since opening in September 2013. The percentage of pupils attaining the expected standard was above national average in both maths and science. The percentage of pupils who achieved expected standard in maths and science was 83%. There were significant increases in the percentage of pupils attaining the expected standard in reading (67%), SPAG (67%) and writing (50%). KS2 progress scores were outstanding and above national average in all subjects: +5.24 in reading, +4.11 in writing and +6.54 in maths.

Gurney Pease Academy (a Mainstream Primary)

Gurney Pease Academy was subject to a Section 8 inspection in November 2016, with the school's Ofsted judgement remaining 'Good'.

The percentage of pupils achieving a Good Level of Development (GLD) at the end of Reception continues to improve with 68% of pupils achieving GLD, which is in line with the national average. This is a rise of 4 percentage points from last academic year and a 15 percentage point increase from 2015. Girls continue to outperform boys, as has been the case for the past few years.

Gurney Pease Academy also saw a continued improving trend in the Year 1 Phonics Screening Test, with 81% of pupils meeting the expected standard. School disadvantaged children performed in line with other children nationally and our whole school average remained just above 32 marks. There is now a three-year improving trend in the Year 1 Phonics Screening results, improving from 59% in 2015. In the year 2 re-test 67% of pupils achieved the expected standard.

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Trustee's Report *(continued)*

Year Ended 31st August 2017

Pupils in Year 2 performed strongly in the end-of-key-stage assessments, with results in reading, writing and maths either in line with national average or above it. In reading 77% of pupils met the expected standard against 76% nationally. In writing 70% achieved the expected standard in comparison to 68% nationally. Maths saw the highest result with 80% meeting the expected standard, compared to the 75% national figure. The combined reading, writing and maths expected standard was 13%. Over 15% of pupils achieved greater depth in each subject. Disadvantaged children outperformed other children nationally in both writing and maths; this trend was reversed for reading.

With regards to attainment measures, 80% of pupils at Gurney Pease Academy met the expected standard in maths, 76% met the expected standard in writing and 56% met the expected standard in reading. The combined reading, writing and maths measure stood at 44%. In the SPaG test, 84% of pupils achieved the expected standard. Maths and SPaG results were above national average, writing in line with national average and reading was below the national average. Gurney Pease achieved very successful progress measures at the end of KS2. The progress figure for maths (+5.65) and writing (+6.70) were both in the top 5% nationally. At +2.36, reading was in the top 25% for progress.

Springfield Academy (a Mainstream Primary)

Springfield Academy saw a continued improvement in EYFS GLD with 67% of the cohort of children attaining a 'good level of development', which is just below the expected national figure, a 17% rise since 2015 within an improving three-year trend. Notably, boys outperformed girls, in a reversal of the national trend.

Springfield Academy also saw the improvement trend continuing with the Year 1 phonics test with 79% of the cohort meeting the expected standard, with 100% of the Year 2 children being rechecked attaining the standard. Again, this is just below the national figure. The Year 1 data shows a continuing improvement trend, moving from 73% in 2015, to 77% in 2016 and then up again in 2017.

Springfield Academy performed strongly in the KS1 national tests at the end of Year 2. In Reading 79% reached age-related expectations against a national figure of 76%, in Writing 69% reached the expected level against 68% nationally, and in maths 72% of pupils reached the expected standard against a national standard of 75%. The combined figure for children reaching the expected standard in reading, writing and maths was 66%, up slightly from last year. Similarly, standards in Reading rose by 8 percentage points year on year and in writing the school saw a slight increase of 4 percentage points. In maths, there was a drop of 9 percentage points.

The gap between disadvantaged children and 'other' continued to close at KS1, as it did at KS2.

The percentage of children working at the expected standard in reading at KS2 was 67% against national at 71%, in writing 70% of the Springfield Year 6 children reached age related expectations against a national figure of 76%, whilst in maths 43% reached the expected standard against 75% nationally. In SPaG, 63% of the children reached the expected standard against a national figure of 77%. Progress in KS2 was below national expectations with maths at -3.62, reading at -1.67 and writing just below national expectations at -0.14.

