

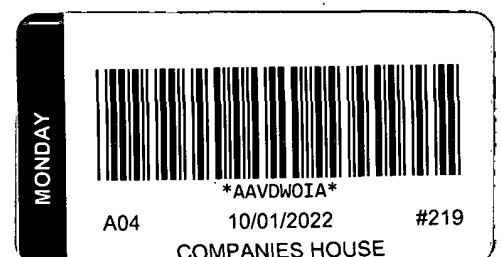
Registration number: 07748248

THE EDUCATION VILLAGE ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2021



The Education Village Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 21
Governance Statement	22 to 26
Statement of Regularity, Propriety and Compliance	27
Statement of Trustees' Responsibilities	28 to 29
Independent Auditor's Report on the Financial Statements to the Members of The Education Village Academy Trust	30 to 34
Independent Reporting Accountant's Assurance Report on Regularity to The Education Village Academy Trust and the Education and Skills Funding Agency	35 to 37
Consolidated Statement of Financial Activities for the (including Income and Expenditure Account)	38 to 39
Consolidated Balance Sheet	40
Balance Sheet	41
Consolidated Statement of Cash Flows	42
Notes to the Financial Statements	43 to 75

The Education Village Academy Trust

Reference and Administrative Details

Members	T Fisher K Fraser H Radcliffe K Duffy J Low (appointed 1 September 2020) R Sanghera (appointed 11 December 2020)
Trustees (Directors)	C Ashford M Butler A Dixon H Radcliffe, Chair R Sanghera (resigned 18 December 2020) S Welsh C Morgan (resigned 3 September 2021) T Hedger-Gourlay K Ivory (resigned 1 April 2021) E James (appointed 1 September 2020) S Clapham (appointed 20 January 2021) S Smith (appointed 8 July 2021)
Senior Management Team	M Butler, Chief Executive M Roe, Chief Operating Officer C Green, Executive Principal Beaumont Hill Academy and Marchbnk Free School A Sinclair, Principal Gurney Pease Academy J Lumb, Principal Haughton Academy R Gartland, Principal Springfield Academy A Lynch, Principal Beaumont Hill Special Academy
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

The Education Village Academy Trust

Reference and Administrative Details (continued)

Auditors	MHA Tait Walker 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 2021

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 2020 to 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Education Village Academy Trust operates five academies for pupils aged 2 to 19 serving difference catchment areas across Darlington and in the case of the two special academies, beyond. The Trust has a combined pupil capacity of 1645 and a combined roll of 1573 as per the October census 2021.

EVAT values all children, young people and adults both as individuals and as part of the wider Trust community. The Trust aims to provide a safe, happy and caring environment within which everyone can thrive.

EVAT is led by non-executive Trustees, constituted under the Memorandum of Association and Articles of Association. The Board of Trustees (Board) is responsible for ensuring that high standards of corporate governance are maintained. The Board exercises its powers and functions with a view to fulfilling a strategic leadership role in the running of the Trust and its academies.

The Board is also governed by the terms of any Funding Agreements, with the DfE that are in place and the Academy Trust Handbook.

Structure, Governance and Management

Constitution

The 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 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.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Trustees' Indemnities

The Academy Trust has taken out insurance Zurich Municipal 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

Trustees are appointed in accordance with the provisions set out in the Memorandum and Articles of Association. 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. Trustees are appointed by Members because of their skills, experience and knowledge with a view to complementing those of existing Board members. Similarly, Trustees appoint Governors for the contribution they can potentially make to raising standards in 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 to build their knowledge, skills and experience.

Organisational Structure

The Trust's governance structure consists of:

- Members
- Trustees
- Education Standards Committees (one for each Academy)
- Finance, Audit, Risk and Resources (FARR) Committee
- Executive Leadership Team
- Senior Leadership Teams
- Middle Management Teams

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

The Chief Executive Officer is the Accounting Officer of the Trust and has the ultimate responsibility for the operations and controls in place. The Trust Board supports the Accounting Officer in the performance of their duties. Trustees are responsible for setting Trust strategy and general policy, adopting an annual development plan and budget, monitoring the performance of the Trust by the use of results and budgets and making major decisions about the strategic direction of the Trust, capital expenditure and senior staff appointments.

Education Standards Committees (ESCs) are responsible for monitoring the performance of the individual academies, including reviewing and scrutinising academic performance and pupil behaviour. They act as advisory bodies to the Board of Trustees.

The Board of Trustees has devolved responsibility for day to day management of the Trust to the Executive Leadership Team (ELT). ELT is made up of the Chief Executive, the Chief Operating Officer (who also acts as the Trust's Chief Financial Officer), the Executive Principal of the special schools and the Principals of each academy. ELT work with the Senior Leadership Team (SLT) of each academy to implement the policies set out by the Trustees and ESCs and report on performance.

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

The SLT of each Academy includes the Executive Principal and/or Principal and/or Head of School, and, where appropriate, one or more Deputy Head teachers and/or a number of Assistant Head teachers. 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 Board of Trustees ensures the process of determining the remuneration of key management personnel is fair and transparent.

The Trust's Chief Executive is appointed to a salary scale determined by the Board of Trustees, 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 Trustees 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.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

The Executive Principal, 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 Trustees has regard to, but is not bound by, any changes to the national pay framework contained within the STP&C Document.

