

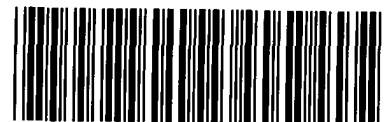
THE EDUCATION VILLAGE ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2018

THURSDAY



A7L60NØN

A20

20/12/2018

#713

COMPANIES HOUSE

The Education Village Academy Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 12
Governance Statement	13 to 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 to 22
Independent Reporting Accountant's Report on Regularity	23 to 24
Consolidated Statement of Financial Activities incorporating Income and Expenditure Account	25 to 26
Consolidated Balance Sheet	27
Balance Sheet	28
Consolidated Statement of Cash Flows	29
Notes to the Financial Statements	30 to 59

The Education Village Academy Trust

Reference and Administrative Details

Members	T Fisher K Fraser (appointed 1 November 2017) J O'Neill H Radcliffe
Trustees (Directors)	C Ashford (appointed 1 June 2018) H Barton M Butler A Dixon (appointed 1 June 2018) L Job (resigned 31 August 2018) J O'Neill, Chair (resigned 31 December 2017) H Radcliffe, Chair R Sanghera H Scott OBE S Welsh D Wood (appointed 1 June 2018)
Senior Management Team	M Butler, Chief Executive C Green, Principal Beaumont Hill Special Academy A Sinclair, Principal Gurney Pease Primary Academy J Lumb, Principal Haughton Secondary Academy M Southwick, Principal Marchbank Free School (resigned 31 August 2018) R Gartland, Principal Springfield Primary Academy (appointed 1 September 2017) K Stevenson, Director of Finance
Principal and Registered Office	The Education Village Salters Lane South Darlington County Durham DL1 2AN
Company Name	The Education Village Academy Trust
Company Registration Number	07748248
Auditors	Tait Walker LLP Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 21-23 Northgate Darlington County Durham DL1 1TL
Solicitors	Ward Hadaway Solicitors 5 Wellington Place Leeds LS1 4AP

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the consolidated financial statements and auditor's report of the Charitable Company for the period 1 September 2017 to 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates five Academies for pupils aged 2 to 19 serving different catchment areas across Darlington and, in the case of the two special academies, beyond. The pupil capacity for each Academy varies from 42 to 900 with a combined pupil capacity of 1,645 and had a roll of 1,593 in the school census of October 2018.

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

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of The Education Village Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Education Village Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new appointees depends on their existing experience. Where necessary, training is provided on educational, legal and financial matters. All are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their respective roles. Throughout the year Trustees and Governors are offered opportunities to join training and workshops; the Trust is a member of the National Governors' Association.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Organisational Structure

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

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

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

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

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

Trade Union Facility Time

Relevant Union Officials

In 2017-18 there were no employees of the Trust who were also union representatives. Consequently, there is no data about facility time and its associated cost to the organisation to report.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Related Parties and Other Connected Charities and Organisations

The Trust established a Trading Subsidiary, EdIT Learning (previously IT Systems & EVAT Partnership Limited) (the 'Company'), in 2013. The Company provides IT services to EVAT's Academies and two nursery settings elsewhere in Darlington, 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 Haughton Academy, Beaumont Hill Academy, Springfield Academy, Gurney Pease Academy and Marchbank Free School to provide education for students of different abilities between the ages of 2 to 19.

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

Objectives, Strategies and Activities

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

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

Core Values

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

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

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Our vision

We want our children and young people to:

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

In academies and schools that:

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

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

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

Public Benefit

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

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and Performance

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

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

In the phonics screening check neither of the 2 children met the threshold; however, one child had recently joined the school and was on an intervention place and the other joined the school during year 1. KS1 assessments were lower than national average, with 50% identified as working towards the expected standards (WTS) and 50% at the foundations of the expected standard (PKF) in Reading and Writing and 75% WTS and 25% PKF in Maths. KS1 progress was again good with 100% making expected progress in Reading and Writing. 75% of children made expected progress in Maths.

Marchbank KS2 attainment was again positive. The percentage of pupils who achieved expected standard in Maths, Reading, SPAG and Science was 61.5% and in Writing was 53.8%. It should be borne in mind that 38.5% of the cohort had a diagnosis of additional learning needs. Although scaled scores were slightly below national average, they were very much in line with the national expectation score of 100, being Reading: 100.7; Maths: 99.7; and SPAG: 99.9. KS2 progress scores were such that the school again successfully met floor standards: +2.86 in reading; -2.57 in writing; and +1.50 in maths. It is worthy of note that within the KS2 cohort, only 30.8% of the children achieved the expected standard in Reading, Writing and Maths combined in KS1 (2014), increasing to 53.8% of those children achieving the combined expected standard in KS2 (2018).

Gurney Pease Academy (a Mainstream Primary)

The percentage of pupils achieving a Good Level of Development (GLD) at the end of Reception continues to improve with 70% of pupils achieving GLD, which is more or less in line with the national average. This is a rise of 2 percentage points from last academic year. Girls continue to outperform boys, as has been the case for the past few years.

In a year of considerable mobility within the Year 1 class, Gurney Pease Academy saw a dip in the Year 1 Phonics Screening Test results, with 69% of pupils meeting the expected standard. Girls (10 pupils) outperformed boys (16 pupils) with 80% of girls passing the test, compared to 63% of boys. School disadvantaged children did not perform as well as other children nationally. In the Year 2 re-test, 50% of pupils achieved the expected standard.