THE EDUCATION VILLAGE ACADEMY TRUST

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Trustee's Report *(continued)*

Year Ended 31st August 2017

Beaumont Hill Academy (a Special Needs Academy for pupils aged 2 to 19)

This has been a difficult year for Beaumont Hill Academy, which was rated as Inadequate overall by Ofsted in January 2017. Outcomes were rated as Requiring Improvement. 2017 KS4 outcomes for Beaumont Hill Academy Students were very good. In a cohort of 30 students, 100% attained at least one qualification and 40% attained 5 A*-G or equivalent; a 28% increase on the previous year. 33% attained 5 A*-G or equivalent including English and maths; a 21% increase on the previous year. In 2016-17 the Year 11 cohort of 30 students included 10 with significant and severe SEN. These students were entered for courses specific to their personalised pathways and the majority have achieved certifications in a number of accredited courses including ASDAN Transition Challenge. At KS1 and KS2 all pupils were working below the expected standard.

Haughton Academy (a Mainstream Secondary Academy)

Pupils' attainment on entry to the Academy (based on KS2 SATs outcomes) is low but the progress they make during their time there is good. The new Progress 8 measure showed an improvement between 2016 and 2017; the P8 score for 2017 is below national average but above similar Secondary schools (fourth out of eight) in the Town. Outcomes in 2017 were volatile nationally following the introduction of new GCSE exams. The Attainment 8 figure for 2017 is 40. This was in line with expectations given a weaker cohort on entry than the previous year, and the figure is projected to improve in 2018.

The percentage of pupils who are in the Disadvantaged group continues to increase in Haughton Academy. The percentage of Disadvantaged pupils is very high, it increased further in 2017 and is significantly above the national average. Without doubt, the context of the pupils at Haughton Academy is complex. The Academy has numerous strategies in place to support and overcome barriers to learning. A detailed annual Disadvantaged Action Plan is in place and P8 for this group has reduced from -0.82 in 2016, to -0.63 in 2017.

The Academy was judged by Ofsted to 'Require Improvement' overall in May 2016, but the Effectiveness of Leadership and Management was judged to be 'Good'.

EdIT Learning Ltd (a subsidiary Company of the Trust)

EdIT Learning provides the Trust's Academies with IT support and delivers training for professionals who work with pupils with Autism. The Company has undertaken significant work this year to update the Trust's IT infrastructure and Academies have benefited from the buying power of the Company and their expertise in installation. The Company has also installed software to monitor online activity on Trust equipment, so that safeguarding concerns can be raised at the earliest opportunity, and implemented a system for parents and carers to pay for school meals and trips online. EdIT Learning has also developed apps for some of the Trust's academies to facilitate home-school communication more widely. The Company has delivered limited training this year, partly due to availability of staff to deliver, but also the cost to attendees (whilst reasonable) can act as a deterrent where schools are experiencing financial constraints.

THE EDUCATION VILLAGE ACADEMY TRUST

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Trustee's Report *(continued)*

Year Ended 31st August 2017

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, 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.

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2017 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/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £14,581k was in excess of recurrent grant funding from the DfE/ESFA 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 £42,000k.

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

At 31 August 2017 the net book value of fixed assets was £23,500k and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust's Academies.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a deficit of £4,377k recognised on the balance sheet.

The Academy Trust held fund balances at 31 August 2017 of £21,870k comprising £23,499k of restricted fixed asset funds, £(3,816k) of restricted funds and £2,187k of unrestricted funds.

THE EDUCATION VILLAGE ACADEMY TRUST

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Trustee's Report *(continued)*

Year Ended 31st August 2017

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). 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. Other uses of reserves as agreed by the Directors include planned school improvement actions and interventions, planned ICT investment, and covering changes to the school funding formula. 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 £2,187k (see note 18).

Investment Policy

The Trust has a Treasury Management Policy within the finance 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 performance in its Academies combined with funding. Numbers are improving in its largest Academy, though the upper year groups are still not full. This Academy was judged to 'Require Improvement' following an Ofsted inspection in May 2016 and will be inspected again in the new Academic Year (2017-18). Whilst data shows that pupils are making year-on-year improvements in terms of progress at the Academy, GCSE results for 2017 showed a dip in attainment in comparison to last year, though this is a picture reflected nationally following the introduction of new GCSEs in 2017.

One of the Trust's Primary Academies was inspected in February 2016 and the outcome was 'Requires Improvement'. In April 2017 Ofsted undertook a short monitoring visit and concluded the Academy's leadership is taking effective action to implement improvements. This Academy is also likely to be inspected again in the new Academic Year (2017-18).

THE EDUCATION VILLAGE ACADEMY TRUST

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Trustee's Report *(continued)*

Year Ended 31st August 2017

The Trust's two special needs academies are under pressure to take more pupils. One had increased its capacity in 2016 and immediately filled those places; the other considered applying to increase capacity to meet waiting demand but has put this on hold following an Ofsted inspection in January 2017 which judged the Academy to require 'Special Measures'.