Progression for the Executive Principal, Principals, other senior leaders and teaching staff is subject to a review of performance set against the annual appraisal review. The Board of Trustees, 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 Trustees may decide that there should be no pay progression.

Trade Union Facility Time

Relevant Union Officials

In 2019-20 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.

Related Parties and Other Connected Charities and Organisations

The Trust is not part of any wider network or federation. The Trust's Trading Subsidiary, EdIT Learning (previously IT Systems & EVAT Partnership Limited) (the 'Company') became dormant on the 31 August 2020.

Engagement with employees (including disabled persons)

The Trust is ambitious to be an employer of choice, to attract, retain and nurture the very best talent and to deliver the best possible learning experience to pupils.

The Trust engages with employees in a variety of ways, both formally and informally through network meetings and events. Each year the Chief Executive addresses all staff about the performance of the Trust, including its successes and areas for improvement. Information is shared at key points in the year, including financial and performance information and external and internal review findings.

Staff performance is monitored and managed, and includes agreement on a set of objectives at the start of each year which contribute to the achievement of the Trust's strategic aims. This process also enables the identification of training and development needs and develop and implement associated plans to address gaps and strengthen skills. The Trust continually invests in employee development and wellbeing to create an open and inclusive culture.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

The Trust has a range of policies and procedures in place to ensure equal opportunities for all employees. This includes an Equal Opportunities Policy. Additionally, every Trust policy has built into it a process to ensure its content does not discriminate against any person with disability or on the basis of their sexual orientation, ethnicity or beliefs. Staff with physical restrictions or mental health issues are supported by line managers, leaders and external partners to ensure they achieve their potential and are comfortable in the workplace. The support available to staff is wide-ranging and includes provision of specialist equipment and access to occupational and mental health professionals. Where a member of staff is away for a period of time or their condition requires support, arrangements can be made for a phased return to build up to contracted hours.

The Trust actively encourages applications from disabled people and has adopted the 'Guaranteed Interview' scheme. This means that any applicant with a disability who meets the Essential Criteria for a post is invited to interview.

Engagement with suppliers, customers and others in a business relationship with the Trust

The majority of the Trust's income is spent on salaries for teaching and support staff. Another significant budgetary constraint is the large PFI site occupied by three of the Trust's Academies. Following these commitments, the Trust has limited funds and circumstances in which to foster business relationships with suppliers and customers. However, as a charitable company, spending public funds, best value is always a priority considered before any contract is awarded or purchase made.

Decision-making

Trustees must take into account the views and interests of wider stakeholders when making decisions. During the year, the Board receives information to enable them to consider the impact of the Trust's decisions on key stakeholders. Information is shared in a range of different formats, including reports, presentations on academic, financial and operational performance, key performance indicators and risk.

Long-term sustainability

Trustees delegate the day to day operational management of the Trust to the ELT while working with organisational leaders to set, approve and oversee the delivery of the Trust's strategic objectives and related policies.

The long-term sustainability of the Trust is central to decision making, particularly in relation to challenging funding conditions, Trust growth, school improvement, response to the ongoing Coronavirus pandemic and more recently emergent issues in the supply chain.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Stakeholders

The Trust's core stakeholders include, pupils, parents, employees and the local community, all of whom are at the heart of our vision and mission. These groups are engaged in strategic planning and review. The potential impact (on these groups) of Trust investment, improvement and growth plans is considered in depth at the decision-making stage.

In addition, the Trust also engages with other key stakeholders such as Kajima (parent organisation for the PFI village site) Mitie (contractors for the maintenance of the PFI village site) and other producers and suppliers who we purchase goods and services from.

Pupils

Pupils and providing them with a learning experience which supports them in realising their potential and maximising their achievement are at the heart of the Trust's work.

Trustees receive reports on pupil outcomes and related strategic initiatives throughout the academic year. The Board monitors progress and engages with the ELT to understand opportunities to optimise performance and address areas of concern. The ESCs closely monitor performance and provide updates to the Board of Trustees.

In 2021, the Board commissioned the development of an ICT strategy for the Trust, to define the use of technology, consolidate, integrate and rationalise systems and set a clear direction of travel for investment in improving IT equipment and hardware. The strategy will also build on the work already completed by the Trust to deliver remote learning.

Suppliers

The Trust works with a range of suppliers to source the best resources and services. The Trust is committed to being fair and transparent when dealing with suppliers. Where possible the Trust uses small local companies with a proven track record and, in order to support cash flow for companies, all invoices are paid within a 30-day period.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Better purchasing and procurement

In line with the Trust's Finance Policy and Procedures, 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. Items of significant expenditure in this academic year included the purchase of IT software and systems; and support for the review and development of Trust central services. The appropriate procurement processes were followed.

The Trust looks to access alternative funding streams and additional support where they are available. Two of its academies were successful with applications for grants via the Capital Improvement Fund and the Healthy Pupils Capital Fund. The funds have been used to undertake significant and urgent repairs at Marchbank Free School and Gurney Pease Academy; improvements to Haughton Academy and the update of fencing to Springfield Academy.

The Academies in the Trust also continue to benefit from economies of scale by sharing central support resources, by negotiating contracts Trust-wide, and sharing external services such as Speech and Language Therapy and Service Level Agreements with Local Authorities to provide swimming services, school improvement support, and Management Information System support.