Pupils in Year 2 once again performed strongly in the end-of-key-stage assessments, with results in reading, writing and maths either in line with national average or above it. In reading 74.1% of pupils met the expected standard against 75% nationally. In writing 77.8% achieved the expected standard in comparison to 70% nationally. Maths again saw the highest result with 81.5% meeting the expected standard, compared to the 76% national figure. The combined reading, writing and maths expected standard was 66.7%. With regards to Greater Depth at the end of KS1, data was as follows in 2018: Reading 14.8%, Writing 3.7%, Maths 11.1%. The attainment of disadvantaged children was slightly below that of other children nationally. In reading the gap was -10.3%, in writing it was -3.3% and in maths it was -4%.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

With regards to attainment measures in KS2, 73% of pupils at Gurney Pease Academy met the expected standard in maths, 96% met the expected standard in writing and 73% met the expected standard in reading. The combined reading, writing and maths measure stood at 62%. In the Spelling, Punctuation and Grammar (SPaG) test, 77% of pupils achieved the expected standard. Maths, reading and SPaG results were all more or less in line with national average and writing was well above national average. In reading, 35% achieved a High Score in the end of key stage tests, with 31% of children achieving Greater Depth in writing. Gurney Pease achieved very successful progress measures at the end of KS2 in reading and writing. The progress figure for writing (+4.90) was in the top 5% nationally. At +2.93, reading was in the top 25% for progress. Progress in Maths was -1.14.

School disadvantaged pupils outperformed other children nationally in reading and writing at the end of KS2. There is a difference to be diminished between school disadvantaged and other children nationally in maths and SPaG. In reading, writing and maths combined, 60% of school disadvantaged pupils met the expected standard compared to 67% of other children nationally.

Gurney Pease was above the DfE's floor standard in 2018.

Springfield Academy (a Mainstream Primary)

Springfield Academy was subject to a Section 8 Ofsted inspection in July 2018. The Ofsted inspectors validated the self-assessment of the school in that the school continues to 'Require Improvement' in terms of Overall Effectiveness. However, the school was judged to be 'Good' in two key areas: *Personal development, behaviour and welfare* and *Early years provision*.

Springfield performed strongly in Early Years, in 2018, with levels of progress being high across all key curriculum areas. Whilst the GLD figure of 60% is below the national average, with the significant SEN and medical context around the cohort taken into consideration, this is a positive figure.

Springfield Academy saw the improvement trend continuing with the Year 1 phonics check, with 83% of the cohort meeting the expected standard. This figure is just above the national figure of 82%. The Year 1 data shows a continuing improvement trend, moving from 73% in 2015, to 77% in 2016, 79% in 2017 and then up again this year. 83% of the Year 2 children being rechecked met the standard.

Springfield Academy performed predominantly in line with the national average in KS1 SATs at the end of Year 2. In Reading 67% reached age-related expectations against a national figure of 71%, in Writing 67% reached the expected level against 68% nationally, and in maths 77% of pupils reached the expected standard against a national standard of 75%.

The gap between disadvantaged pupils and 'other' pupils continued to close at the end of EYFS year on year, whilst 100% of disadvantaged pupils met the required standard in the Year 1 Phonics check. The gap narrowed at the end of KS2 in writing and maths but it widened in reading.

KS2 attainment has seen some notable improvements this academic year. Attainment in Maths has been a whole-school focus and we saw the number of pupils meeting the expected standard at the end of Year 6 rise to 72% - up by 30%, year on year. Reading, with 60% of pupils meeting the expected standard, was slightly down when compared to last year whilst 88% of pupils were assessed to be working at the expected standard in writing – above the national average and an improvement from 2017. The number of children working at the expected standard in Reading, Writing and Maths rose by 11 percentage points this year, to 50%.

Progress in KS2 was below national expectations in reading at -2.61, predominantly in line with national average in maths at -0.32 and above the national figure, at 1.79, in writing.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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

This has been another challenging year for Beaumont Hill Academy, which was rated as Inadequate overall by Ofsted in January 2017, when pupils' outcomes were rated as 'Requiring Improvement'. We had two HMI monitoring visits in the academic year. The reports identified the significant positive progress being made by the Academy towards the removal of the Special Measures judgement.

KS4 outcomes for Beaumont Hill Academy Students in Summer 18 were pleasing. In a cohort of 20 students, 100% attained at least one qualification and 40% attained five 1-9 grades or equivalent. 30% attained five 1-9 grades or equivalent including English and Maths. In 2017-18 the Year 11 cohort of 20 students included six with significant and severe SEN. These students were entered for courses specific to their personalised pathways, and the majority have achieved certifications in a number of accredited courses including ASDAN Transition Challenge.

At KS1 and KS2 all pupils were working below the expected standard.

Haughton Academy (a Mainstream Secondary Academy)

Pupils' attainment on entry to the Academy (based on KS2 SATs outcomes) is low but the progress they make during their time at Haughton is good. The new Progress 8 (P8) measure is showing a slight decline from 2017 to 2018, but the three-year trend from 2016 to 2018 is still good; the P8 score for 2018 is below national average but above similar secondary schools (fourth out of eight) in Darlington. Outcomes in 2018 were again volatile nationally, and worsening in the North East, following the introduction of new GCSE exams. The Attainment 8 figure for 2018 is 43, an improvement on the previous year. This was in line with expectations on entry and the figure is projected to improve further in 2019.

The percentage of pupils who are in the Disadvantaged group continues to increase in Haughton Academy and was very high in 2018, being significantly above the national average. Without doubt, the context of the pupils at Haughton Academy is complex. The Academy has numerous strategies in place to support and overcome barriers to learning. A detailed annual Disadvantaged Action Plan is in place and P8 for this group has improved significantly from -0.82 in 2016, to -0.63 in 2017, to -0.49 in 2018. This is now better than the national average, which for 2018 was -0.55.

The Academy was judged by Ofsted to 'Require Improvement' overall in June 2018.

EdIT Learning Limited (a subsidiary Company of the Trust)

EdIT Learning provides the Trust's Academies and two external settings with IT support and in 2016-17 the Company expanded to deliver training for Special Education Needs professionals. In 2017-18 the training has been limited and EdIT's Board of Directors agreed a contract allowing the Company to deliver Autism training should not be renewed. If market conditions change, such that take-up is likely to increase, the Board may revisit its decision. In terms of IT support, the Trust has benefitted from the buying power of the Company and their expertise in installation. Examples of significant purchases include Interactive Whiteboards, and Chromebooks for use by pupils and Governors.

