

**COMPANY REGISTRATION NUMBER 07748248**

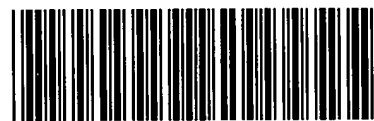
**THE EDUCATION VILLAGE ACADEMY TRUST**

**COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**31st AUGUST 2015**

**TUESDAY**



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

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **MEMBERS**

T Fisher  
J O'Neill  
H Radcliffe#  
S Richardson\* (Resigned 31 December 2014)

### **DIRECTORS (TRUSTEES)**

H Barton  
M Butler\* (Appointed 23 February 2015)  
R Gartland\*  
A Gerner (Resigned 31 October 2014)  
L Job  
J O'Neill (Chair)  
H Radcliffe#  
S Richardson\* (Resigned 31 December 2014)  
H Scott OBE\*  
S Welsh

### Key:

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

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

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

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### **GOVERNORS**

The Trust has five academies and three local governing bodies. Membership is as follows:

#### **Education Village Academies Local Governing Body**

K Antoncich	R Irwin (Joined 12 February 2015)
D Barley	L Job
A Bramfitt (Resigned 1 June 2015)	J Joyce
M Charge (Joined 20 November 2014)	C Lee
C Cockfield	P North
C Devine	N Robson
V Gorton	A Scott
C Green	H Scott
K Hall	J Sturrock
A Henderson	E Weston (Resigned 18 June 2015)
R Ireland (Resigned 31 August 2015)	D Wood
J Stephenson (Joined 20 November 2014)	

#### **Gurney Pease Local Governing Body**

A Dallin  
T Forster  
S Heritage  
B McKnight  
A Mackenzie (Resigned 31 August 2015)  
A Moore  
D Ross  
A Sinclair (Joined 1 September 2014)  
J Taylor  
D Usher

#### **Marchbank Free School Local Governing Body**

Dr A Boyce  
M Clough (Joined 24 September 2014)  
M Jolley (Resigned 21 January 2015)  
N Little (Joined 6 May 2015)  
T Needham  
J Penman  
T Scott  
M Southwick  
J Wilson (Joined 23 April 2015)

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

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

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### **SENIOR MANAGEMENT TEAM**

Chief Executive	S Richardson to 31 December 2014 M Butler from 23 February 2015
Deputy Chief Executive	R Gartland
Principal Beaumont Hill Special Academy	C Devine
Principal Gurney Pease Primary Academy	A Sinclair
Principal Haughton Secondary Academy	R Ireland
Principal Marchbank Free School	M Southwick
Principal Springfield Primary Academy	A Henderson
Director of Finance	K Stevenson

### **COMPANY NAME AND PRINCIPAL AND REGISTERED OFFICE**

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

### **COMPANY REGISTRATION NUMBER**

07748248 (England and Wales)

### **INDEPENDENT AUDITOR**

Tait Walker LLP, Bulman House, Regent Centre, Newcastle Upon Tyne, NE3 3LS

### **BANKERS**

Lloyds Bank plc, 21 – 23 Northgate, Darlington, Durham, DL1 1TL

### **SOLICITORS**

Ward Hadaway Solicitors, 1A Tower Square, Wellington Street, Leeds, LS1 4DL

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

## **TRUSTEES' REPORT**

**YEAR ENDED 31st AUGUST 2015**

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### **TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditor's reports of the Charitable Company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates five Academies for pupils aged 2 – 19 serving different catchment areas across Darlington. The pupil capacity for each Academy varies from 36 to 900 with a combined pupil capacity of 1,639 and had a roll of 1,450 in the school census of October 2015.

### **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.

Last year the Trust's Articles of Association were amended to allow a smaller Board of Directors and changes took effect from 1 July 2014. This year the Trust has reviewed its next tier of Governance: its Committees and Local Governing Bodies. The Board agreed changes which took effect from 1 September 2015.

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

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details on pages 1 - 3.

#### **Members' liability**

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

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

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

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

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

**YEAR ENDED 31st AUGUST 2015**

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

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

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

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

### **Organisational Structure**

The structure consists of: the Members, the Trustees, three Local Governing Bodies, 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 Local Governing Bodies are responsible for monitoring the performance of the individual academies, including reviewing academic performance and pupil behaviour.

The Executive Leadership Team consists of the Chief Executive, Deputy Chief Executive and the Principals of each Academy, who lead and manage the Academy Trust at an executive level, implementing the policies of the Trustees and reporting back to them.

Members of the Executive Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of all staff except those in the Executive Team, which require a committee of the Board of Directors. Some spending control is devolved to members of the Senior Leadership Team of each Academy, with limits above which a member of the Executive must countersign.

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

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

### **YEAR ENDED 31st AUGUST 2015**

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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.

#### **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.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The principal object and activity of the charitable company is the operation of Houghton Academy, Beaumont Hill Academy, Springfield Academy, Gurney Pease Academy and Marchbank Free School to provide education for students of different abilities between the ages of 2 and 19.

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

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

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

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

##### **Core Values**

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

1. recognise the worth of each individual by valuing the personal qualities they demonstrate in their learning, living and working;



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

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

### **YEAR ENDED 31st AUGUST 2015**

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

#### **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.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2015

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

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

#### **Public Benefit**

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

#### **STRATEGIC REPORT**

##### **Achievements and performance**

##### **Review of Activities**

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

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

##### Analysis of Progress in English 2014-15

English	Pupils making expected / (exceeded) progress – 2014 Result	Judgement 2013-14	Pupils making expected/ (exceeded) progress – 2015 Result	Judgement 2014-15	Target Met?
KS1	100% (100%)	Outstanding	83% (83%)	Outstanding	Yes
KS2	100% (60%)	Outstanding	79% (47%)	Outstanding	Yes
KS3	84% (65%)	Outstanding	76% (55%)	Outstanding	Yes
KS4	69% (28%)	Good	87% (57%)	Outstanding	Yes
KS5	100% (57%)	Outstanding	100% (86%)	Outstanding	Yes

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2015**

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### Progress in English - whole cohorts

FSM	Non FSM	Gap	LAC	Non LAC	Gap
85%	84%	+1%	100%	84%	+16%

Male	Female	Gap
87%	78%	+9%

### **Analysis of Progress in maths 2014-15**

Maths	Pupils making expected / (exceeded) progress – 2014 Result	Judgement 2013-14	Pupils making expected / (exceeded) progress – 2015 Result	Judgement 2014-15	Target Met?
KS1	100% (100%)	Outstanding	100% (84%)	Outstanding	Yes
KS2	100% (80%)	Outstanding	65% (53%)	Outstanding	Yes
KS3	81% (38%)	Outstanding	68% (21%)	Good	No
KS4	59% (13%)	RI	79% (31%)	Outstanding	Yes
KS5	100% (42%)	Outstanding	100% (71%)	Outstanding	Yes

### **Progress in Maths - whole cohorts**

FSM	Non FSM	Gap	LAC	Non LAC	Gap
94%	94%	0%	88%	94%	-6%

Male	Female	Gap
94%	94%	0%

### **KS4 outcomes (GCSE)**

14 students, the total number entered, achieved a GCSE at A\*-G in English or maths.