Community and the environment

The Trust is very much a part of the local community and its ethos seeks to instil in children and young people a sense of community and responsibility. Sustainability and efficiency are central to all aspects of the Trust's business. The Trust is committed to reducing its carbon footprint wherever possible. Stakeholders are actively engaged in plans and activities to save energy to recycle resources to the sharing of resources across academies.

Business conduct

The Trust conducts its business with integrity and consideration. Trustees have worked with stakeholders to develop values, culture and standards to create and sustain value and establish a reputation of excellence in business conduct. These standards are reflected in the Board's decision making, enabling the Trust to demonstrate the impact of decisions on the Trust's reputation and relationship with stakeholders and suppliers.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Acting fairly as between members of the Company

Trustees consider the best course of action to deliver the Trust's strategic objectives and ambitions alongside the potential impact on stakeholders. In doing so, Trustees act fairly as between the Trust's members, but are not required to balance the Trust's interest with those of other stakeholders and this may sometimes mean that certain stakeholder interests may not be fully aligned.

Objectives and Activities

Objects and Aims

The Trust Board and ESCs aim for the Trust to achieve "learning without limits" delivered through quality teaching, learning, guidance and support to pupils and staff. A particular emphasis is placed on science, outdoor education, vocational subjects and their practical applications.

Objectives, Strategies and Activities

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

"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."

The Trust wants its 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;

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- 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, the Trust's 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.

The Trust's activities are informed by its core values, which are to:

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 2021 (continued)

Public Benefit

The Trust refers to the guidance provided in the Charity Commission's general guidance on public benefit when reviewing its strategic aims and objectives. Trustees consider the contribution of planned activities to the achievement of aims and objectives during reviews of performance, progress and strategic planning exercises. The Trust complies with all statutory guidance and works to support its wider educational objectives by playing a strong and visible role in the local community.

Strategic Report

2020/21 has been another challenging year for the Trust and its academies, but the Trust and its academies have progressed in terms of improving its outcomes for learners and standards in service. The Covid-19 pandemic continued to cause disruption for teaching and learning and impacted on the Trust's overall budget outturn. The Trust has also managed a number of issues with its IT and has developed a long-term strategic plan for the investment in hardware and kit and the outsourcing of its IT service.

Despite the challenges, outcomes for pupils continued to improve and the Ofsted grading of the Marchbank Free School improved. This reflects the work the Trust has undertaken to strengthen its school improvement offer, by deploying experienced and focused leaders and utilising the skills of innovative staff members throughout the Trust to design and implement improvement strategies.

During the academic year 2020/21 the Trust has extended its central services team, establishing the post of Chief Operating Officer and creating further capacity to increase corporate support to the Trust's academies, with a view to generating efficiencies and cost savings across all schools in the 2021/22 academic year.

The Trust continued to strengthen its governance structures, by completing skills audits and Board composition reviews to identify gaps, develop succession plans and appoint Trustees with the required skills to ensure decision making is balanced, representative and informed. Board skills have also been strengthened through the delivery of a training programme which will continue into 2021/22 and will be complemented by an external audit of governance.

The Trust also appointed its first Estates and Contracts Manager to support its strategic planning for continued investment in the development of the estate.

Key Performance Indicators

The key performance indicators of the Academy Trust relate to the achievements of students within the individual academies. Prior to Covid, attendance at all academies was in line with or above national figures and student exclusions remain comparable to or below national benchmarks.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Outcomes for learners – KS4

Due to the impact of the national pandemic, exam outcomes for the summer 2021 exam series have taken a different format for the second academic year. In line with guidelines provided by Ofqual, academies used evidence alongside previous years' subject data to submit teacher assessed grades for pupils.

The results/data for 2021 will not be published nationally and external reports e.g. IDSR and ASP will not be released this year.

The Trust completes its own analysis of progress and attainment using internal assessment measures applied across the academic year. The analysis shows that Haughton Academy continued to make improvements from their 2019 position in the majority of headline attainment measures.

Beaumont Hill Academy continued to achieve positive outcomes for pupils in line with their KS4 pathway.

Outcomes for learners – KS2

Primary school SATs assessments were also cancelled due to the pandemic. Analysis of internal data for Springfield Academy and Gurney Pease Academy shows progress and an increase in pupils achieving expected standards, had they taken place.

Promoting the success of the charitable company

The Trust's main strategic priority and ambition is the delivery of a quality learning experience of pupils.

When working with executive leaders to set the strategic priorities of the Trust, Trustees also take into account the principal risks to strategic priorities and ambitions.

In accordance with section 172 of the Companies Act 2006, each Trustee acts in the way he or she considers, in good faith and would most likely promote the success of the Trust, to achieve its charitable purpose. Trustees have regard, amongst other matters to the:

- Likely consequences of any decisions in the long term
- Interests of the company's employees
- Need to foster the company's business relationships with suppliers, customers and others
- Impact of the company's operations on the community and environment
- Desirability of the company maintaining a reputation for high standards of business conduct

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- Need to act fairly as between members of the company

Further details of the principal decision taken by the Trust can be found in the section "engagement with employees (including disabled persons)" and "engagement with suppliers, customers and others in a business relationship".

Covid 19

The Trust's academies have, again, faced major disruption to their normal operations this year due to continued national lockdown and social distancing restrictions. All academies remained open for the children of key workers and vulnerable children.