Key Performance Indicators

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

Going Concern

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

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure of £15,094k was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £712k.

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

At 31 August 2018 the net book value of fixed assets was £23,273k and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust's Academies.

The provisions of FRS 102 Section 28 'Employee Benefits' have been applied in full, resulting in a deficit of £3,973k recognised on the balance sheet.

The Academy Trust held fund balances at 31 August 2018 of £21,957k comprising £23,701k of restricted fixed asset funds, £(3,973k) of restricted funds and £2,229k of unrestricted funds.

Reserves policy

The Directors review the reserve levels of the Trust regularly. These reviews encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to 6% to 9% of 'total incoming resources less restricted fixed asset income', and ideally 7.5% of this income (equivalent to 4 weeks' expenditure). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent building maintenance and/or repairs. Other uses of reserves as agreed by the Directors include: planned school improvement actions and interventions; planned capital works and investments; planned ICT investment; staff absence risks; funds for potential staff restructuring costs; providing a cushion for funding/pupil number reductions in the short term only; and covering changes to the school funding formula. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is in surplus by £2,229k (see note 17).

Investment Policy

The Trust has a treasury section within the finance policy, the objectives of which are to ensure the Trust:

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

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust continue to be performance in its Academies combined with funding. Pupil numbers have continued to increase in its largest Academy, though the two upper year groups are not full. Data shows that pupils are making year-on-year improvements in terms of progress at the Academy. This Academy was judged to 'Require Improvement' following an Ofsted inspection in June 2018, largely based on student outcomes and behaviour; both of which, whilst recognised as improving, remain a challenge for teachers and leaders.

One of the Trust's Primary Academies was inspected during the last week of the academic year and the outcome was 'Requires Improvement' overall, though Personal Development, Behaviour and Welfare and Early Years Provision were judged to be 'Good'. The report praised the Academy's new Principal and its Leadership Team, whilst recognising they had not been in place long enough to make significant impact on pupil outcomes.

The Trust's two special needs academies are usually at capacity and receive regular requests to admit more pupils. Neither is in a position to increase their capacity, primarily because of the constraints created by the buildings they occupy. The larger of the two academies is also currently judged to require 'special measures' by Ofsted, making any plans to expand nugatory until Ofsted agree improvements made are sufficient.

The Trustees and the Executive are confident that the measures and changes which have been put in place will result in improved outcomes and judgements by Ofsted going forward for these Academies. The Trust's other two Academies are currently rated 'Good' by Ofsted. One will be led by a new but experienced Principal from January 2019.

Ensuring education outcomes and pupil progress continue to improve is of fundamental importance to the Trust's Board and its Executive Leaders. The Board receives and monitors a comprehensive set of Key Performance Indicators when it meets, and the Chief Executive provides a detailed report, which includes information about performance and any barriers to improving outcomes in each Academy.

Whilst the Ofsted judgements have been disappointing, the reputation of the Academies locally have remained positive, such that none of the Academies have seen a reduction in applications for admittance.

Funding remains difficult; ahead of full implementation of the National Funding Formula there were locally agreed transitional arrangements in place which created uncertainty in terms of planning. Staffing costs have continued to rise and the overall gap between funding and expenditure this year has seen the Trust dip into reserves. Trustees have approved the use of reserves where necessary and the continuing prudent level of reserves held will provide a degree of stability in the difficult circumstances anticipated in the short to medium term.

Trustees and the Executive Leadership Team have assessed other major risks to which the Trust and its Academies are exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the Academies and their finances. The risks are recorded in a Risk Register, which is regularly updated by the Executive Leadership Team.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Trustees chair an established Finance and Resources Committee and members 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 remains, the Trust has ensured it has adequate insurance cover. The Academy Trust's finance and governance arrangements were audited by the Education and Skills Funding Agency (ESFA) in October 2017. The audit found an effective system of internal control and made a small number of minor recommendations around process and record keeping, all of which have been accepted and implemented. More detail can be found in the Governance Statement.

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.

Fundraising

The Trust looks for opportunities to raise funds to supplement income from grants and Academies take part in fundraising activities which support local and national charities. When it was established, the Trust set up a separate company (EdIT Learning), primarily to provide the Trust and other local schools with IT services. In recent years the Company has been able to gift-aid surplus profit to the Trust to benefit its Academies and this is set out in the Company's Annual Accounts as well as this document.

The Trust and its Academies ensure fundraising conforms to standards set out by the Charity Commission and there have been no complaints received this year about any fundraising activity or how the proceeds of such are used.

The Trust and its Academies do not employ or use any third party or private company to raise funds, and do not place any undue pressure to donate on individuals, groups or other organisations to provide donations.

Plans for Future Periods

In 2017-18, three of the Trust's five academies have continued with Ofsted judgements that are less than 'Good' and it has remained a sharp focus and priority for Trustees and Academy Leaders to ensure those Academies achieve improved judgements. Whilst previous judgements do not appear to have impacted on applications for pupils to be admitted to the Academies, the potential for the Trust to expand and take in further academies has remained limited. In 2018-19 there will be the opportunity to improve the Ofsted judgement for one of the Trust's academies which, if successful, could have a significant impact on the outlook for Trust expansion.

Pressure for the Trust to admit more children with Special Educational Needs into its SEN Academies continues, but any plans for expansion to accommodate more pupils will be dependent on Ofsted outcomes and the level of any funding available.