The SEN breakdown of the cohort (of 30) is as follows:

- 7 students - SEMH
- 10 students - MLD
- 7 students – ASD
- 3 students – SLCN
- 3 students – SLD

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2015




14 of the 30 students were given the opportunity to enter for level 1 accreditations, despite some having very low starting points at KS2.

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

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

### Haughton Academy (A Mainstream Secondary)

#### Headline Figures

		<u>2013</u>	<u>2014</u>	<u>2015</u>
5+ A*-C	% Achieved	85.2%	46.6%	54.2%
5+A*-C, including English and maths	% Achieved	63.0%	45.3%	45.8%
Attainment 8	Score		43.28	43.16
	Grade		4.33	4.32
Progress 8	VA Score		-0.41	-0.3
Ebacc	% Entered	34.7%	34.5%	18.1%
	% Achieved	8.5%	8.1%	5.6%
Basics	Number	110	84	85
	% Achieved	62.5%	56.8%	48%
Maths	3LOP	70%	56.9%	50.0%
	4LOP	32%	22.2%	21.5%
English	3LOP	77%	85.8%	74.4%
	4LOP	44%	48.2%	29.7%

(LOP=Levels of Progress)

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

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

### **YEAR ENDED 31st AUGUST 2015**

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The headline figures for Haughton have shown an improvement from 2014 to 2015 in the 5+A\*-C and Progress 8 score. The 5+A\*-C including English and maths, Attainment 8 score and grade have remained fairly static. The EBACC % entered dropped by nearly a half to 18.1%, but the % achieved, although lower, was 5.6% (a reduction of 2.5%). The percentage of pupils achieving the basics qualification has dropped further to 48%, as have 3LOP in English and maths and 4LOP in English. The LOP in maths remained static. We are aware in the academy that some results have dipped and have acted swiftly to put in strategies to secure more positive outcomes in 2016.

#### **Strategies in place to improve results for 2016:**

- New Principal and additional Deputy Headteacher.
- Middle leadership is increasingly strong with a good number of consistently strong and improving departments. They are used as coaches and to support other colleagues.
- Senior Leaders and Governors hold leaders to account. Governors are a key feature of the school and know the school very well. They are involved in evaluating the school and key changes, attend leadership meetings and initiate enquiries based upon the Key Performance Indicators that Governors receive.
- To continue to raise standards, while addressing weaknesses in MFL. Governors have approved temporary overstaffing of the department. External support is in place too.
- Increased staffing for English, Maths and Science has been implemented and Pupil Premium has been used to fund designated Teaching Assistants in English, maths and science.
- A behaviour for learning team is supporting early intervention to prevent the need for alternative education where outcomes have been poor.
- A new SEN team has been established to support the SENDCO. This has been made up of three designated Teaching Assistants.

Oftsed inspected the Academy in February 2014 and found it to Require Improvement.

#### **Springfield Academy and Gurney Pease Academy (Mainstream Primaries)**

##### **Springfield Academy**

- Attendance was in line with last year at 95.8% (2014 95.9%). Persistent Absentee rates were 2.8% (2014 2.7%).
- Pupil numbers remain high and each class has healthy numbers.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2015

#### KS1 Data 2015

L2B+ Writing	L2B+ Reading	L2B+ Maths	L3 Writing	L3 Reading	L3 Maths	FSM %	SEN %
70%	87%	87%	10%	20%	27%	47%	30%

- Average Points Score for reading, mathematics and all subjects is highest ever. APS for maths is above national and is line with national for reading.
- 100% of pupils make at least expected progress from EYFS to KS1 in writing and maths with 97% in reading.
- 70% of pupils made better than expected progress in reading and 73% in maths.
- Phonics Screening – 73% met required standard in Y1 (below national of 77%).

#### Gurney Pease Academy

- Children entering the Academy are generally below or well below the national average. This year we increased the percentage of children achieving a Good Level of Development, which is a key indicator of performance at the end of Reception. Although this remains below national average, the Academy demonstrated a rise of 10 percentage points.
- The data shows that the Academy has a high percentage of children who make expected or more than expected progress from the end of KS1 to the end of KS2.
- Attendance figures improved in 2014-2015, with an overall school attendance figure of 95.4% and Persistent Absentee figures fell from 8% to 5%.

#### KS1 Data 2015

L2B+ Writing	L2B+ Reading	L2B+ RWM	L2B+ Maths	L3 Writing	L3 Reading	L3 Maths	FSM %	SEN %
71.4%	61.9%	61.9%	85.7%	4.8%	14.3%	0%	48%	43%

- KS1 results in writing and maths have continued to improve this year. Results in reading recorded a dip from 72% to 62% - in a very small cohort, this represents two children. Overall progress in KS1 from EYFS was very good with a significantly higher percentage of pupils meeting the expected average at the end of KS1.
- Our Year 1 Phonics results were slightly below that of last year (59% as opposed to 62%). All of the children who achieved 'expected' at the end of Reception passed the phonics test in Year 1. Of the children who re-sat their phonics test in Year 2, two out of the eight children passed.

At KS1 there is a slight gap between the average point score of SEN and non-SEN – this gap was narrower than that of the national figures.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2015**

### KS2 Data 2015 – Springfield and Gurney Pease Academy

	L4+ Writing	L4+ Reading	L4+ Maths	L5 Writing	L5 Reading	L5 Maths	L4 RWM	2 levels progress English	2 levels progress Maths	FSM %	SEN %
Springfield	79%	75%	71%	14%	29%	21%	68%	R:86% 18% 3+ levels  W: 96% 35% 3+ levels	86% 18% 3+ levels	36%	32%
Gurney Pease	86%	77%	86%	23%	27%	23%	68%	R:91% 50% 3+ levels  W:100% 64% 3+ levels	100% 36% 3+ levels	52%	48%

#### KS2 Springfield

The KS2 results for 2015 have dipped on the previous two years. This is cohort specific as this cohort was below national averages in EYFS and KS1. Several children missed out on achieving L4 by 1 or 2 marks.

- The floor standard for RWM was met.
- Progress for writing was above floor standard (median figure).
- 1 pupil achieved L6 maths.

The priority for next year is to continue to raise standards of attainment at the end of each phase so more children are in line with national averages.

Ofsted inspected Springfield Academy in May 2011 and found the Academy's overall effectiveness to be 'Good'.

#### KS2 Gurney Pease

- All Pupil Premium pupils made expected (or better) progress in Maths and Writing. In Reading two pupil premium pupils only made one level of progress.
- At KS2, all children with SEN made expected progress, but again there was a slight gap between SEN and non-SEN in terms of average point score but this gap was narrower than the national figures. In terms of value added our figure for SEN was 100.6, whereas the national figure was 99.3.
- With the exception of two children in reading, all children made at least 2 levels of progress in reading, writing, maths and science.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2015

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- In terms of children making more than expected progress, in reading this figure was 50%, in writing it was 64% and in maths 36%. These figures are significantly higher than the national figures.