Staff have worked from home where possible and where not possible arrangements were made for them to safely access the workplace. Pupils were able to access learning through a blend of "live lessons" and set work or project-based learning throughout the lockdown and restrictions.

The Trust has implemented digital technologies across pupil, staff and community networks. These arrangements have significantly enhanced pupil access to learning and have engaged pupils in new ways to learn. The change highlighted an opportunity for the Trust to consider its "use of technology" and develop a comprehensive IT strategy to guide its investment in technology, software, kit and service development. As the long-term view of the pandemic remains uncertain, investment in technology will build on and improve access to learning in the event of further restrictions or regional/national lockdowns.

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 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 2019), 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 2021, total expenditure of £17,846,000 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 £1,370,000.

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

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

At 31 August 2021 the net book value of fixed assets was £22,774,000 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 £10,187,000 recognised on the balance sheet.

The Academy Trust held fund balances at 31 August 2021 of £14,142,000 comprising £22,783,000 of restricted fixed asset funds, (£10,144,000) of restricted funds and £1,503,000 of unrestricted funds.

The deficit as at 31 August 2021 was due to:

- Higher numbers of upper pay scale teachers in the structure and the need to retain this experience to drive the improvement of Ofsted ratings.
- High levels of sickness absence as a result of the Covid 19 pandemic.
- An unbudgeted for in-year (2020/21) repayment of the PFI allocation to Darlington Borough Council (DBC) to fund the PFI affordability gap.
- Changes to organisational structures and physical spaces to meet an increase in the high level of special needs of pupils for Beaumont Hill Academy.
- Lagged funding i.e. funding was calculated on the basis of pupils from the previous year, meaning an increase in pupil numbers is not funded until a year later.
- Unplanned expenditure on IT costs (including licences, firewalls/filters, website hosting, classroom management and consumables).

Steps taken to eliminate the deficit and to reduce the likelihood of a deficit emerging in future years include:

- A full review and analysis of variances, specifically excessive spend against projected budgets and unplanned/unexpected spend to identify trends and areas in need of further investigation to prevent repeat.
- Review of the Scheme of Delegation and where appropriate, approval of major investments and spend planned, expected or unexpected must be approved by the Chief Executive and/or Trustees (as required by the Scheme of Delegation) before resources are committed.
- Completion of an Integrated Curriculum and Financial Planning (ICFP) review and identification of efficiencies.
- Regular review of the contracts register to identify significant spend and determine whether contracts are required or can be removed/reduced and to plan procurement processes to ensure best value for money.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- The introduction of monthly budget meetings with organisational leaders to monitor and review spend against agreed budgets and highlight trends and projections.
- More regular reforecasts of the outturn position to ensure early action is taken.
- Marketing and promotion activities will be undertaken to attract more pupils to the Trust's schools (where relevant).
- An energy efficiency and sustainability drive will be delivered to reduce energy and material use e.g. utilities, paper and printing to reduce Trust costs.
- Income generation to the Trust will be maximised.
- Delivery of a comprehensive ICT strategy and centralisation of It costs (as part of the annual budget setting process) to enable the better specification of equipment, its procurement (on a largescale basis) and to achieve economies of scale.

Key factors likely to affect the Trust's financial performance going forward include:

- The need to invest in technology, hardware, software and strengthening the service
- Impact of Covid 19 on sickness and the requirement to
- PFI costs and other capital investment costs particularly in terms of difficulties in the supply chain and the cost of the delivery of services
- Rising costs of utilities
- Costs of delivering a diverse and wider ranging curriculum

Going Concern

After making appropriate enquiries, the Trustees 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.

Reserves policy

The Trust's policy on reserves is to balance the competing priorities of investment of the maximum amount of resources on pupils, principally through the provision of highly qualified staff and the need to retain resources to manage future uncertainty.

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 Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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 Trustees 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 Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is in surplus by £1,546,000 which is equivalent to 9.8% of income.

Investment Policy

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

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

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

Principal Risks and Uncertainties

The Trust applies a best practice model to the identification, management and mitigation of principal risks and uncertainties. This includes the evaluation, monitoring and control of risks via systematic and regular review. Trustees are responsible for making a statement of risk in the annual accounts of the Trust. In doing this, Trustees ensure that:

- The identification, assessment and mitigation of risk is linked to the achievement of the Trust's vision and strategic objectives as set out in its strategic plan
- The process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- The process produces a risk exposure profile that reflects the Trustees views as to levels of acceptable risk
- The principal results of risk identification are reviewed, evaluated and managed; and that risk management is ongoing and embedded in management and operational procedure.

The core risks facing the Trust are:

Key Risk	Mitigation
Funding issues impede performance and improvement of outcomes for learners and impact on Ofsted ratings	<p>Strengthened budget management</p> <p>Maximisation of income for SEND pupils with increasing numbers</p> <p>Falling admission roll in mainstream – targeted marketing and recruitment to increase number of pupils on roll year on year</p> <p>Increasing admission roll for SEND – need to invest in facilities and capacity</p> <p>School improvement plans and Ofsted plans</p>
Ongoing pandemic issues impede learning and increase costs for the Trust	<p>Continuation of restrictions and management methods including social distancing, cleaning regimes</p> <p>Strengthening of technology for remote learning</p> <p>Support for teaching staff to deliver lessons remotely and in school</p> <p>Maximisation of use of insurance to cover sickness costs</p>
Disaster recovery mechanisms fail and three schools located on one PFI site are unavailable	<p>Technology disaster recovery plan in place to support remote teaching and learning</p> <p>Arrangements in place with Darlington Borough Council to access off site provision</p> <p>Preventative strategies in place with Kajima and Mitie to identify risks to the building and eliminate them</p>