The Trustees and the Executive are confident that the measures and changes which have been put in place will result in improved outcomes and judgements by Ofsted going forward for these Academies. The Trust's other two Academies (one of which was inspected in November 2016) are currently rated 'Good' by Ofsted.

Whilst this year has been turbulent for the Trust's Academies, its leaders have remained determined to deliver the best standards of education possible. The Ofsted judgements have seen leaders change priorities and act swiftly and decisively to ensure stability for pupils and staff. Leaders have kept stakeholders informed and provided robust assurance that necessary action is being taken; consequently none of the Academies have seen a dip in applications for admittance.

Funding remains difficult whilst the DfE is making final decisions about the National Funding Formula for schools and pension liabilities remain high. 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. These uncertainties are 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. The risks are recorded in a Risk Register, which is regularly updated by the Executive Leadership Team.

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

In 2017-18, four of the Trust's five academies are due to be inspected by Ofsted. The disappointing previous outcomes for three of these mean that the sharp focus and priority for Trustees and Academy Leaders is to ensure those Academies receive improved judgements. Whilst previous judgements do not appear to have impacted on applications for pupils to be admitted to the Academies, and in fact Haughton has seen a significantly increased intake in 2017-18, the judgments have limited the potential for the Trust to expand and take in further academies.

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Trustee's Report *(continued)*

Year Ended 31st August 2017.

Pressure for the Trust to admit more children with Special Educational Needs into Beaumont Hill Academy continues and shows no sign of abating; the Academy is at capacity. The Trust submitted an application to open a second Free School for secondary students with SEMH but learned it had been unsuccessful in late 2016. Beaumont Hill Academy leaders are intently focussed on bringing about the improvement necessary following its Ofsted inspection, and Directors may review the potential to resubmit a Free School application in due course, depending on Government priorities.

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.

Statement as to Disclosure of Information to Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on15.12.17..... and signed on the board's behalf by:



J O'Neill
Chair

THE EDUCATION VILLAGE ACADEMY TRUST

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Governance Statement

Year Ended 31st August 2017

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 to 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 2017. Attendance during the year at meetings of the directors was as follows:

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

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 2017 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:

Trustee/Governor	Meetings attended	Out of a possible
M Butler	4	4
D Jones	2	3
J Joyce	4	4
N Little	4	4
P North	2	4
H Scott OBE (Chair)	4	4

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

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:

Trustee/Governor	Meetings attended	Out of a possible
H Radcliffe (Chair)	2	2
R Sanghera	2	2
A Scott	1	1
J Sturrock	1	1
D Wood	2	2

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:

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 recommends approval of the annual budget for all of the Academies in the Trust and approves any 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

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

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 £5,000, 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. A significant purchase this year has been equipment to renew the Trust's IT Infrastructure. Contracts awarded this year, following competitive tendering exercises, include Educational Psychology services to the Trust's academies, renovation and repurposing of an outbuilding for education purposes and a new Broadband supplier to the Trust.

The Trust looks to access alternative funding streams and additional support where it is available, for example this year two of its academies applied for grants via the Capital Improvement Fund but were unsuccessful.

The Academies in the Trust also continue to benefit 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 2017 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 meant 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 2017-18. The Committee has met 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Support and Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

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 supplementary procedures 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 supplementary procedures carried out include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, checks carried out in the period included:

- Testing of payroll systems and controls;
- Testing of HR procedures, including a full review of recruitment and safeguarding records held by HR;
- 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 year 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 EDUCATION VILLAGE ACADEMY TRUST

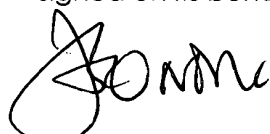
Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

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 action plans to address areas recommended for further development and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on ...15.12.17..... and signed on its behalf by:



J O'Neill
Chair



M Butler
Accounting Officer

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

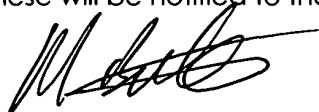
Statement of Regularity, Propriety and Compliance

Year Ended 31st August 2017

As accounting officer of The Education Village Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



M Butler
Accounting Officer

15.12.2017

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Statement of Trustees' Responsibilities

Year Ended 31st August 2017

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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 the group 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 Academies Accounts Direction 2016 to 2017;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The 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 ...15.12.17... and signed on its behalf by:



J O'Neill
Chair

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of The Education Village Academy Trust

Year Ended 31st August 2017

Opinion

We have audited the financial statements of The Education Village Academy Trust (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Consolidated Statement of Financial Activity, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academy Accounts Direction 2016 to 2017.