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, governance support and health & safety. The Trust provides high quality services, which utilise significant economies of scale, ensuring best value for each of its academies.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Auditor

In so far as the Trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Tait Walker LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 13.12.18 and signed on its behalf by:



H Radcliffe
Trustee

The Education Village Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

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

The Trustees formally met five times during the year ended 31 August 2018. Attendance during the year at meetings of the directors was as follows:

Trustee	Meetings attended	Out of a possible
C Ashford	1	1
H Barton	3	5
M Butler	5	5
A Dixon	1	1
L Job	3	5
J O'Neill (Chair)	3	3
H Radcliffe	5	5
R Sanghera	3	5
H Scott OBE	4	5
S Welsh	2	5
D Wood	1	1

The EVAT Finance 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. This year the Board decided to discontinue the Audit Committee; the Trust's income is significantly below the threshold where a Committee is a requirement. In the year ended 31 August 2018 the Finance and Resources Committee considered the Academies' budgets, management accounts, services and contracts, staffing proposals, relevant policies and teacher pay recommendations. It also advised the Board on the adequacy and effectiveness of the 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 Finance and Resources meetings in the period was as follows:

Trustee/Governor	Meetings attended	Out of a possible
M Butler	4	4
P North	2	4
H Radcliffe	4	4
R Sanghera	2	3
H Scott OBE (Chair)	4	4

The Education Village Academy Trust

Governance Statement (continued)

Review of Value for Money

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

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

Raising pupil achievement & attainment

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

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

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

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

Governance and financial oversight

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

The Trust's Finance and Resources Committee (F&R) is the committee of the Board responsible for financial monitoring and approvals. The Committee recommends approval of the annual budget for all of the Academies in the Trust and approves any expenditure in excess of £25,000. Meetings of the Committee 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 £5,000, three quotes are obtained from different suppliers. Competitive tendering is used to ensure best value for items of major expenditure. This includes tendering for the appointment of auditors, legal advisors and for insurance cover. Significant expenditure this year has included works to improve safety on the Education Village site. A full procurement process was followed, though it should be noted this was within the constraints of bids being received only from a list of providers approved by the PFI contractor.

The Trust looks to access alternative funding streams and additional support where it is available, for example, this year, two of its academies were successful with applications for grants via the Capital Improvement Fund and the Healthy Pupils Capital Fund. The funds are to be used to undertake urgent roof and window repairs at Marchbank Free School and to install an all-weather sports pitch at Houghton Academy. It is intended that the pitch will be available for use by the Trust's other academies.

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

The Education Village Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Education Village Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

Changes to the requirements of the 2015 Academies Financial Handbook meant that the Trust was no longer compelled to establish or retain an Audit Committee. Trustees agreed to retain the Committee and, as set out in last year's Annual Report, review its purpose and efficacy this year. The Board has now agreed to discontinue the Committee. Risk is identified by the Chief Executive and members of the Executive Leadership Team and a Risk Register is monitored and updated by them. A number of Trustees have 'read only' access to the register and one has been identified as Link Director for Risk. Reviewing the Trust's capacity to manage Risk was in scope of the ESFA's Audit and did not identify any areas of concern. The Trustees 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 2017 to 31 August 2018 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

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

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

- Testing of payroll systems and controls;
- Testing of HR procedures, including spot checks on recruitment and safeguarding records held by HR;
- Testing of bank reconciliations;

The Education Village Academy Trust

Governance Statement (continued)

- Testing of purchasing systems and controls; and
- Testing of related parties.

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

Review of Effectiveness

As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the EVAT Finance and Resources Committee and action plans to address areas recommended for further development and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 13.12.18 and signed on its behalf by:



M Butler
Accounting officer
Trustee



H Radcliffe
Trustee

The Education Village Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Education Village Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2017.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



.....
M Butler
Accounting officer

Date: 13/12/18

The Education Village Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company and group for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group'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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 13.12.18 and signed on its behalf by:



H Radcliffe
Trustee

The Education Village Academy Trust

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

Opinion

We have audited the financial statements of The Education Village Academy Trust (the 'Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2018, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Academy Trust's affairs as at 31 August 2018 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

The Education Village Academy Trust

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The Education Village Academy Trust

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The Education Village Academy Trust

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

Use of our report

This report is made solely to the charitable parent company's Trustees, 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 Group's Trustees 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 parent company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tait Walker LLP

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

Date: *18th December 2018*

The Education Village Academy Trust

Independent Reporting Accountant's Report on Regularity to The Education Village Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Education Village Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the The Education Village Academy Trust Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Education Village Academy Trusts funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 year from 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Education Village Academy Trust

Independent Reporting Accountant's Report on Regularity to The Education Village Academy Trust and the Education & Skills Funding Agency (continued)

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

Tait Walker LLP

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

Date: *18th December 2018*

The Education Village Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Donations and capital grants	3	63	-	536	599
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	84	13,452	-	13,536
Other trading activities	5	115	-	-	115
Investments	6	6	-	-	6
Total		268	13,452	536	14,256
Expenditure on:					
Raising funds	7	3	-	-	3
<i>Charitable activities:</i>					
Academy trust educational operations		165	14,264	662	15,091
Total		168	14,264	662	15,094
Net income/(expenditure)		100	(812)	(126)	(838)
Transfers between funds		(58)	(270)	328	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	925	-	925
Net movement in funds/(deficit)		42	(157)	202	87
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		2,187	(3,816)	23,499	21,870
Total funds/(deficit) carried forward at 31 August 2018		2,229	(3,973)	23,701	21,957