#### **2015-2016 Priorities for next year are:**

- To continue to maintain the percentage of children making expected and more than expected progress.
- Working to improve the percentage of children who achieve the expected standard in reading, writing and maths – particularly in reading.
- Maintain the improving trend in KS1, once again working towards the national average.
- Increase the number of children passing the Year 1 phonics screening test and also the number of children who successfully pass the phonics re-sit in Year 2.
- To continue to improve the number of children achieving a Good Level of Development in EYFS.

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

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

##### **Academic year 2014 – 15**

Attendance at the end of academic year 2014-15 was 93.6% and our target was 94%. Reduced Persistent Absence from 22% at the beginning of the year to 0. Planned numbers for 2014-15 were 18-24 but actual numbers at the end of the year were 35. The school currently has an application in to increase numbers to 42.

Numbers are small so data is presented in numbers of children as well as percentages.

##### **End of KS1. Cohort = 4 children**

Subject	1	2C	2B	2A	3
Reading	2	1	0	0	1
Writing	3	0	0	0	1
Maths	1	1	1	0	1

##### **KS2 SATs: Cohort = 10 children**

	Below level	Absent	N	L3	L4	L5
Maths	0	0	0	1	7	2
SPAG	3	0	0	4	3	0
Reading	3	0	0	2	5	0
Writing	4	0	0	4	1	0



# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

### YEAR ENDED 31st AUGUST 2015

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#### Y6 progress data: (from KS1)

	<b>ALL (10 pupils)</b>	<b>PP 8/10</b>	<b>Not PP 2/10</b>
2LP KS1- KS2 Reading	7	5	1
2LP KS1 – KS2 Writing	8	7	1
2LP KS1 – KS2 Maths	10	8	2

The vast majority of Marchbank children have experienced significant disruption to their learning prior to placement with many of them missing significant periods of education altogether.

Pupil Premium (59%) was high and no gap was identified.

Progress targets for academic year 15-16 are to implement a formalised programme of PSHE to include E-Safety, to establish a new system of assessing and monitoring children's progress across key areas of social and emotional development and to introduce a new integrated writing scheme across the school.

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

#### Key Performance Indicators

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

#### Going Concern

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

#### Financial Review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

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

### **YEAR ENDED 31st AUGUST 2015**

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The Academies also receive grants for fixed assets from the DfE/EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 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 2015, total expenditure of £13,887k was in excess of recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £379k.

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

At 31 August 2015 the net book value of fixed assets was £24,696k 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 £2,486k recognised on the balance sheet.

The Academy Trust held fund balances at 31 August 2015 of £24,419k comprising £22,782k of restricted funds and £1,637k of unrestricted funds.

#### **Reserves policy**

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to 6% to 9% of 'total incoming resources less restricted fixed asset income', and ideally 7.5% of this income (equivalent to 4 weeks' expenditure, approximately £988k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) are in surplus by £1,637k (see note 20).

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

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

### **YEAR ENDED 31st AUGUST 2015**

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#### **Cash balances**

Cash balances held by the Trust include amounts due to creditors for late invoices, PAYE, NIC and pension at 31 August 2015.

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

Reduced pupil numbers in Haughton Academy due to demographics and uncertainty around changes to funding formulae, together with Index linked rises in PFI charges and changes to pension and national insurance in staffing costs are the major risks.

#### **Investment Policy**

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

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

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

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

The principal risks and uncertainties facing the Trust continue to be funding combined with performance in its largest Academy. This Academy is not full and was judged to 'Require Improvement' following an Ofsted inspection in February 2014. Furthermore, each of the mainstream primary academies experienced dips in their Key Stage 2 outcomes, which will make their upcoming Ofsted inspections more challenging, although both academies have considerable strengths and have demonstrated strong performance over time.

The Trust's two special needs academies are under pressure to take more pupils, both have undergone incremental expansion and plan further modest increases in numbers on roll; but the high needs in terms of staffing in these settings combined with the constraints of the buildings make it difficult to expand in any substantial ways to fully meet demand. These facts, combined with the freeze on some grants whilst salaries, national insurance and pension contributions are increasing mean the next few years for the Trust will be lean. This is no different to the position other Trusts

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

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

### **YEAR ENDED 31st AUGUST 2015**

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face and the prudent level of reserves held will provide a degree of stability in difficult circumstances.

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

Trustees chair an established Audit Committee to review the Risk Register, consider new risks and identify issues or areas for further investigation, audit or scrutiny by the Trust's External Auditor or other appropriate person(s). Where significant financial risk still remains, the Trust has ensured it has adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

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

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

Following the retirement of the Chief Executive in December 2014, the Board of Directors appointed a new Chief Executive to the Trust. Mike Butler has 25 years' experience in the education sector and has held a wide range of leadership roles in schools and national organisations. Mike was previously Chief Executive of the Djanogly Learning Trust and has held a number of board positions including Director and Chair of the Independent Academies Association and Trustee of the National E-learning Foundation. Richard Gartland, previously Executive Director of the Trust, was appointed to the post of Deputy Chief Executive.

The Education Village Academy Trust opened a 30-place special free school in September 2013, accepting primary age children with Social, Emotional and Mental Health difficulties (SEMH). This new provision has been very well received. The school was inspected by Ofsted in June 2015 and found to be 'Good' in all areas. It is full, two years ahead of the schedule agreed with the EFA. Ensuring the continued success of Marchbank remains a key focus for the Trust and, following a recent public consultation, the Board of Directors has asked the Secretary of State to approve a small expansion to the School to accept up to 42 pupils.

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

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

### **YEAR ENDED 31st AUGUST 2015**

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Haughton Academy was inspected by Ofsted in February 2014 and the Trustees and Governors were disappointed with its 'Requires Improvement' judgement. However, Leadership & Management was judged as 'good', indicating at the time that the right actions were being taken to achieve improvement. In April 2015 Ofsted conducted an unannounced one-day inspection and found leaders and managers were starting to take effective action to improve behaviour and secure consistently positive attitudes to learning. A new, experienced Deputy Principal with a strong track record was appointed in July 2015 to lead on Behaviour, Safety and Well-being. Then, following the resignation of the Principal, a new appointee took up post at the start of the 2015-16 academic year. This largely new leadership team is working with a clear purpose to improve outcomes and behaviours so that the Academy is securely 'Good' at its next full inspection.

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

Beaumont Hill Academy is at capacity and under constant pressure to accept more students. The Board supports the Academy's leaders to accept as many students as possible, but is also objective about the physical space needed to expand and the impact on staff requirements and space in its other Academies. Springfield Academy is also at capacity and Staff and Governors are working to further improve standards to ensure its continued success.

The Principal at Gurney Pease Academy was new in post this year, moving from another of the Trust's Academies. The Academy successfully bid to central government for Condition Improvement Funding and has used this to carry out repairs, upgrades and updates to the building. The Academy also used reserves to fund a new kitchen. Pupils now access a choice of meals prepared and cooked on the premises, rather than bought in from another local school. Staff and Governors are working to further improve standards to ensure the Academy's continued success.

With the exception of Marchbank Free School, all the Trust's Academies anticipate an Ofsted inspection in the next 12 months. Achieving positive outcomes from these visits is a fundamentally significant focus for the Trust's Board and Executive.