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2017 and of the group's loss 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.

Basis for opinion

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

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of The Education Village Academy Trust *(continued)*

Year Ended 31st August 2017

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of The Education Village Academy Trust *(continued)*

Year Ended 31st August 2017

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 20, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of The Education Village Academy Trust *(continued)*

Year Ended 31st August 2017

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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

19th December 2017

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 and Skills Funding Agency

Year Ended 31st August 2017

In accordance with the terms of our engagement letter dated 8 August 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Education Village Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Education Village Academy Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Education Village Academy Trust and ESFA, 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 requirements of The Education Village Academy Trust funding agreement with the Secretary of State for Education dated 1st August 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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 and Skills Funding Agency (continued)

Year Ended 31st August 2017

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 2016 to 31 August 2017 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

19th December 2017

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

**Consolidated Group Statement of Financial Activities (Incorporating The
Income And Expenditure Account)**

Year Ended 31st August 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2017	Total Funds 2016
	Note	£000	£000	£000	£000	£000
Incoming resources						
Donations & capital grants	3	61	-	47	108	133
Charitable activities: Funding for the Academy Trust's educational operations	4	114	13,414	-	13,528	13,207
Other trading activities	5	220	-	-	220	265
Investments	6	5	-	-	5	9
Total incoming resources		<u>400</u>	<u>13,414</u>	<u>47</u>	<u>13,861</u>	<u>13,614</u>
Expenditure on:						
Raising funds	7	(17)	-	-	(17)	(1)
Charitable activities: Academy Trust educational operations		(162)	(13,679)	(723)	(14,564)	(14,316)
Total expenditure		<u>(179)</u>	<u>(13,679)</u>	<u>(723)</u>	<u>(14,581)</u>	<u>(14,317)</u>
Net income/(expenditure)		221	(265)	(676)	(720)	(703)
Transfers between funds		-	(124)	124	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	2,037	-	2,037	(3,163)
Net movement in Funds		<u>221</u>	<u>1,648</u>	<u>(552)</u>	<u>1,317</u>	<u>(3,866)</u>
Reconciliation of funds						
Total funds brought forward		<u>1,966</u>	<u>(5,464)</u>	<u>24,051</u>	<u>20,553</u>	<u>24,419</u>
Total funds carried forward	18	<u>2,187</u>	<u>(3,816)</u>	<u>23,499</u>	<u>21,870</u>	<u>20,553</u>

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee
Company Registration Number: 07748248

Consolidated Balance Sheet
As At 31st August 2017

		2017		2016	
	Note	£000	£000	£000	£000
Fixed Assets					
Tangible fixed assets	13		23,500		24,057
CURRENT ASSETS					
Debtors	16	534		529	
Cash at bank and in hand		3,096		2,862	
		<u>3,630</u>		<u>3,391</u>	
Creditors: amounts falling due within one year	17	<u>(883)</u>		<u>(1,049)</u>	
Net Current Assets/(Liabilities)			<u>2,747</u>		<u>2,342</u>
Total Assets Less Current Liabilities			<u>26,247</u>		<u>26,399</u>
 Defined benefit pension scheme liability	26		<u>(4,377)</u>		<u>(5,846)</u>
Total Net Assets			<u>21,870</u>		<u>20,553</u>
Funds of the Academy Trust					
Restricted Funds					
Fixed asset fund	18	23,499		24,051	
Restricted income fund	18	561		382	
Pension reserve	18	<u>(4,377)</u>		<u>(5,846)</u>	
Total Restricted Funds			<u>19,683</u>		<u>18,587</u>
Unrestricted income funds	18		<u>2,187</u>		<u>1,966</u>
Total Funds			<u>21,870</u>		<u>20,553</u>

These financial statements on pages 27 to 30 were approved by the Trustees and authorised for issue on the15.12.17..... 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 31st August 2017

		2017		2016	
	Note	£000	£000	£000	£000
Fixed Assets					
Tangible fixed assets	14		23,499		24,051
Current Assets					
Debtors	16	503		503	
Cash at bank		3,094		2,838	
		<u>3,597</u>		<u>3,341</u>	
Creditors: amounts falling due within one year	17				
		<u>(850)</u>		<u>(1,007)</u>	
Net Current Assets/(Liabilities)			<u>2,747</u>		<u>2,334</u>
Total Assets Less Current Liabilities			<u>26,246</u>		<u>26,385</u>
 Defined benefit pension scheme liability	26		<u>(4,377)</u>		<u>(5,846)</u>
Total Net Assets			<u><u>21,869</u></u>		<u><u>20,539</u></u>
 Funds of the Academy Trust					
Restricted Funds					
Fixed asset fund	18	23,499		24,051	
Restricted income fund	18	561		382	
Pension reserve	18	<u>(4,377)</u>		<u>(5,846)</u>	
Total Restricted Funds			<u>19,683</u>		<u>18,587</u>
Unrestricted income funds	18		<u>2,186</u>		<u>1,952</u>
Total Funds			<u><u>21,869</u></u>		<u><u>20,539</u></u>