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Ageing IT kit and hardware create risk of technology failure and cyber security breach	IT strategy developed and being implemented Investment plan developed for roll out over the next three years Service being outsourced to access broader range of skills
Failure to recruit and retain quality staff	Workforce planning – succession planning/developing opportunities across the site
Capacity on the EVAT site is at maximum and pupils are either unable to access provision on site or are restricted in their education because of space constraints	Estate strategy in development Review of sufficiency and capacity Lease of former children's centre site from Darlington Borough Council to extend available space

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. These activities have been reduced this year due to Covid-19.

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.

Streamlined Energy and Carbon Reporting

During 2020-21, the Trust consumed 671394kWh of electricity and 4220835kWh of gas across all of its Academies' premises.

	Education Village	Gurney Pease	Marchbank	Total (kwh)
Gas consumption (kwh)	3890308	192974	137553	4220835

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Electricity consumption (kwh)	595281	49539	26574	671394
-------------------------------	--------	-------	-------	--------

The Academies also used 5,799.71 litres of diesel in Trust vehicles used for transporting staff and pupils.

This equates to 1,028,424 KgCO₂e in total and is the equivalent of 280,759 Kg of carbon. This gives an emissions intensity ratio of 178Kg of carbon per pupil.

The calculations above have been converted at www.carbon-calculator.org.uk. The website uses data based on official guidelines from the Department of Environment, Food and Rural affairs.

The Trust has appointed and works closely with a specialist energy broker to source the best deals for gas and electricity to ensure value for money and cost management. This arrangement is in place for the next three years.

The Trust also works with the energy broker and its PFI management organisation to implement an energy "visualiser" to access real-time data to support the better management of consumption, reduce spend and improve efficiency. Pupils are engaged in designing and implementing energy efficiency projects and activities in 2021/22.

Plans for Future Periods

The Trust continues to support those academies judged to be less than 'Good' by Ofsted to make and embed improvements to achieve 'Good' judgements at their next full inspection. Full inspections, anticipated for some of the academies during the year, did not take place due to the pandemic, but inspections are expected in the next academic year.

The Trust continues to build its 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 continues to aim to provide high quality services, achieve economies of scale and ensure best value for the academies. The Chief Operating Officer was appointed in February 2021 and will work to bring central services together, to ensure efficiency and build potential for the Trust's growth in the long term.

The Board remains committed to identifying other schools, single academies or Multi-Academy Trusts to join or to merge with, and a strong offer of central support will be key to this objective. Trustees are keen to grow the Trust in order to build additional capacity for improvement and increase economies of scale and career and developmental opportunities for its staff.

The Education Village Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Auditor

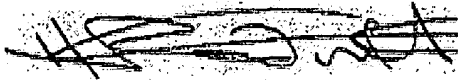
In so far as the trustees are aware:

- 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 MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 9 December 2021 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.

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

The Trustees formally met 6 times during the year ended 31 August 2021. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible	Comments
C Ashford	5	6	
M Butler (CEO and Accounting Officer)	6	6	
S Clapham	4	4	(11.02.21 was SCI first meeting)
K Dixon (Vice Chair)	5	6	
T Hedger Gourlay	6	6	
K Ivory	2	2	Resigned 11.03.21
E James	6	6	
C Morgan	5	5	Resigned 03.09.21
H Radcliffe (Chair)	6	6	
S Welsh	6	6	

The Education Village Academy Trust

Governance Statement (continued)

The EVAT FARR committee is a committee of the Board of Trustees. It monitors the Trust's and academies' financial performance and considers issues related to personnel, health & safety and premises. The committee also receives and considers information and reports relating to the Finance procedures and practice in the Trust (i.e. the Audit function). The Trust's income is significantly below the threshold where a separate audit committee is a requirement. In the year ended 31 August 2021, the FARR 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 FARR committee meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible	Comments
M Butler	4	4	As an employee of the Trust, M Butler is not a member of the committee
S Clapham	1	1	Became a member of the committee – 24.06.21
K Dixon	4	4	
T Hedger Gourlay	4	4	
E James	1	1	Became a member of the committee – 24.06.21
H Radcliffe	4	4	
R Sanghera	1	1	Resigned 18.12.21
Phil North	2	2	Resigned 21.05.21

The Education Village Academy Trust

Governance Statement (continued)

Governance reviews

Trustees maintain a close oversight of the Trust's policies and procedural arrangements and regularly review the effectiveness of key areas of both the Trust and individual academies such as safeguarding policies and procedures, financial management, equality and diversity, attendance and behaviour and curriculum subject areas.

Systems and procedures for reporting to Trustees and ESCs are implemented using online platforms (such as Office 365) where Trustees and governors can access the information they need in a timely way. The system ensures streamlined governance reporting procedures and compliance with data protection and will continue to be enhanced with specialist systems and software to maintain effective governance for the Trust and any academies or Trusts which choose to join EVAT.

Academies fundamentally use the same format for data collection and reporting. This will be strengthened in the next year to enable the Board and ESCs to have a consistent approach to scrutiny and challenge and to be able to understand the context within which each academy operates and where possible, compare the performance and development of the academies across the Trust.