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

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT *(continued)*

**YEAR ENDED 31st AUGUST 2015**

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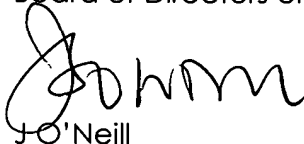
### **Disclosure of information to auditors**

The Trustees confirm that so far as they are aware:

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

### **Approval**

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Directors on **1<sup>st</sup> Dec. 15** and signed on the Board's behalf by:



J O'Neill

Chair of the Board of Directors

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT

YEAR ENDED 31st AUGUST 2015

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### Scope of Responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Last year the Trust sought and received approval from the Secretary of State for Education to adopt new Articles of Association. The new Articles allowed for a leaner, more strategic Board, with Trustees appointed by virtue of their experience and the skills and knowledge they possess. This year the Board reviewed the role and constitution of its Local Governing Bodies and resolved to direct their delegated responsibilities to focus on educational provision and outcomes. It also resolved to reconstitute the single body governing the three Education Village Academies (Haughton, Springfield and Beaumont Hill) into three separate committees. These changes took effect from 1 September 2015.

The Trustees formally met four times during the year ended 31 August 2015.

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
H Barton	4	4
M Butler	2	2
R Gartland	4	4
A Gerner	0	1
L Job	2	4
J O'Neill (Chair)	4	4
H Radcliffe	3	4
S Richardson	2	2
H Scott OBE	2	4
S Welsh	3	4

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

### YEAR ENDED 31st AUGUST 2015

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The EVAT Support and Resources Committee is a committee of the Board of Directors. Its purpose is to monitor the Academies' financial performance and consider issues related to personnel, health & safety and premises. In the year ended 31 August 2015 the Committee considered the Academies' budgets, management accounts, services and contracts, staffing proposals, relevant policies and teacher pay recommendations. Attendance at meetings in the period was as follows:

<b>Trustee/Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Bramfitt	1	1
M Butler	4	4
A Dallin	3	5
R Gartland	5	5
M Jolley	1	1
J Joyce	4	5
P North	3	4
S Richardson	1	1
H Scott OBE (Chair)	4	5
A Sinclair	1	1

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

<b>Trustee/Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Mackenzie	2	3
B McKnight	1	3
H Radcliffe (Chair)	3	3
J Sturrock	3	3

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

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data, where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:



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

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

### **YEAR ENDED 31st AUGUST 2015**

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

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

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

Principals submit data on attendance, behaviour, pupil premium spending and current progress on a regular basis to the Local Governing Body (as was) and the Board of Trustees.

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

#### **Governance and financial oversight**

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

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

#### **Better purchasing and procurement**

In line with the Trust's Finance Policy and procedures manual, before ordering items over £1,000, three quotes are obtained from different suppliers. Competitive tendering is used to ensure best value for items of major expenditure. This includes tendering for the appointment of auditors, legal advisors and for insurance cover. Contracts awarded this year following a competitive tendering exercise include a new catering supplier for Gurney Pease Academy.

The Trust looks to access alternative funding streams and additional support where it is available. This year it successfully bid for Condition Improvement Funding from the EFA to undertake repairs and improvements at Gurney Pease Academy and was awarded a significant contribution from the Variety Club towards the purchase of a new minibus for Beaumont Hill Academy.

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

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

### **YEAR ENDED 31st AUGUST 2015**

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

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Education Village Academy Trust for the period year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

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

The Trust has an established Audit Committee as required by the 2014 Academies Financial Handbook and its earlier iterations. The Committee has met on three occasions in the last year to review the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Audit Committee reports to the Trustees, who are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust's Support and Resources Committee;
- regular reviews by the Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

### YEAR ENDED 31st AUGUST 2015

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The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Tait Walker LLP to undertake 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 undertaken include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

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

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

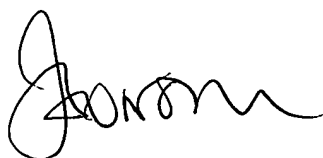
#### **Review of Effectiveness**

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

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

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

Approved by order of the members of the Board of Directors on 1<sup>st</sup> Dec 15 and signed on its behalf by:



J O'Neill  
Chair



M Butler  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**YEAR ENDED 31st AUGUST 2015**

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

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

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 will be notified to the board of Trustee and EFA.



M Butler  
Accounting Officer

11/12/2015

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

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**YEAR ENDED 31st AUGUST 2015**

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

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

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

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

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

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

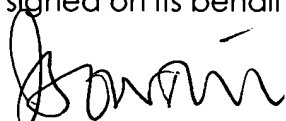
## **STATEMENT OF TRUSTEES' RESPONSIBILITIES *(continued)***

### **YEAR ENDED 31st AUGUST 2015**

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

Approved by order of the members of the board of trustees on 11<sup>th</sup> Dec 15 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 2015**

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We have audited the group and parent company financial statements of The Education Village Academy Trust for the year ended 31st August 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

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

As explained more fully in the Trustees' Responsibilities Statement set out on pages 27 to 28, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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# **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 2015**

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### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st August 2015 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

In our opinion the information given in the Trustee's Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept by the 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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. *15th December 2015*



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

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

**YEAR ENDED 31st AUGUST 2015**

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In accordance with the terms of our engagement letter dated 5<sup>th</sup> November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Education Village Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Education Village Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Education Village Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Education Village Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Education Village Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

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

**YEAR ENDED 31st AUGUST 2015**

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### **Approach (continued)**

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of senior management and the trustees of the Academy Trust;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Observation and re-performance of the financial controls; and
- Review of the results of the Academy Trust's process of independent checking of financial controls, systems, transactions and risks

### **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 2014 to 31 August 2015 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

15th December 2015

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

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

**YEAR ENDED 31st AUGUST 2015**

		Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds 2015	Total Funds 2014
	Note	£000	£000	£000	£000	£000
<b>INCOMING RESOURCES</b>						
Incoming resources from generating funds:						
Voluntary income	3	9	–	33	42	1,930
Activities for generating funds	4	309	–	–	309	1,105
Investment income	5	4	–	–	4	4
Incoming resources from charitable activities:						
Funding for educational operations	6	–	12,669	129	12,798	13,631
<b>TOTAL INCOMING RESOURCES</b>		<b>322</b>	<b>12,669</b>	<b>162</b>	<b>13,153</b>	<b>16,670</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating funds	7	(19)	–	–	(19)	(729)
Charitable activities - educational operations	7/8	(207)	(12,723)	(810)	(13,740)	(12,635)
Governance costs	7/9	–	(128)	–	(128)	(201)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(226)</b>	<b>(12,851)</b>	<b>(810)</b>	<b>(13,887)</b>	<b>(13,565)</b>

The notes on pages 38 to 64 form part of these financial statements

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

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

**YEAR ENDED 31st AUGUST 2015**

		Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds 2015	Total Funds 2014
	Note	£000	£000	£000	£000	£000
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	<b>7</b>	<b>96</b>	<b>(182)</b>	<b>(648)</b>	<b>(734)</b>	3,105
Transfer between funds	<b>20</b>	—	(216)	216	—	—
<b>NET INCOMING RESOURCES FOR THE YEAR</b>		<b>96</b>	<b>(398)</b>	<b>(432)</b>	<b>(734)</b>	3,105
Actuarial loss on defined benefit pension schemes		—	(77)	—	(77)	1,050
<b>NET MOVEMENT IN FUNDS</b>		<b>96</b>	<b>(475)</b>	<b>(432)</b>	<b>(811)</b>	4,155
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		1,541	(1,427)	25,116	25,230	21,075
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,637</b>	<b>(1,902)</b>	<b>24,684</b>	<b>24,419</b>	25,230

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

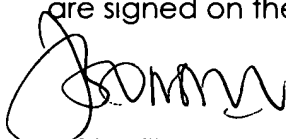
All of the above amounts relate to continuing group activities.