These financial statements on pages 27 to 30 were approved by the Trustees and authorised for issue on the 15.12.17 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 31st August 2017

		2017	2016
	Note	£000	£000
Cash Flows From Operating Activities			
Net cash provided by / (used in) operating activities	21	354	83
Cash Flows From Investing Activities	23	(125)	(164)
Cash Flows From Financing Activities	22	5	9
Change In Cash And Cash Equivalents In The Reporting Period		<u>234</u>	<u>(72)</u>
Cash And Cash Equivalents At 1 September 2016	24	<u>2,862</u>	<u>2,934</u>
Cash And Cash Equivalents At 31 August 2017	24	<u>3,096</u>	<u>2,862</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies

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

Basis of preparation

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

The Education Village Academy Trust meets the definition of a public benefit entity under FRS 102.

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.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual income statement.

Income

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

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

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

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.

Trading income

Trading income represents the value of services provided during the year, net of discounts and Value Added Tax. For services provided, turnover is recognised to the extent that and when there is a right to consideration.

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 *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

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.

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.

All resources expended are inclusive of irrecoverable VAT.

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.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

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.

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 Trust's shareholding in the wholly owned subsidiary, EdIT Learning Limited, 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.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 *(continued)*

Year Ended 31st August 2017

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.

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 and Skills Funding Agency and Department for Education.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

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 pension's liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 £729,000 (2016 - £847,000).

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 2017 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 2017.

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st August 2017

3. Donations and Capital Grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000	£000
Capital grants	-	-	47	47	46
Other donations	61	-	-	61	87
	<u>61</u>	<u>-</u>	<u>47</u>	<u>108</u>	<u>133</u>
Total 2016	<u>87</u>	<u>-</u>	<u>46</u>	<u>133</u>	

4. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000
DfE/EFA grants				
General Annual Grant (GAG)	-	8,615	8,615	8,752
Other DfE/ESFA grants	-	931	931	889
	<u>-</u>	<u>9,546</u>	<u>9,546</u>	<u>9,641</u>
Other Government grants				
Local authority grants	-	3,276	3,276	390
	<u>-</u>	<u>3,276</u>	<u>3,276</u>	<u>390</u>
Other income from the Academy Trust's educational operations	114	592	706	3,176
	<u>114</u>	<u>13,414</u>	<u>13,528</u>	<u>13,207</u>
Total 2016	<u>147</u>	<u>13,060</u>	<u>13,207</u>	

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

5. Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000
Subsidiary income	7	-	7	12
Fundraising income	13	-	13	8
Training	15	-	15	2
Lettings & Hire	1	-	1	-
Other income	175	-	175	234
Extended School & Extra Curricular	9	-	9	9
	<u>220</u>	<u>-</u>	<u>220</u>	<u>265</u>
Total 2016	<u>265</u>	<u>-</u>	<u>265</u>	

6. Investment Income

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000
Short term deposits	<u>5</u>	<u>-</u>	<u>5</u>	<u>9</u>
	<u>5</u>	<u>-</u>	<u>5</u>	<u>9</u>
Total 2016	<u>9</u>	<u>-</u>	<u>9</u>	

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st August 2017

7. Expenditure

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other	2017	2016
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	17	17	1
Academy's educational operations:					
- Direct costs	6,956	-	582	7,538	7,697
- Allocated support costs	3,849	1,001	2,176	7,026	6,619
	<u>10,805</u>	<u>1,001</u>	<u>2,775</u>	<u>14,581</u>	<u>14,317</u>
Total 2016	<u>10,448</u>	<u>1,032</u>	<u>2,837</u>	<u>14,317</u>	

Net income/(expenditure) for the period includes:

	2017	2016
	£000	£000
Operating lease rentals	21	8
Depreciation	729	847
Fees payable to auditor for:		
- audit	6	6
- other services	<u>6</u>	<u>4</u>

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st August 2017

8. Charitable Activities

	Total 2017	Total 2016
	£000	£000
Direct costs – educational operations	7,538	7,697
Support costs – educational operations	7,026	6,619
	<u>14,564</u>	<u>14,316</u>