A self-evaluation review is undertaken annually by Trustees, which highlighted in 2020/21 that Trustees had a wide range of experience and expertise, which enabled the Board to effectively challenge and control the strategic development of the Trust.

A full, external review of governance is planned for the academic year 2021/22.

Trustee reviews and those undertaken by external organisations in 2020/21 included:

- Review of the strategic risk register
- GDPR and data compliance
- Cyber security and e-safety

The findings of reviews are captured in focused action plans and provide assurance over the systems and processes in place.

The Trust worked with Clive Owen LLP (internal auditors) in 2020/21 to complete internal assurance reviews of its approach to payroll and financial planning processes; governance, regularity and compliance and website compliance; and e-safety arrangements.

MHA Tait Walker acts as the Trust's external auditors.

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 Trustees where value for money can be improved, including the use of benchmarking data, where available.

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 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed, alongside the operating, financial and compliance controls that have been implemented to mitigate those risks. Trustees are of the view that there is a continuous informal and formal process for identifying, evaluating and managing the Trust's significant risks in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

The risk control framework

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

- Budgeting and monitoring systems, with an annual budget and regular reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Board of Trustees 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

The Education Village Academy Trust

Governance Statement (continued)

- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the 2020/21 the review has been informed by:

- The work of internal reviewers and the internal auditor
- The work of the external auditor
- Financial management
- The work of executive managers within the 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 9 December 2021 and signed on its behalf by:



.....
M Butler
Trustee



.....
H Radcliffe
Trustee

The Education Village Academy Trust

Statement of 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 and 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 2020.

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 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Governing Body and the ESFA. 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

9 December 2021

The Education Village Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 will continue in business.

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

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

The Education Village Academy Trust

Statement of Trustees' Responsibilities (continued)

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 9 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'H Radcliffe', written over a horizontal line.

.....
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') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Consolidated Statement of Financial Activities for the (including 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', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Academy's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021.

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

The Education Village Academy Trust

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

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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

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

We have nothing to report in this regard.

The Education Village Academy Trust

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

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 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 and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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 pages 28 and 31, 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'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 or to cease operations, or have no realistic alternative but to do so.

The Education Village Academy Trust

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading Health and Safety and other relevant reports;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

The Education Village Academy Trust

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



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

Date: 16 December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

The Education Village Academy Trust

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

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

The Education Village Academy Trust

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

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:

- Review of Governing Body and committee minutes;
- Review of available Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

The Education Village Academy Trust

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 16 December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

The Education Village Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	3	12	-	203	215
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	52	15,578	-	15,630
Other trading activities	5	163	-	-	163
Investments	6	1	-	-	1
Total		228	15,578	203	16,009
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	8	-	17,176	670	17,846
Net income/(expenditure)		228	(1,598)	(467)	(1,837)
Transfers between funds		(622)	528	94	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(256)	-	(256)
Net movement in deficit		(394)	(1,326)	(373)	(2,093)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		1,897	(8,818)	23,156	16,235
Total funds/(deficit) carried forward at 31 August 2021		1,503	(10,144)	22,783	14,142

The Education Village Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Donations and capital grants	3	36	-	73	109
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	52	14,990	-	15,042
Other trading activities	5	84	-	-	84
Investments	6	5	-	-	5
Total		<u>177</u>	<u>14,990</u>	<u>73</u>	<u>15,240</u>
Expenditure on:					
Raising funds	7	(32)	-	-	(32)
<i>Charitable activities:</i>					
Academy trust educational operations	8	-	15,951	658	16,609
Total		<u>(32)</u>	<u>15,951</u>	<u>658</u>	<u>16,577</u>
Net income/(expenditure)		209	(961)	(585)	(1,337)
Transfers between funds		(178)	114	64	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(1,450)	-	(1,450)
Net movement in funds/(deficit)		31	(2,297)	(521)	(2,787)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>1,866</u>	<u>(6,521)</u>	<u>23,677</u>	<u>19,022</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>1,897</u>	<u>(8,818)</u>	<u>23,156</u>	<u>16,235</u>

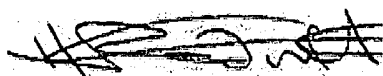
The Education Village Academy Trust

(Registration number: 07748248)

Consolidated Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	13	22,774	23,147
Current assets			
Debtors	15	629	382
Cash at bank and in hand		<u>2,135</u>	<u>2,389</u>
		2,764	2,771
Creditors: Amounts falling due within one year	16	<u>(1,209)</u>	<u>(865)</u>
Net current assets		<u>1,555</u>	<u>1,906</u>
Total assets less current liabilities		<u>24,329</u>	<u>25,053</u>
Net assets excluding pension liability		24,329	25,053
Pension scheme liability	25	<u>(10,187)</u>	<u>(8,818)</u>
Net assets including pension liability		<u>14,142</u>	<u>16,235</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	43	-
Restricted fixed asset fund	17	22,783	23,156
Restricted pension fund	17	<u>(10,187)</u>	<u>(8,818)</u>
		12,639	14,338
Unrestricted funds			
Unrestricted income fund	17	<u>1,503</u>	<u>1,897</u>
Total funds		<u>14,142</u>	<u>16,235</u>

The financial statements were approved by the trustees, and authorised for issue on 9 December 2021 and signed on their behalf by:



.....
H Radcliffe
Trustee

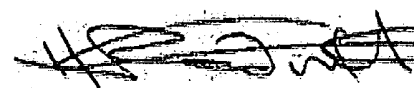
The Education Village Academy Trust

(Registration number: 07748248)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	13	22,774	23,147
Current assets			
Debtors	15	629	382
Cash at bank and in hand		<u>2,135</u>	<u>2,389</u>
		2,764	2,771
Creditors: Amounts falling due within one year	16	<u>(1,209)</u>	<u>(865)</u>
Net current assets		<u>1,555</u>	<u>1,906</u>
Total assets less current liabilities		<u>24,329</u>	<u>25,053</u>
Net assets excluding pension liability		24,329	25,053
Pension scheme liability	25	<u>(10,187)</u>	<u>(8,818)</u>
Net assets including pension liability		<u>14,142</u>	<u>16,235</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	43	-
Restricted fixed asset fund	17	22,783	23,156
Restricted pension fund	17	<u>(10,187)</u>	<u>(8,818)</u>
		12,639	14,338
Unrestricted funds			
Unrestricted income fund	17	<u>1,503</u>	<u>1,897</u>
Total funds		<u>14,142</u>	<u>16,235</u>

The financial statements were approved by the trustees, and authorised for issue on 9 December 2021 and signed on their behalf by:



H Radcliffe
Trustee

The Education Village Academy Trust

Consolidated Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(38)	169
Cash flows from investing activities	21	<u>(216)</u>	<u>(488)</u>
Change in cash and cash equivalents in the year		(254)	(319)
Cash and cash equivalents at 1 September		<u>2,389</u>	<u>2,708</u>
Cash and cash equivalents at 31 August	22	<u><u>2,135</u></u>	<u><u>2,389</u></u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 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.

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/(deficit) of £(2,093,000) (2020 --£(2,779,000)).

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 trust via gift aid.

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

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 spent on capital projects in line with the terms and conditions of the grant. 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.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Investment income

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

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.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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	Depreciation method and rate
Long term leasehold property	50 years straight line
Long term leasehold land	125 years straight line
Motor vehicles	4 year straight line
Fixtures and fittings	7 years straight line
Computer equipment	3 years straight line
Leasehold improvements	50 years straight line

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

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

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

Leased assets

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

Investments

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

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.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

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 Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 Education Skills and Funding Agency and the Department for Education Group.

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.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 academy trust 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 £670,000 (2020 - £658,000).

Critical areas of judgement

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

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2021 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 2021.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Educational trips and visits	4	-	-	4	27
Capital grants	-	-	80	80	73
Other donations	8	-	-	8	9
Donated fixed assets	-	-	123	123	-
	<u>12</u>	<u>-</u>	<u>203</u>	<u>215</u>	<u>109</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>36</u>	<u>-</u>	<u>73</u>	<u>109</u>	

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	9,496	-	9,496	9,464
Other ESFA Group grants	-	1,531	-	1,531	1,516
	<u>-</u>	<u>11,027</u>	<u>-</u>	<u>11,027</u>	<u>10,980</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

4 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Other government grants					
Local authority grants	-	3,982	-	3,982	3,805
Special educational projects	-	59	-	59	49
Other Government grants	-	83	-	83	156
	<u>-</u>	<u>4,124</u>	<u>-</u>	<u>4,124</u>	<u>4,010</u>
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	174	-	174	-
Other DfE/ESFA COVID-19 funding	-	212	-	212	-
	<u>-</u>	<u>386</u>	<u>-</u>	<u>386</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)					
Other Coronavirus funding	-	41	-	41	-
Non-government grants and other income					
Other income from the academy trusts educational operations	52	-	-	52	52
Total grants	<u>52</u>	<u>15,578</u>	<u>-</u>	<u>15,630</u>	<u>15,042</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

4 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	<u>52</u>	<u>14,990</u>	<u>-</u>	<u>15,042</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £41,000 of cleaning and catering costs. These costs are included in note 7 below as appropriate.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	68	30
Student Support Services (per statement) (also known as Academy Post 16 Bursary Funding)	-	2
Pupil Premium and Service Premium	806	836
Universal Infant Free School Meals (UifSM)	70	58
PE and Sports Grant	69	69
Teachers' Pay Grant	518	521
	<u>1,531</u>	<u>1,516</u>

5 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Hire of facilities	11	-	-	11	-
Recharges and reimbursements	109	-	-	109	62
Other sales	43	-	-	43	21
Subsidiary income	-	-	-	-	1
	<u>163</u>	<u>-</u>	<u>-</u>	<u>163</u>	<u>84</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>84</u>	<u>-</u>	<u>-</u>	<u>84</u>	

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Short term deposits	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>5</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	

7 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	-	-	-	-	(32)
Academy's educational operations					
Direct costs	8,155	-	414	8,569	8,082
Allocated support costs	<u>5,793</u>	<u>1,855</u>	<u>1,629</u>	<u>9,277</u>	<u>8,527</u>
	<u>13,948</u>	<u>1,855</u>	<u>2,043</u>	<u>17,846</u>	<u>16,577</u>
	Non Pay Expenditure			Total 2020 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2020	<u>12,609</u>	<u>1,763</u>	<u>2,205</u>	<u>16,577</u>	