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY GROUP REGISTRATION NUMBER: 0774248**  
**CONSOLIDATED BALANCE SHEET**

**31st AUGUST 2015**

	Note	2015 £000	2014 £000
<b>FIXED ASSETS</b>			
Tangible assets	14	24,696	25,154
<b>CURRENT ASSETS</b>			
Stocks	16	4	5
Debtors	17	550	532
Cash at bank		2934	2,729
		<u>3,488</u>	<u>3,266</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(1,279)</u>	<u>(884)</u>
<b>NET CURRENT ASSETS</b>		<b>2,209</b>	<b>2,382</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>26,905</b>	<b>27,536</b>
<b>PROVISIONS FOR LIABILITIES</b>			
Pensions	26	(2,486)	(2,306)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<b>24,419</b>	<b>25,230</b>
<b>FUNDS OF THE ACADEMY TRUST</b>			
Restricted fixed asset funds	20	24,684	25,116
Restricted general funds	20	584	879
Pension reserve	20	(2,486)	(2,306)
<b>TOTAL RESTRICTED FUNDS</b>		<b>22,782</b>	<b>23,689</b>
Unrestricted general funds	20	1637	1,541
<b>TOTAL FUNDS</b>		<b>24,419</b>	<b>25,230</b>

These financial statements were approved by the directors on the 11<sup>th</sup> Dec 15 and are signed on their behalf by:

  
J O'Neill  
Chair

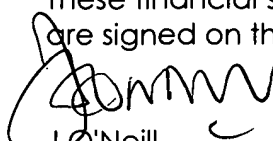
The notes on pages 38 to 64 form part of these financial statements.

**THE EDUCATION VILLAGE ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY REGISTRATION NUMBER: 0774248**  
**ACADEMY TRUST BALANCE SHEET**

**31st AUGUST 2015**

	Note	2015 £000	2014 £000
<b>FIXED ASSETS</b>			
Tangible assets	14	24,684	25,116
<b>CURRENT ASSETS</b>			
Debtors	17	536	562
Cash at bank		2,884	2,635
		<u>3,420</u>	<u>3,197</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(1,214)</u>	<u>(810)</u>
<b>NET CURRENT ASSETS</b>		2,206	2,387
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>26,890</u>	<u>27,503</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Pension scheme liability	26	(2,486)	(2,306)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u>24,404</u>	<u>25,197</u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
Restricted fixed asset funds	20	24,684	25,116
Restricted general funds	20	584	879
Pension reserve	20	<u>(2,486)</u>	<u>(2,306)</u>
<b>TOTAL RESTRICTED INCOME FUNDS</b>		22,782	23,689
Unrestricted general funds	20	1,622	1,508
<b>TOTAL FUNDS</b>		<u>24,404</u>	<u>25,197</u>

These financial statements were approved by the directors on the 11<sup>th</sup> Dec 15 and are signed on their behalf by:

  
J O'Neill  
Chair

The notes on pages 38 to 64 form part of these financial statements.

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

**CONSOLIDATED GROUP CASHFLOW STATEMENT**

**31st AUGUST 2015**

	<b>Note</b>	<b>2015 £000</b>	<b>2014 £000</b>
Net cash inflow from operating activities	<b>22</b>	<b>417</b>	1,084
Returns on investments and servicing of finance	<b>23</b>	<b>4</b>	4
Capital expenditure	<b>24</b>	<b>(216)</b>	(601)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>205</b>	487
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Net funds at 1 September 2014		<b>2,729</b>	2,242
Net funds at 31 August 2015		<b>2,934</b>	2,729

The notes on pages 38 to 64 form part of these financial statements.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with the applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of principal accounting policies, which have been applied consistently, except where noted, is set out below.

The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

#### **Going concern**

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

#### **Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **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 fund on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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



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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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

#### **Donations**

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

#### **Other income**

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

#### **Resources expended**

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

#### **Cost of generating funds**

These are the costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

#### **Charitable activities**

These are the costs incurred on the academy trust's educational operations.

#### **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Fixed assets**

Assets costing more than £1,000 or more are capitalised as 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 government or the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economical life. The related grants are credited to a Restricted Fixed Asset Fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

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

Depreciation on such assets is charged to the Restricted Fixed Asset Fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Long term leasehold property	Over 50 years
Long term leasehold land	Over 125 years
Motor vehicles	Over 4 years
Fixtures & fittings	Over 7 years
Computer equipment	Over 3 years

Land & buildings transferred to the academy on long term leasehold are included on the balance sheet at depreciated replacement cost as recommended by the EFA.

In accordance with recommended accounting practice, the academy has recognised the land & buildings, (which are held on a 125 year lease) on the balance sheet. No depreciation was charged in the year as the assets had not been brought into use by the year end.

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.

#### **Stocks**

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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

#### **Operating lease agreements**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date rent is expected to be adjusted to the prevailing market rate.

#### **Taxation**

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

#### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over the employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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

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

The academy trust has employees in both the parent academy and the subsidiary undertaking who are members of the LGPS. The LGPS deficit, as calculated by the scheme actuary is reflected in the financial statements of the parent academy only. The directors consider the cost of identifying the subsidiary company's share of the scheme to be prohibitive and therefore contributions to the scheme are accounted for as a defined contribution scheme within the trading subsidiary and hence no deficit is shown on the balance sheet of the trading subsidiary.

#### **Fund accounting**

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

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

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

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

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### 2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some Academies within the Academy trust were subject to limits at 31 August 2015 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 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No Academies within the Academy Trust exceeded the limits during the year ended 31 August 2015.