The Education Village Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000
Income and endowments from:					
Donations and capital grants	3	61	-	47	108
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	114	13,414	-	13,528
Other trading activities	5	220	-	-	220
Investments	6	5	-	-	5
Total		<u>400</u>	<u>13,414</u>	<u>47</u>	<u>13,861</u>
Expenditure on:					
Raising funds	7	17	-	-	17
<i>Charitable activities:</i>					
Academy trust educational operations		<u>162</u>	<u>13,679</u>	<u>723</u>	<u>14,564</u>
Total		<u>179</u>	<u>13,679</u>	<u>723</u>	<u>14,581</u>
Net income/(expenditure)		221	(265)	(676)	(720)
Transfers between funds		-	(124)	124	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	<u>-</u>	<u>2,037</u>	<u>-</u>	<u>2,037</u>
Net movement in funds/(deficit)		221	1,648	(552)	1,317
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		<u>1,966</u>	<u>(5,464)</u>	<u>24,051</u>	<u>20,553</u>
Total funds/(deficit) carried forward at 31 August 2017		<u><u>2,187</u></u>	<u><u>(3,816)</u></u>	<u><u>23,499</u></u>	<u><u>21,870</u></u>

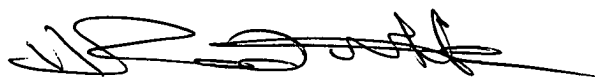
The Education Village Academy Trust

(Registration number: 07748248)

Consolidated Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	13	23,273	23,500
Current assets			
Debtors	15	448	534
Cash at bank and in hand		<u>3,352</u>	<u>3,096</u>
		3,800	3,630
Creditors: Amounts falling due within one year	16	<u>(1,143)</u>	<u>(883)</u>
Net current assets		<u>2,657</u>	<u>2,747</u>
Total assets less current liabilities		<u>25,930</u>	<u>26,247</u>
Net assets excluding pension liability		25,930	26,247
Pension scheme liability	24	<u>(3,973)</u>	<u>(4,377)</u>
Net assets including pension liability		<u>21,957</u>	<u>21,870</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	-	561
Restricted fixed asset fund	17	23,701	23,499
Restricted pension fund	17	<u>(3,973)</u>	<u>(4,377)</u>
		19,728	19,683
Unrestricted funds			
Unrestricted income fund	17	<u>2,229</u>	<u>2,187</u>
Total funds		<u>21,957</u>	<u>21,870</u>

The financial statements on pages 25 to 59 were approved by the Trustees, and authorised for issue on 13.12.18 and signed on their behalf by:



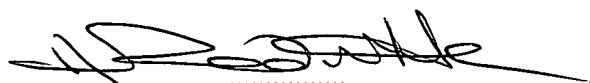
H Radcliffe
Trustee

The Education Village Academy Trust

(Registration number: 07748248)
Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	13	23,272	23,499
Current assets			
Debtors	15	444	503
Cash at bank and in hand		<u>3,325</u>	<u>3,094</u>
		3,769	3,597
Creditors: Amounts falling due within one year	16	<u>(1,129)</u>	<u>(850)</u>
Net current assets		<u>2,640</u>	<u>2,747</u>
Total assets less current liabilities		<u>25,912</u>	<u>26,246</u>
Net assets excluding pension liability		25,912	26,246
Pension scheme liability	24	<u>(3,973)</u>	<u>(4,377)</u>
Net assets including pension liability		<u>21,939</u>	<u>21,869</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	-	561
Restricted fixed asset fund	17	23,701	23,499
Restricted pension fund	17	<u>(3,973)</u>	<u>(4,377)</u>
		19,728	19,683
Unrestricted funds			
Unrestricted income fund	17	<u>2,211</u>	<u>2,186</u>
Total funds		<u>21,939</u>	<u>21,869</u>

The financial statements were approved by the Trustees, and authorised for issue on 13.12.18 and signed on their behalf by:



H Radcliffe
Trustee

The Education Village Academy Trust

Consolidated Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
Cash flows from operating activities			
Cash flows from operating activities	20	149	354
Cash flows from investing activities	21	<u>107</u>	<u>(120)</u>
Change in cash and cash equivalents in the year		256	234
Cash and cash equivalents at 1 September		<u>3,096</u>	<u>2,862</u>
Cash and cash equivalents at 31 August	22	<u><u>3,352</u></u>	<u><u>3,096</u></u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

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

Going concern

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Academy Trust and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities (incorporating the income and expenditure account) is published, a separate statement of financial activities (incorporating the income and expenditure account) for the parent Academy Trust is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The Academy Trust made a surplus of £70,000 (2017 - £1,307,000)

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Income

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

Grants receivable

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

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

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

Donations

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

Other income

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

Trading income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class

Long term leasehold property
Long term leasehold land
Motor vehicles

Depreciation method and rate

50 years straight line
125 years straight line
4 year straight line

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Fixtures and fittings	7 years straight line
Computer equipment	3 years straight line

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Investments

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Taxation

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

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

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The company has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £662,000 (2017 - £729,000)

Critical areas of judgement

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

Subsidiary undertaking

The financial statements include the results of EdIT Learning Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 14. Profits generated by the subsidiary will be passed to the Academy via gift aid.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2018.

3 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Educational trips and visits	48	-	48	-
Capital grants	-	536	536	47
Other donations	15	-	15	61
	<u>63</u>	<u>536</u>	<u>599</u>	<u>108</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2017 £ 000	
Total 2017	<u>61</u>	<u>47</u>	<u>108</u>	

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
DfE/ESFA revenue grants				
General Annual Grant GAG	-	8,917	8,917	8,615
Other ESFA Group grants	11	950	961	931
	<u>11</u>	<u>9,867</u>	<u>9,878</u>	<u>9,546</u>
Other government grants				
Local authority grants	-	2,987	2,987	3,276
Special educational projects	30	25	55	-
	<u>30</u>	<u>3,012</u>	<u>3,042</u>	<u>3,276</u>
Non-government grants and other income				
Other income from the academy trusts educational operations	43	573	616	706
	<u>84</u>	<u>13,452</u>	<u>13,536</u>	<u>13,528</u>
Total grants				
	<u>84</u>	<u>13,452</u>	<u>13,536</u>	<u>13,528</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>114</u>	<u>13,414</u>	<u>13,528</u>	