Analysis of support costs

	Total 2017	Total 2016
	£000	£000
Support staff costs	3,849	3,356
Depreciation	726	847
Technology costs	279	286
Premises costs	1,001	1,032
Other support costs	973	957
Governance costs	198	141
	<u>7,026</u>	<u>6,619</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

9. Staff Costs

a. Staff costs

Staff costs during the period were:

	Total 2017	Total 2016
	£000	£000
Wages and salaries	7,874	7,752
Social security costs	738	635
Operating costs of defined benefit pension schemes	1,547	1,172
Apprenticeship levy	10	–
	<u>10,169</u>	<u>9,559</u>
Supply staff costs	576	764
Staff restructuring costs	60	125
	<u>10,805</u>	<u>10,448</u>
Staff restructuring costs comprise:		
Redundancy payments	–	94
Severance payments	60	31
	<u>60</u>	<u>125</u>

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60k (2016: £92k). Individually, the payments were: £35,000, £6,483, £1,388 and £16,790.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

9. Staff Costs *(continued)*

c. Staff numbers

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

	Total 2017	Total 2016
	No.	No.
Teachers	123	115
Administration and support	186	187
Management	7	7
	<u>316</u>	<u>309</u>

d. Higher paid staff

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

	Total 2017	Total 2016
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	2	2
£90,001 - £100,000	-	2
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

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 £619,696 (2016: £706,411).

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

10. 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:

	2017	2016
	£000	£000
Gurney Pease Academy	52	57
Springfield Academy	71	75
Beaumont Hill Academy	309	327
Haughton Academy	211	230
Marchbank Academy	53	36
	<u>696</u>	<u>725</u>

11. 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 (2016: £110,000 - £115,000)

Employers Pension Contributions Paid £15,000 - £20,000 (2016: £15,000 - £20,000)

During the period ended 31 August 2017, travel and subsistence expenses totalling £787 were reimbursed or paid directly to 2 Trustees (2016: £440 to 6 Trustees).

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 *(continued)*

Year Ended 31st August 2017

12. 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 2017 was £1,937 (2016: £1,881). The cost of this insurance is included in the total insurance cost.

13. Tangible Fixed Assets Group

	Leasehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Computer Equipment	Leasehold Improvem- ents	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 Sep 2016	24,550	297	67	1,161	1,155	27,230
Additions	21	21	–	130	–	172
At 31 Aug 2017	<u>24,571</u>	<u>318</u>	<u>67</u>	<u>1,291</u>	<u>1,155</u>	<u>27,402</u>
Depreciation						
At 1 Sep 2016	2,048	83	19	977	46	3,173
Charged in the year	491	43	16	156	23	729
At 31 Aug 2017	<u>2,539</u>	<u>126</u>	<u>35</u>	<u>1,133</u>	<u>69</u>	<u>3,902</u>
Net Book Values						
At 31 Aug 2017	<u>22,032</u>	<u>192</u>	<u>32</u>	<u>158</u>	<u>1,086</u>	<u>23,500</u>
At 31 Aug 2016	<u>22,502</u>	<u>214</u>	<u>48</u>	<u>184</u>	<u>1,109</u>	<u>24,057</u>

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st August 2017

14. Tangible Fixed Assets Academy Trust

	Leasehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Computer Equipment	Leasehold Improvements	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 Sep 2016	24,550	286	67	1,022	1,155	27,080
Additions	21	20	–	130	–	171
At 31 Aug 2017	<u>24,571</u>	<u>306</u>	<u>67</u>	<u>1,152</u>	<u>1,155</u>	<u>27,251</u>
Depreciation						
At 1 Sep 2016	2,048	76	19	840	46	3,029
Charged in the year	491	43	16	150	23	723
At 31 Aug 2017	<u>2,539</u>	<u>119</u>	<u>35</u>	<u>990</u>	<u>69</u>	<u>3,752</u>
Net Book Values						
At 31 Aug 2017	<u>22,032</u>	<u>187</u>	<u>32</u>	<u>162</u>	<u>1,086</u>	<u>23,499</u>
At 31 Aug 2016	<u>22,502</u>	<u>210</u>	<u>48</u>	<u>182</u>	<u>1,109</u>	<u>24,051</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

15. Fixed Asset Investments

The following was a subsidiary undertaking of the Academy Trust:

Subsidiary	Company No	Country of Origin	Holding %
EdIT Learning Limited	08351228	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:

	2017	2016
	£000	£000
Aggregate amount of share capital and reserves	<u>3</u>	<u>14</u>
	<u>3</u>	<u>14</u>

	2017	2016
	£000	£000
Turnover	373	261
Expenditure	<u>(384)</u>	<u>(262)</u>
Profit / Loss	<u>(11)</u>	<u>(1)</u>

The Company provides IT services to EVAT's Academies, including technical support and purchase of hardware and software.