### 3. VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
<b>Donations</b>				
Donations	9	33	42	16
<b>Other income</b>				
Land & buildings transferred from the DfE	-	-	-	1,914
	<u>9</u>	<u>33</u>	<u>42</u>	<u>1,930</u>

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 4. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
Hire of facilities	12	–	12	6
Catering income	9	–	9	15
Other activities for generating funds	277	–	277	279
Operation of IT services to schools	11	–	11	805
	<u>309</u>	<u>–</u>	<u>309</u>	<u>1,105</u>

### 5. INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
Bank interest receivable	4	–	4	4

### 6. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
General Annual Grant (GAG) (note 2)	–	8,509	8,509	9,091
Start Up Grants	–	39	39	108
Capital Grants	–	110	110	932
Other DfE/EFA Grants	–	913	913	759
	<u>–</u>	<u>9,571</u>	<u>9,571</u>	<u>10,890</u>
Local Authority Grants	–	3,220	3,220	2,726
Special Educational Grants	–	–	–	15
Other grants	–	7	7	–
	<u>–</u>	<u>12,798</u>	<u>12,798</u>	<u>13,631</u>

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 7. RESOURCES EXPENDED

	Staff Costs £000	Premises £000	Other £000	Total £000	2014 £000
Cost of activities for generating funds	-	-	19	19	729
Educational Operations					
Direct costs	6,723	-	724	7,447	6,793
Support costs	3,141	1,041	2,111	6,293	5,842
	<u>9,864</u>	<u>1,041</u>	<u>2,854</u>	<u>13,759</u>	<u>13,364</u>
Governance Costs	-	-	128	128	201
	<u>9,864</u>	<u>1,041</u>	<u>2,982</u>	<u>13,887</u>	<u>13,565</u>

### NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2015 £000	2014 £000
Auditors' remuneration:		
- audit of the financial statements	4	7
- non-audit costs	4	1
Operating leases	3	3
	<u></u>	<u></u>

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 8. CHARITABLE ACTIVITIES

	2015 £000	2014 £000
Teaching and educational support staff costs	6,723	6,157
Technology costs	13	15
Educational Supplies	458	459
Examination Fees	149	74
Staff Development	104	88
<b>DIRECT COSTS – EDUCATIONAL OPERATIONS</b>	<b>7,447</b>	<b>6,793</b>
Support staff costs	3,141	3,004
Depreciation	810	641
Technology costs	324	280
Recruitment & support	35	25
Maintenance of premises & equipment	295	335
Cleaning	329	322
Rent & rates	149	140
Energy	268	261
Insurance	74	70
Security & transport	28	26
Catering	293	243
Bank interest & charges	8	96
Other support costs	539	399
<b>SUPPORT COSTS – EDUCATIONAL OPERATIONS</b>	<b>6,293</b>	<b>5,842</b>
<b>TOTAL DIRECT &amp; SUPPORT COSTS</b>	<b>13,740</b>	<b>12,635</b>

Included within expenditure are the following transactions:

	Total £000	Individual amounts above £5,000 Amount £000	Reason
Severance payments	69	11	Redundancy
		35	Loss of office
		12	Loss of office
		11	Loss of office



# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 9. GOVERNANCE COSTS

	<b>Total Funds 2015 £000</b>	<b>Total Funds 2014 £000</b>
Auditors' remuneration - audit costs	4	7
Auditors' remuneration - non audit costs	4	1
Legal and professional fees	120	193
	<u>128</u>	<u>201</u>

### 10. STAFF COSTS AND REMUNERATION

Total staff costs were as follows:

	<b>2015 £000</b>	<b>2014 £000</b>
Wages and salaries	7,621	7,569
Social security costs	555	525
Other pension costs	1,030	1,009
	<u>9,206</u>	<u>9,103</u>
Supply Staff Costs	658	58
	<u>9,864</u>	<u>9,161</u>

#### Staff severance payments

Included in wages and salaries are severance payments totalling £69,000 (2014: £nil) Individually the payments were £11,000, £35,000, £12,000 and £11,000

#### Staff numbers:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<b>2015 No</b>	<b>2014 No</b>
<b>Charitable activities</b>		
Teaching staff	110	106
Support staff	148	140
Administration staff	26	29
Management staff	7	7
	<u>291</u>	<u>282</u>

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

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### 10. STAFF COSTS AND REMUNERATION (continued)

#### Higher paid staff

The number of employees whose remuneration for the year fell within the following bands, were:

	2015 No	2014 No
£60,000 to £69,999	2	8
£80,000 to £89,999	1	4
£90,000 to £99,999	2	1
£100,000 to £109,999	-	1
	<u>5</u>	<u>14</u>

Pension contributions made on behalf of these employees amounting to £52,000 (2014: £129,000) were paid to the Teachers' Pension Scheme during the year and £Nil (2014: £Nil) paid to the Local Government Pension Scheme.

### 11. CENTRAL SERVICES

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

- Strategic leadership
- Human resources
- Financial services
- Legal services
- School improvement & data
- Governance
- Media & communications

The trust charges for these services on the following basis:

Central costs of £645,800 have been identified

Costs are apportioned based on pupil numbers as follows:

- Gurney Pease Academy £50,776
- Springfield Academy £68,385
- Beaumont Hill Academy £291,849
- Haughton Academy £205,726
- Marchbank Academy £29,064

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

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### 12. RELATED PARTY TRANSACTIONS DIRECTORS' REMUNERATION AND EXPENSES

The Principal and other staff only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Directors. other Directors did not receive any payments, other than expenses from the academy trust in respect of their role as directors. The value of Directors' remuneration, comprising gross salary and pension contributions was as follows:

S Richardson (Principal and Trustee)	£45k -50k	(2014: £125k-130k)
R Gartland (Staff Trustee)	£90k- 95k	(2014: £80k - 85k)
M Butler (Principal and Trustee)	£70k - 75k	(2014:Not a trustee)

During the year, no Directors received any benefit in kind (2014: £Nil) During the year, £350 was reimbursed to Trustees in respect of travel costs incurred to attend board meetings (2014: £Nil)

### 13. DIRECTORS' AND OFFICERS' INSURANCE

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

The cost of this insurance is £2,133 (2014: £2,071) and is included in the total insurance cost.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

**14. TANGIBLE FIXED ASSETS  
GROUP**

	Leasehold Improve ments £000	Computer Equipment £000	Fixtures & Fittings £000	Motor Vehicles £000	Long term Leasehold Property £000	Total £000
<b>COST</b>						
At 1 Sep 2014	1,155	1,046	112	4	24,329	26,646
Additions	–	84	105	33	156	378
<b>At 31 Aug 2015</b>	<b>1,155</b>	<b>1,130</b>	<b>217</b>	<b>37</b>	<b>24,485</b>	<b>27,024</b>
<b>DEPRECIATION</b>						
At 1 Sep 2014	–	388	30	4	1,070	1,492
Charge for the year	23	307	16	2	488	836
<b>At 31 Aug 2015</b>	<b>23</b>	<b>695</b>	<b>46</b>	<b>6</b>	<b>1,558</b>	<b>2,328</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2015</b>	<b>1,132</b>	<b>435</b>	<b>171</b>	<b>31</b>	<b>22,927</b>	<b>24,696</b>
At 31 Aug 2014	1,155	658	82	–	23,259	25,154

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### TANGIBLE FIXED ASSETS (continued) ACADEMY TRUST

	Leasehold Improve ments £000	Computer Equipment £000	Fixtures & Fittings £000	Motor Vehicles £000	Long term Leasehold Property £000	Total £000
<b>COST</b>						
At 1 Sep 2014	1,155	907	102	4	24,329	26,497
Additions	–	84	105	33	156	378
<b>At 31 Aug 2015</b>	<b>1,155</b>	<b>991</b>	<b>207</b>	<b>37</b>	<b>24,485</b>	<b>26,875</b>
<b>DEPRECIATION</b>						
At 1 Sep 2014	–	284	23	4	1,070	1,381
Charge for the year	23	281	16	2	488	810
<b>At 31 Aug 2015</b>	<b>23</b>	<b>565</b>	<b>39</b>	<b>6</b>	<b>1,558</b>	<b>2,191</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2015</b>	<b>1,132</b>	<b>426</b>	<b>168</b>	<b>31</b>	<b>22,927</b>	<b>24,684</b>
At 31 Aug 2014	1,155	623	79	–	23,259	25,116