5 Other trading activities

	Unrestricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Hire of facilities	-	-	1
Recharges and reimbursements	47	47	-
Other sales	48	48	212
Subsidiary income	20	20	7
	<u>115</u>	<u>115</u>	<u>220</u>
	Unrestricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>220</u>	<u>220</u>	

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Investment income

	Unrestricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Short term deposits	6	6	5
	Unrestricted funds £ 000	Total 2017 £ 000	
Total 2017	5	5	

7 Expenditure

	Non Pay Expenditure			Total 2018 £ 000	Total 2017 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	-	-	3	3	17
Academy's educational operations					
Direct costs	6,854	-	763	7,617	7,538
Allocated support costs	4,309	1,782	1,383	7,474	7,026
	<u>11,163</u>	<u>1,782</u>	<u>2,149</u>	<u>15,094</u>	<u>14,581</u>
	Non Pay Expenditure			Total 2017 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2017	<u>10,805</u>	<u>1,790</u>	<u>1,986</u>	<u>14,581</u>	

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018 £ 000	2017 £ 000
Operating lease rentals	20	21
Depreciation	662	729
Fees payable to auditor - audit	9	6
Fees payable to auditor - other audit services	4	6

8 Charitable activities

	2018 £ 000	2017 £ 000
Direct costs - educational operations	7,617	7,538
Support costs - educational operations	7,474	7,026
	15,091	14,564

	Educational operations £ 000	2018 £ 000	2017 £ 000
Analysis of support costs			
Support staff costs	4,309	4,309	3,849
Depreciation	662	662	726
Technology costs	123	123	279
Premises costs	1,120	1,120	1,064
Other support costs	1,244	1,244	910
Governance costs	16	16	198
Total support costs	7,474	7,474	7,026

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Staff

Staff costs

	2018 £ 000	2017 £ 000
Staff costs during the year were:		
Wages and salaries	8,766	7,884
Social security costs	755	738
Operating costs of defined benefit pension schemes	1,610	1,547
	<u>11,131</u>	<u>10,169</u>
Supply staff costs	-	576
Staff restructuring costs	32	60
	<u>11,163</u>	<u>10,805</u>
		2017 £ 000

Staff restructuring costs comprise:

Severance payments	<u>60</u>
--------------------	-----------

The subsidiary undertaking incurred total staff costs of £171,000 (2017 – £165,000).

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £18,000 (2017 - £60,000). Individually, the payments were:

Non-contractual payments £10,000

Non-contractual payments £8,000

Staff numbers

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

	2018 No.	2017 No.
Charitable Activities		
Teachers	124	123
Administration and support	188	186
Management	7	7
	<u>319</u>	<u>316</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Staff (continued)

Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	4	2
£70,001 - £80,000	2	2
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £658,850 (2017 - £619,696).

10 Central services

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

- Human resources;
- Financial services;
- Governance services;
- Education and support services; and
- Technology support services

The Academy Trust charges for these services on the following basis:

- in proportion to the number of students at each Academy

The actual amounts charged during the year were as follows:

	2018 £ 000	2017 £ 000
Springfield	69	71
Beaumont Hill	350	309
Haughton	225	211
Gurney Pease	54	52
Marchbank	55	53
	<u>753</u>	<u>696</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows:

M Butler (Principal):

Remuneration: £130,000 - £135,000 (2017 - £110,000 - £115,000)

Employer's pension contributions: £20,000 - £25,000 (2017 - £15,000 - £20,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £1,278 (2017 - £787) were reimbursed or paid directly to 2 Trustees (2017 - 2).

Other related party transactions involving the Trustees are set out in note 25.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,744 (2017 - £1,937).

The cost of this insurance is included in the total insurance cost.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets

Group

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Total £ 000
Cost						
At 1 September 2017	24,571	318	67	1,291	1,155	27,402
Additions	<u>386</u>	<u>7</u>	<u>-</u>	<u>33</u>	<u>9</u>	<u>435</u>
At 31 August 2018	<u>24,957</u>	<u>325</u>	<u>67</u>	<u>1,324</u>	<u>1,164</u>	<u>27,837</u>
Depreciation						
At 1 September 2017	2,539	126	35	1,133	69	3,902
Charge for the year	<u>493</u>	<u>44</u>	<u>16</u>	<u>86</u>	<u>23</u>	<u>662</u>
At 31 August 2018	<u>3,032</u>	<u>170</u>	<u>51</u>	<u>1,219</u>	<u>92</u>	<u>4,564</u>
Net book value						
At 31 August 2018	<u>21,925</u>	<u>155</u>	<u>16</u>	<u>105</u>	<u>1,072</u>	<u>23,273</u>
At 31 August 2017	<u>22,032</u>	<u>192</u>	<u>32</u>	<u>158</u>	<u>1,086</u>	<u>23,500</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets (continued)

Academy Trust

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Leasehold improvements £ 000	Total £ 000
Cost						
At 1 September 2017	24,571	306	67	1,152	1,155	27,251
Additions	<u>386</u>	<u>7</u>	<u>-</u>	<u>33</u>	<u>9</u>	<u>435</u>
At 31 August 2018	<u>24,957</u>	<u>313</u>	<u>67</u>	<u>1,185</u>	<u>1,164</u>	<u>27,686</u>
Depreciation						
At 1 September 2017	2,539	119	35	990	69	3,752
Charge for the year	<u>493</u>	<u>44</u>	<u>16</u>	<u>86</u>	<u>23</u>	<u>662</u>
At 31 August 2018	<u>3,032</u>	<u>163</u>	<u>51</u>	<u>1,076</u>	<u>92</u>	<u>4,414</u>
Net book value						
At 31 August 2018	<u>21,925</u>	<u>150</u>	<u>16</u>	<u>109</u>	<u>1,072</u>	<u>23,272</u>
At 31 August 2017	<u>22,032</u>	<u>187</u>	<u>32</u>	<u>162</u>	<u>1,086</u>	<u>23,499</u>