16. Debtors

	Group 2017	2016	Academy Trust 2017	2016
	£000	£000	£000	£000
Trade debtors	62	74	62	74
VAT recoverable	134	101	128	95
Prepayments and accrued income	338	354	310	326
Amounts due from group undertakings	<u>-</u>	<u>-</u>	<u>3</u>	<u>8</u>
	<u>534</u>	<u>529</u>	<u>503</u>	<u>503</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

17. Creditors: Amounts Falling Due Within One Year

	Group 2017	2016	Academy Trust 2017	2016
	£000	£000	£000	£000
Trade creditors	271	209	246	176
Other taxation and social security	337	330	332	325
Accruals and deferred income	275	510	272	506
	<u>883</u>	<u>1,049</u>	<u>850</u>	<u>1,007</u>

Deferred Income

	Group 2017	2016	Academy Trust 2017	2016
	£000	£000	£000	£000
At 1 Sep 2016	127	150	127	150
Released from previous years	(127)	(150)	(127)	(150)
Resources deferred in the year	48	127	48	127
At 31 Aug 2017	<u>48</u>	<u>127</u>	<u>48</u>	<u>127</u>

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
Company Limited By Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st August 2017

18. Funds

	At 1 Sep 2016	Income	Expenses	Gains, losses and transfers	At 31 Aug 2017
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	382	8,690	(8,387)	(124)	561
Pupil Premium	–	931	(931)	–	–
Pension reserve	(5,846)	–	(568)	2,037	(4,377)
Other grants	–	3,793	(3,793)	–	–
	<u>(5,464)</u>	<u>13,414</u>	<u>(13,679)</u>	<u>1,913</u>	<u>(3,816)</u>
Restricted fixed asset funds					
Transfer on conversion	19,939	–	(598)	–	19,341
DfE/ESFA capital grants	1,251	47	(39)	–	1,259
Capital expenditure from GAG	862	–	(26)	–	836
Other capital funds	1,999	–	(60)	124	2,063
	<u>24,051</u>	<u>47</u>	<u>(723)</u>	<u>124</u>	<u>23,499</u>
Total restricted funds	<u>18,587</u>	<u>13,461</u>	<u>(14,402)</u>	<u>2,037</u>	<u>19,683</u>
Total unrestricted funds	<u>1,966</u>	<u>400</u>	<u>(179)</u>	<u>–</u>	<u>2,187</u>
Total funds	<u>20,553</u>	<u>13,861</u>	<u>(14,581)</u>	<u>2,037</u>	<u>21,870</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

18. 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 2017.

Other DfE/ESFA 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.

Funds by Academy

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

	2017	2016
	£000	£000
Central Services	–	–
Beaumont Hill Academy	817	723
Gurney Pease Academy	293	256
Haughton Academy	747	665
Marchbank Academy	689	510
Springfield Academy	201	180
EdiT Learning Limited	1	14
Total before fixed assets and pension reserve	2,748	2,348
Restricted fixed asset fund	23,499	24,051
Pension reserve	(4,377)	(5,846)
Total	21,870	20,553

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

18. 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)	2017
	£000	£000	£000	£000	£000
Gurney Pease	481	352	38	237	1,108
Springfield	647	353	32	225	1,257
Beaumont Hill	2,866	1,565	140	991	5,562
Haughton	2,519	1,375	123	871	4,888
Marchbank	443	317	26	240	1,026
EdIT Learning	–	–	–	17	17
	<u>6,956</u>	<u>3,962</u>	<u>359</u>	<u>2,581</u>	<u>13,858</u>

	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 Learning	–	–	–	1	1
	<u>8,842</u>	<u>1,368</u>	<u>89</u>	<u>3,172</u>	<u>13,471</u>

THE EDUCATION VILLAGE ACADEMY TRUST

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Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

19. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	1	–	23,499	23,500
Current assets	2,186	1,444	–	3,630
Current liabilities	–	(883)	–	(883)
Pension scheme liability	–	(4,377)	–	(4,377)
Total net assets	<u>2,187</u>	<u>(3,816)</u>	<u>23,499</u>	<u>21,870</u>