### 15. FIXED ASSET INVESTMENT

The following was a subsidiary undertaking of the academy trust:

Name	Holding
IT Systems & EVAT Partnership Limited	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:

	2015		2014	
	Aggregate of share capital and reserves £000	Profit/(Loss) £000	Aggregate of share capital and reserves £000	Profit/(Loss) £000
IT Systems & EVAT Partnership Limited	15	(18)	33	19

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

**YEAR ENDED 31st AUGUST 2015**

**16. STOCKS**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Stock	<b>4</b>	<b>5</b>
	<u>          </u>	<u>          </u>

**17. DEBTORS**

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Due within more than one year</b>				
Amounts owed by group undertakings	–	–	–	11
<b>Due within one year</b>				
Trade debtors	<b>15</b>	16	<b>15</b>	4
Amounts owed by group undertakings	–	–	<b>26</b>	90
VAT recoverable	<b>150</b>	116	<b>150</b>	116
Prepayments and accrued income	<b>385</b>	400	<b>345</b>	341
	<u><b>550</b></u>	<u>532</u>	<u><b>536</b></u>	<u>562</u>

**18. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Academy Trust</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	<b>328</b>	17	<b>283</b>	17
Corporation tax	–	5	–	–
PAYE and social security	<b>309</b>	180	<b>304</b>	161
Other creditors	<b>13</b>	125	–	125
Accruals and deferred income	<b>629</b>	557	<b>627</b>	507
	<u><b>1,279</b></u>	<u>884</u>	<u><b>1,214</b></u>	<u>810</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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**18. CREDITORS: Amounts falling due within one year (continued)**

**Deferred income**

	<b>Group £000</b>	<b>Academy Trust £000</b>
Balance at 1 September 2014	<b>292</b>	256
Amounts released from previous years	<b>(292)</b>	(256)
Resources deferred in the year	<b>150</b>	150
	<u>150</u>	<u>150</u>
Balance at 31st August 2015	<b>150</b>	150

At the balance sheet date, the group was holding funds received in advance for infant free school meals, SEN Funding, early years funding and growth funding.

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 Aug 2015 the academy trust had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets other than Land and buildings</b>	
	<b>2015 £</b>	<b>2014 £</b>
<b>Operating leases which expire:</b>		
Within 1 year	<b><u>4</u></b>	<b><u>3</u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

**20. STATEMENT OF FUNDS**

	<b>Brought forward at 1<sup>st</sup> September 2014 £000</b>	<b>Incoming resources £000</b>	<b>Resources expended £000</b>	<b>Gains, losses &amp; transfers £000</b>	<b>Balance at 31<sup>st</sup> August 2015 £000</b>
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	879	8,509	(8,588)	(216)	<b>584</b>
Start up Grant	-	39	(39)	-	-
Other DfE/EFA Grants	-	913	(913)	-	-
Local Authority Funding	-	3,201	(3,201)	-	-
Other Government Grants	-	7	(7)	-	-
Pension Reserve	(2,306)	-	(103)	(77)	<b>(2,486)</b>
	<u>(1,427)</u>	<u>12,669</u>	<u>(12,851)</u>	<u>(293)</u>	<u><b>(1,902)</b></u>
<b>Restricted Fixed Asset Funds</b>					
DfE/EFA Capital Grants	1,178	110	(41)	-	<b>1,247</b>
Legacy Assets	21,326	-	(684)	-	<b>20,642</b>
Capital expenditure from GAG	698	-	(22)	216	<b>892</b>
Other Capital Funds	<u>1,914</u>	<u>52</u>	<u>(63)</u>	<u>-</u>	<u><b>1,903</b></u>
	<u>25,116</u>	<u>162</u>	<u>(810)</u>	<u>216</u>	<u><b>24,684</b></u>
Total Restricted Funds	<u>23,689</u>	<u>12,831</u>	<u>(13,661)</u>	<u>(77)</u>	<u><b>22,782</b></u>
<b>Unrestricted Funds</b>	<u>1,541</u>	<u>322</u>	<u>(226)</u>	<u>-</u>	<u><b>1,637</b></u>
<b>Total of funds</b>	<u><u>25,230</u></u>	<u><u>13,153</u></u>	<u><u>(13,887)</u></u>	<u><u>(77)</u></u>	<u><u><b>24,419</b></u></u>



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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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### **20. STATEMENT OF FUNDS (continued)**

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

#### **Restricted General Funds**

General Annual GAG (GAG) must be used for the normal running costs of the academy trust including salaries, overheads, repairs and maintenance and insurance. Under the funding agreement with the Secretary of State, the academy trust is permitted to carry forward a total of £1,021,080 being 12% of the current years GAG allocation. Of the carried forward amount up to 2% of GAG can be used for general purposes at the discretion of the directors, but any balances over 2% must be used for capital purposes. The carried forward balance for future general purposes is £170,000 and for capital purposes £414,000.

The costs, income and actuarial gains or losses associated with the defined benefit pension scheme are recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund, and therefore all movements relating to the pension liability are aligned with this fund.

#### **Restricted fixed asset funds**

The restricted fixed asset fund includes grants received for restricted capital expenditure. Depreciation is charged against this fund to write down the balance of fixed assets over their useful economic life. Transfers have been made from restricted general funds, to the restricted fixed asset fund to reflect the capital expenditure funded by GAG and other restricted income sources during the year. The closing balance on the restricted fixed asset fund represents the closing net book value of assets held by the academy trust at the year end.

#### **Unrestricted funds**

Unrestricted funds include income from school trips, lettings income, staff absence insurance and other sundry income streams with the relevant costs allocated accordingly. Unrestricted funds may be applied to any charitable object of the academy trust at the discretion of the directors.