14 Investments

The Academy owns 100% of the Ordinary shares of EdIT Learning Limited, a company incorporated in England & Wales. The principal activity of the company is the Academy Trust's trading company. The company provides IT services to EVAT's Academies, including technical support and purchase of hardware and software. Turnover for the year ended 31 August 2018 was £284,000, expenditure was £268,000 and the profit/(loss) for the year was £16,000. The assets of the company at 31 August 2018 were £32,899, liabilities were £15,859 and capital and reserves were £17,040.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Debtors

	2018	Group	Academy Trust	
	2017	2018	2017	
	£ 000	£ 000	£ 000	£ 000
Trade debtors	25	62	24	62
VAT recoverable	116	134	114	128
Prepayments	132	338	132	310
Accrued grant and other income	175	-	171	-
Balances due from related entities	-	-	3	3
	<u>448</u>	<u>534</u>	<u>444</u>	<u>503</u>

16 Creditors: amounts falling due within one year

	2018	Group	Academy Trust	
	2017	2018	2017	
	£ 000	£ 000	£ 000	£ 000
Trade creditors	219	271	212	246
Other taxation and social security	203	189	197	184
Accruals	515	227	514	224
Deferred income	58	48	58	48
Pension scheme creditor	148	148	148	148
	<u>1,143</u>	<u>883</u>	<u>1,129</u>	<u>850</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Creditors: amounts falling due within one year (continued)

Group

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September 2017	48	127
Resources deferred in the period	58	48
Amounts released from previous periods	<u>(48)</u>	<u>(127)</u>
Deferred income at 31 August 2018	<u>58</u>	<u>48</u>

Academy Trust

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September 2017	48	127
Resources deferred in the period	58	48
Amounts released from previous periods	<u>(48)</u>	<u>(127)</u>
Deferred income at 31 August 2018	<u>58</u>	<u>48</u>

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

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds

Group

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	561	8,917	(9,208)	(270)	-
Pupil Premium	-	876	(876)	-	-
Other Grants	-	3,659	(3,659)	-	-
	<u>561</u>	<u>13,452</u>	<u>(13,743)</u>	<u>(270)</u>	<u>-</u>
Restricted fixed asset funds					
Transfer on Conversion	19,341	-	(545)	-	18,796
DfE/ESFA Capital Grants	1,259	536	(35)	328	2,088
Capital expenditure from GAG	836	-	(24)	-	812
Other Capital Funds	<u>2,063</u>	<u>-</u>	<u>(58)</u>	<u>-</u>	<u>2,005</u>
	23,499	536	(662)	328	23,701
Restricted pension funds					
Pension Reserve	<u>(4,377)</u>	<u>-</u>	<u>(521)</u>	<u>925</u>	<u>(3,973)</u>
Total restricted funds	19,683	13,988	(14,926)	983	19,728
Unrestricted funds					
General Fund	<u>2,187</u>	<u>268</u>	<u>(168)</u>	<u>(58)</u>	<u>2,229</u>
Total funds	<u>21,870</u>	<u>14,256</u>	<u>(15,094)</u>	<u>925</u>	<u>21,957</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds					
General Annual Grant (GAG)	382	8,690	(8,387)	(124)	561
Pupil Premium	-	931	(931)	-	-
Other Grants	-	3,793	(3,793)	-	-
	<u>382</u>	<u>13,414</u>	<u>(13,111)</u>	<u>(124)</u>	<u>561</u>
Restricted fixed asset funds					
Transfer on Conversion	19,939	-	(598)	-	19,341
DfE/ESFA Capital Grants	1,251	47	(39)	-	1,259
Capital expenditure from GAG	862	-	(26)	-	836
Other Capital Funds	<u>1,999</u>	<u>-</u>	<u>(60)</u>	<u>124</u>	<u>2,063</u>
	24,051	47	(723)	124	23,499
Restricted pension funds					
Pension Reserve	<u>(5,846)</u>	<u>-</u>	<u>(568)</u>	<u>2,037</u>	<u>(4,377)</u>
Total restricted funds	18,587	13,461	(14,402)	2,037	19,683
Unrestricted funds					
General Fund	<u>1,966</u>	<u>400</u>	<u>(179)</u>	<u>-</u>	<u>2,187</u>
Total funds	<u>20,553</u>	<u>13,861</u>	<u>(14,581)</u>	<u>2,037</u>	<u>21,870</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	382	17,607	(17,595)	(394)	-
Pupil Premium	-	1,807	(1,807)	-	-
Other Grants	-	7,452	(7,452)	-	-
	<u>382</u>	<u>26,866</u>	<u>(26,854)</u>	<u>(394)</u>	<u>-</u>
Restricted fixed asset funds					
Transfer on Conversion	19,939	-	(1,143)	-	18,796
DfE/ESFA Capital Grants	1,251	583	(74)	328	2,088
Capital expenditure from GAG	862	-	(50)	-	812
Other Capital Funds	<u>1,999</u>	<u>-</u>	<u>(118)</u>	<u>124</u>	<u>2,005</u>
	24,051	583	(1,385)	452	23,701
Restricted pension funds					
Pension Reserve	<u>(5,846)</u>	<u>-</u>	<u>(1,089)</u>	<u>2,962</u>	<u>(3,973)</u>
Total restricted funds	18,587	27,449	(29,328)	3,020	19,728
Unrestricted funds					
General Fund	<u>1,966</u>	<u>668</u>	<u>(347)</u>	<u>(58)</u>	<u>2,229</u>
Total funds	<u>20,553</u>	<u>28,117</u>	<u>(29,675)</u>	<u>2,962</u>	<u>21,957</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, rates reclaim, SEN funding, special projects, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

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

The transfer from the Local Authority reflects the fixed assets, the pension deficit and the surplus GAG.