20. Operating Lease Commitments

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

	2017	2016
	£000	£000
Amounts due within one year	20	20
Amounts due between one and five years	57	75
	<u>77</u>	<u>95</u>

THE EDUCATION VILLAGE ACADEMY TRUST
Company Limited By Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st August 2017

21. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	2017	2016
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(720)	(703)
Adjusted for:		
Depreciation (note 13)	729	847
Profit/(loss) on disposal of assets	–	2
Capital grants from DfE and other capital income	(47)	(46)
Interest receivable (note 6)	(5)	(9)
Defined benefit pension scheme cost less contributions payable (note 26)	455	108
Defined benefit pension scheme finance cost (note 26)	113	89
(Increase)/decrease in stocks	–	4
(Increase)/decrease in debtors	(5)	21
Increase/(decrease) in creditors	(166)	(230)
Net cash provided by/(used in) Operating Activities	<u>354</u>	<u>83</u>

22. Cash Flows from Financing Activities

	2017	2016
	£000	£000
Investment income	5	9
Net cash provided by/(used in) financing activities	<u>5</u>	<u>9</u>

23. Cash Flows from Investing Activities

	2017	2016
	£000	£000
Purchase of tangible fixed assets	(172)	(210)
Capital grants from DfE/ESFA	47	46
Net cash provided by/(used in) investing activities	<u>(125)</u>	<u>(164)</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

24. Analysis of Cash and Cash Equivalents

	2017	2016
	£000	£000
Cash in hand and at bank	<u>3,096</u>	<u>2,862</u>
Total cash and cash equivalents	<u>3,096</u>	<u>2,862</u>

25. Members Liabilities

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

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 2016.

Contributions amounting to £148,495 (2016: £134,201) were payable to the schemes at 31 August 2017 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. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In additions, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers in Academies and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

26. Pension and Similar Obligations (*continued*)

The teachers' pension budgeting and valuation account

Although Members may be employed by various bodies, their retirement and other pension benefits are set out in regulations under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Accounts is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for services to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

26. Pension and Similar Obligations (*continued*)

Scheme Changes

Lord Hutton, who chaired the Independent Public Services Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those with 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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 2017 was £476,568 (2016: £427,939), of which employer's contributions totalled £330,423 (2016: £290,230) and employees' contributions totalled £146,145 (2016: £137,709). The agreed contribution rates for future years are 15.4 per cent for employers and between 5.5 - 12.5 per cent for employees.

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

26. Pension and Similar Obligations *(continued)*

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 2017	At 31 August 2016
Rate of increase in salaries	3.50%	3.40%
Rate of increase for pensions in payment/inflation	2.00%	1.90%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	1.90%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.20	22.70
Females	24.90	25.20
<i>Retiring in 20 years</i>		
Males	25.40	24.90
Females	27.20	27.50

Sensitivity analysis

	At 31 August 2017	At 31 August 2016
Discount rate +0.1%	10,763	11,129
Discount rate -0.1%	11,326	11,716
Mortality assumption – 1 year increase	10,709	11,058
Mortality assumption – 1 year decrease	11,375	11,784
CPI rate +0.1%	11,213	11,579
CPI rate -0.1%	10,872	11,261

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

26. Pension and Similar Obligations *(continued)*

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	3,272	2,435
Property	480	446
Government Bonds	2,053	1,806
Corporate Bonds	573	474
Cash	286	412
Total market value of assets	<u>6,664</u>	<u>5,573</u>

The actual return on scheme assets was £735,000 (2016: £794,000).

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	824	428
Net interest cost	113	89
Total operating charge	<u>937</u>	<u>517</u>

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

	2017 £000	2016 £000
At 1 September	11,419	6,975
Current service cost	824	428
Interest cost	228	265
Employee contributions	147	134
Actuarial (gain)/loss	(1,417)	3,781
Benefits paid	(160)	(164)
At 31 August	<u>11,041</u>	<u>11,419</u>

THE EDUCATION VILLAGE ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

26. Pension and Similar Obligations *(continued)*

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

	2017 £000	2016 £000
At 1 September	5,573	4,489
Interest income	115	176
Actuarial gain/(loss)	620	618
Employer contributions	369	320
Employee contributions	147	134
Benefits paid	(160)	(164)
At 31 August	<u>6,664</u>	<u>5,573</u>

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.

Shirley Welsh a director of the Trust is also Head of Whinfield Primary. She provides some teaching at the Trust and this is paid to Whinfield Primary at a cost proportionate to her salary. This amounted to £24,750 for the year.

Other than certain Trustees' remuneration and expenses already disclosed in note 9 no other related party transactions have taken place during the year.