The trust is carrying a net deficit of £1,902,000 on restricted general funds due to the inclusion of the Local Government Pension Scheme (LGPS) liability transferred on conversion, which at the year end amounted to £2,486,000. The directors are confident that the day-to-day activities of the Academy will be adequately funded by income from DFE and other sources for the next 12 months. Following actuarial advice, the Academy Trust is making additional contributions to the LGPS in order to reduce the deficit.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 20. STATEMENT OF FUNDS (continued)

Fund balances at the year end were allocated as follows:

	31 Aug 15 £000	31 Aug 14 £000
Gurney Pease	254	239
Springfield	184	213
Beaumont Hill	739	841
Haughton	681	901
Marchbank	348	199
IT Systems & EVAT Partnership	15	27
Total before fixed asset fund and pension reserve	2,221	2,420
Restricted fixed asset fund	24,684	25,116
Pension reserve	(2,486)	(2,306)
Total	24,419	25,230

### Analysis of academies by cost

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

	Teaching & educational staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	2015 £000
Gurney Pease	500	256	51	196	1,003
Springfield	647	299	32	282	1,260
Beaumont Hill	2,649	1,227	129	1,156	5,161
Haughton	2,570	1,190	125	1,122	5,008
Marchbank	309	158	20	138	625
IT Systems & EVAT Partnership Limited	-	-	-	19	19
	6,675	3,131	357	2,913	13,076

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £000	Net current assets £000	Defined benefit pension liability £000	Total £000
Restricted general funds	-	584	-	584
Defined benefit pension scheme	-	-	(2,486)	(2,486)
	-	584	(2,486)	(1,902)
Restricted fixed asset fund	24,684	-	-	24,684
Unrestricted funds	12	1,625	-	1,637
<b>Total Funds</b>	<b>24,696</b>	<b>2,209</b>	<b>(2,486)</b>	<b>24,419</b>

### 22. RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Net income	(734)	3,105
Depreciation	836	671
Capital grants from DfE and other capital income	(162)	(932)
Donated land & buildings	-	(1,914)
Interest receivable	(4)	(4)
FRS17 pension finance income	103	134
(Increase)/Decrease in stocks	1	47
(Increase)/Decrease in debtors	(18)	437
Increase/(Decrease) in creditors	395	(460)
Net cash inflow from operating activities	<b>417</b>	<b>1,084</b>

### 23. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £000	2014 £000
Interest received	4	4
Net cash inflow from returns on investment and servicing of finance	<b>4</b>	<b>4</b>

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015 £000	2014 £000
Tangible fixed asset additions	(378)	(3,447)
Donated assets	-	1,914
Capital grants from DfE/EFA	162	932
Receipts from sale of tangible fixed assets	-	-
	<u>          </u>	<u>          </u>
Net cash outflow from capital expenditure and financial investment	(216)	(601)
	<u>          </u>	<u>          </u>

### 25. ANALYSIS OF CHANGES IN NET FUNDS

	1 Sep 14 £000	Cash flows £000	31 Aug 15 £000
Cash at bank	2,729	205	2,934
	<u>          </u>	<u>          </u>	<u>          </u>

### 26. PENSIONS

#### 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 schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £128,000 (2014: £125,000) were payable to the schemes at 31 August 2015 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st AUGUST 2015**

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### **26. PENSIONS (continued)**

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

#### **Valuation of the Teachers' Pension Scheme**

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

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

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

The pension costs paid to TPS in the period amounted to £1,055,724 (2014: £980,452).

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

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

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### 26. PENSIONS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £398,000 (2014: £483,000), of which employer's contributions totalled £270,000 (2014: £367,000) and employees' contributions totalled £128,000 (2014: £116,000). The agreed contribution rates for future years are an average of 12.8% (2014: 18.4%) for employers and between 6.5% and 12.5% (2014: between 5.5% and 7.5%) for employees.

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

#### Principal Actuarial Assumptions

	2015	2014
	%	%
Discount rate	3.8	3.7
Rate of increase in salaries	3.5	3.6
Rate of increase in pensions in payment	2.0	2.1
CPI inflation	2.0	2.1

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males	23.6	22.5
Females	24.8	24.7
Retiring in 20 years		
Males	25.1	25.0
Females	27.4	27.3

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 26. PENSIONS (continued)

The academy trust's share of assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2015 £000	Expected return at 31 August 2014	Fair value at 31 August 2014 £000
Equities	2,205	7.5%	2,380
Property	273	6.8%	284
Government bonds	1,270	2.9%	1,119
Corporate bonds	400	3.3%	370
Cash	341	1.1%	151
Total market value of assets	4,489		4,304
Present value of scheme liabilities			
- Funded	(6,975)		(6,610)
Surplus/(deficit) in the scheme	(2,486)		(2,306)

The actual return on scheme assets was (£11,000) (2014: £478,000)

Due to the adoption of FRS102, employers who report under FRS17 will, from the next accounting period, no longer be required to recognise an expected return on net assets in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. This is consistent with the approach adopted by employers who report under IAS19. Assumptions for the expected return on assets at the end of the accounting period are therefore no longer required.

The academy employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2015.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 26. PENSIONS (continued)

The amounts recognised in the statement of financial activities are as follows:

	<b>2015</b>	2014
	<b>£000</b>	£000
Total operating credit in resources expended:		
Current service cost	<b>(388)</b>	(405)
Total operating credit	<b><u>(388)</u></b>	<u>(405)</u>
Amounts included in other finance income:		
Expected return on scheme assets	<b>242</b>	212
Interest on scheme liabilities	<b>(250)</b>	(308)
Other finance income	<b><u>(8)</u></b>	<u>(96)</u>

The amounts recognised in the balance sheet are as follows:

	<b>2015</b>	2014
	<b>£000</b>	£000
Present value of funded obligations	<b>(6,975)</b>	(6,610)
Fair value of scheme assets	<b>4,489</b>	4,304
Net pension liability	<b><u>(2,486)</u></b>	<u>(2,306)</u>



# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 26. PENSIONS (continued)

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

	<b>2015</b>	2014
	<b>£000</b>	£000
Opening defined benefit obligation	<b>6,610</b>	6,613
Current service cost	<b>388</b>	405
Interest on scheme liabilities	<b>250</b>	308
Actuarial (gain)/loss	<b>(176)</b>	(784)
Contributions by scheme participants	<b>120</b>	116
Benefits paid	<b>(217)</b>	(48)
Closing defined benefit obligation	<b><u>6,975</u></b>	<u>6,610</u>

Changes in the fair value of scheme assets are as follows:

	<b>2015</b>	2014
	<b>£000</b>	£000
Opening fair value of scheme assets	<b>4,304</b>	3,391
Expected return on scheme assets	<b>242</b>	212
Contributions by employer	<b>293</b>	367
Contributions by scheme participants	<b>120</b>	116
Actuarial gain	<b>(253)</b>	266
Benefits paid	<b>(217)</b>	(48)
Closing fair value of scheme assets	<b><u>4,489</u></b>	<u>4,304</u>

The cumulative amount of actuarial losses recognised in the Consolidated statement of total recognised gains and losses was £1,127,000 (2014 £1,050,000)

The group expects to contribute £304,000 (2014: £292,000) to its Defined benefit scheme in 2016.

# THE EDUCATION VILLAGE ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2015

### 26. PENSIONS (continued)

The five year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000
Defined benefit obligation	(6,975)	(6,610)	(6,613)	(6,251)
Fair value of scheme assets	4,489	4,304	3,391	2,907
Deficit in the scheme	<u>(2,486)</u>	<u>(2,306)</u>	<u>(3,222)</u>	<u>(3,344)</u>
Experience adjustments on scheme liabilities	2	449	(16)	(386)
Experience adjustments on scheme assets	<u>(253)</u>	<u>266</u>	<u>116</u>	<u>(64)</u>

### 27. MEMBERS' LIABILITY

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

### 28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of directors being drawn from the local public and private sector organisations, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year, the Academy Trust purchased services totalling £805 (2014: £nil) from The E-Learning Foundation, an entity which has a trustee in common with the Academy Trust. At the year end there was no balance owing from the Academy Trust to The E-Learning Foundation (2014: £nil)