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

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

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £ 000	2017 £ 000
Beaumont Hill Academy	573	817
Gurney Pease Academy	298	293
Haughton Academy	532	747
Marchbank Academy	657	689
Springfield Academy	151	201
EdIT Learning Limited	18	1
Total before fixed assets and pension reserve	2,229	2,748
Restricted fixed asset fund	23,701	23,499
Pension Reserve	(3,973)	(4,377)
Total	21,957	21,870

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2018 £ 000
Beaumont Hill Academy	3,021	1,425	130	1,064	5,640
Gurney Pease Academy	509	296	41	257	1,103
Haughton Academy	2,668	1,259	115	941	4,983
Marchbank Academy	412	312	26	279	1,029
Springfield Academy	618	291	27	217	1,153
EdIT Learning Limited	-	-	-	3	3
Academy Trust	7,228	3,583	339	2,761	13,911

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2017 £ 000
Gurney Pease	481	352	38	237	1,108
Springfield	647	353	32	225	1,257
Beaumont Hill	2,866	1,565	140	991	5,562
Haughton	2,519	1,375	123	871	4,888
Marchbank	443	317	26	240	1,026
EdIT Learning	-	-	-	17	17
Academy Trust	<u>6,956</u>	<u>3,962</u>	<u>359</u>	<u>2,581</u>	<u>13,858</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds

Group

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	1	-	23,272	23,273
Current assets	3,371	-	429	3,800
Current liabilities	(1,143)	-	-	(1,143)
Pension scheme liability	-	(3,973)	-	(3,973)
Total net assets	<u>2,229</u>	<u>(3,973)</u>	<u>23,701</u>	<u>21,957</u>

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

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

Academy Trust

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Fixed assets	-	-	23,272	23,272
Current assets	3,340	-	429	3,769
Current liabilities	(1,129)	-	-	(1,129)
Pension liability	-	(3,973)	-	(3,973)
	<u>2,211</u>	<u>(3,973)</u>	<u>23,701</u>	<u>21,939</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	23,499	23,499
Current assets	2,186	1,411	-	3,597
Current liabilities	-	(850)	-	(850)
Pension scheme liability	-	(4,377)	-	(4,377)
Total net assets	<u>2,186</u>	<u>(3,816)</u>	<u>23,499</u>	<u>21,869</u>

19 Commitments under operating leases

Group

Operating leases - group

At 31 August 2018 the Group had annual commitments under non-cancellable operating leases as follows:

	2018 £ 000	2017 £ 000
Amounts due within one year	20	20
Amounts due between one and five years	<u>37</u>	<u>57</u>
	<u>57</u>	<u>77</u>

Academy Trust

Operating leases - company

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £ 000	2017 £ 000
Amounts due within one year	20	20
Amounts due between one and five years	<u>37</u>	<u>57</u>
	<u>57</u>	<u>77</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	Note	2018 £ 000	2017 £ 000
Net expenditure		(838)	(720)
Depreciation	7	662	729
Capital grants from DfE and other capital income		(536)	(47)
Interest receivable	6	(6)	(5)
Defined benefit pension scheme cost less contributions payable	24	417	455
Defined benefit pension scheme finance cost	24	104	113
Decrease/(increase) in debtors		86	(5)
Increase/(decrease) in creditors		260	(166)
Net cash provided by Operating Activities		<u>149</u>	<u>354</u>

21 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Dividends, interest and rents from investments	6	5
Purchase of tangible fixed assets	(435)	(172)
Capital funding received from sponsors and others	536	47
Net cash provided by/(used in) investing activities	<u>107</u>	<u>(120)</u>

22 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	<u>3,352</u>	<u>3,096</u>
Total cash and cash equivalents	<u>3,352</u>	<u>3,096</u>

23 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, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 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 . Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £148,495 (2017 - £148,000) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

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)
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £749,123 (2017 - £763,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £656,000 (2017 - £516,000), of which employer's contributions totalled £475,000 (2017 - £369,000) and employees' contributions totalled £181,000 (2017 - £147,000). The agreed contribution rates for future years are 15.4 per cent for employers and between 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	<u>2.00</u>	<u>2.00</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

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

	2018	2017
Retiring today		
Males retiring today	23.30	23.20
Females retiring today	25.00	24.90
Retiring in 20 years		
Males retiring in 20 years	25.50	25.40
Females retiring in 20 years	<u>27.30</u>	<u>27.20</u>

Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	11,160	10,763
Discount rate -0.1%	11,744	11,326
Mortality assumption – 1 year increase	11,120	10,709
Mortality assumption – 1 year decrease	11,777	11,375
CPI rate +0.1%	11,627	11,213
CPI rate -0.1%	<u>11,272</u>	<u>10,872</u>

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

	2018 £ 000	2017 £ 000
Equities	3,625	3,272
Corporate bonds	979	573
Government bonds	1,869	2,053
Property	508	480
Cash and other liquid assets	<u>494</u>	<u>286</u>
Total market value of assets	<u>7,475</u>	<u>6,664</u>

The actual return on scheme assets was £280,000 (2017 - £735,000).

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	892	824
Interest income	(173)	(115)
Interest cost	277	228
Total amount recognised in the SOFA	996	937

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

	2018 £ 000	2017 £ 000
At start of period	11,041	11,419
Current service cost	892	824
Interest cost	277	228
Employee contributions	181	147
Actuarial (gain)/loss	(818)	(1,417)
Benefits paid	(125)	(160)
At 31 August	11,448	11,041

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

	2018 £ 000	2017 £ 000
At start of period	6,664	5,573
Interest income	173	115
Actuarial gain/(loss)	107	620
Employer contributions	475	369
Employee contributions	181	147
Benefits paid	(125)	(160)
At 31 August	7,475	6,664

25 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain Trustees' remuneration and expenses already disclosed in note 11.