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	14	20
Depreciation	670	658
Fees payable to auditor - audit	7	7
Fees payable to auditor - other audit services	2	4
	<u>17,846</u>	<u>16,609</u>

8 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	8,569	8,082
Support costs - educational operations	9,277	8,527
	<u>17,846</u>	<u>16,609</u>

	Educational operations £ 000	Total 2021 £ 000	Total 2020 £ 000
Analysis of support costs			
Support staff costs	5,793	5,793	4,985
Depreciation	670	670	658
Technology costs	122	122	177
Premises costs	1,185	1,185	1,105
Legal costs	2	2	7
Other support costs	1,478	1,478	1,584
Governance costs	27	27	11
Total support costs	<u>9,277</u>	<u>9,277</u>	<u>8,527</u>

9 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	9,404	8,731
Social security costs	912	827
Operating costs of defined benefit pension schemes	2,895	2,464
	<u>13,211</u>	<u>12,022</u>
Supply staff costs	691	554
Staff restructuring costs	46	33
	<u>13,948</u>	<u>12,609</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Staff (continued)

The subsidiary undertaking incurred total staff costs of £NIL (2020 - £174,103).

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £45,725 (2020 - £14,997). Individually, the payments were:

Non-contractual payments £5,100

Non-contractual payments £24,500

Non-contractual payments £7,730

Non-contractual payments £6,600

Non-contractual payments £1,795

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2021 No.	2020 No.
Charitable Activities		
Teachers	104	128
Administration and support	201	190
Management	24	5
	<u>329</u>	<u>323</u>

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	3	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Staff (continued)

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 £782,002 (2020 - £684,493).

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

	2021	2020
	£ 000	£ 000
Springfield	63	65
Beaumont Hill	331	327
Haughton	230	238
Gurney Pease	60	57
Marchbank	57	56
	<u>741</u>	<u>743</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (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: £145,000 - £150,000 (2020 - £135,000 - £140,000)

Employer's pension contributions: £35,000 - £40,000 (2020 - £35,000 - £40,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £324) were reimbursed or paid directly to 0 trustees (2020 - 1).

Other related party transactions involving the trustees are set out in note 26.

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 2021 was £714 (2020 - £2,113).

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 2021 (continued)

13 Tangible fixed assets

Group

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Leasehold improvements £ 000	Total £ 000
Cost						
At 1 September 2020	26,012	338	67	1,431	1,164	29,012
Additions	66	39	-	192	-	297
At 31 August 2021	26,078	377	67	1,623	1,164	29,309
Depreciation						
At 1 September 2020	4,050	252	67	1,357	139	5,865
Charge for the year	519	38	-	89	24	670
At 31 August 2021	4,569	290	67	1,446	163	6,535
Net book value						
At 31 August 2021	21,509	87	-	177	1,001	22,774
At 31 August 2020	21,962	86	-	74	1,025	23,147

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (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 2020	26,012	338	67	1,431	1,164	29,012
Additions	66	39	-	192	-	297
At 31 August 2021	26,078	377	67	1,623	1,164	29,309
Depreciation						
At 1 September 2020	4,050	252	67	1,357	139	5,865
Charge for the year	519	38	-	89	24	670
At 31 August 2021	4,569	290	67	1,446	163	6,535
Net book value						
At 31 August 2021	21,509	87	-	177	1,001	22,774
At 31 August 2020	21,962	86	-	74	1,025	23,147

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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 sale and maintenance of ICT equipment. 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 2021 was £Nil, expenditure was £Nil and the profit/(loss) for the year was £Nil. The assets of the company at 31 August 2021 were £Nil, liabilities were £Nil and capital and reserves were £Nil.

15 Debtors

	2021	Group	2021	Academy Trust
	£ 000	2020	£ 000	2020
	£ 000	£ 000	£ 000	£ 000
Trade debtors	39	48	39	48
VAT recoverable	119	8	119	8
Other debtors	1	-	1	-
Prepayments	144	75	144	75
Accrued grant and other income	326	251	326	251
	<u>629</u>	<u>382</u>	<u>629</u>	<u>382</u>

16 Creditors: amounts falling due within one year

	2021	Group	2021	Academy Trust
	£ 000	2020	£ 000	2020
	£ 000	£ 000	£ 000	£ 000
Trade creditors	198	21	198	21
Other taxation and social security	238	199	238	199
Other creditors	1	-	1	-
Accruals	454	335	454	335
Deferred income	94	103	94	103
Pension scheme creditor	224	207	224	207
	<u>1,209</u>	<u>865</u>	<u>1,209</u>	<u>865</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

Group

	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	103	26
Resources deferred in the period	94	103
Amounts released from previous periods	<u>(103)</u>	<u>(26)</u>
Deferred income at 31 August 2021	<u>94</u>	<u>103</u>

At the balance sheet date the Trust was holding funds received in advance in respect of universal free school meals income, rates relief and other income.

Academy Trust

	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	103	26
Resources deferred in the period	94	103
Amounts released from previous periods	<u>(103)</u>	<u>(26)</u>
Deferred income at 31 August 2021	<u>94</u>	<u>103</u>

At the balance sheet date the Trust was holding funds received in advance in respect of universal free school meals income, rates relief and other income.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds

Group

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	9,496	(10,024)	528	-
Other DfE/ESFA Income	-	1,531	(1,488)	-	43
Other Government Grants	-	4,065	(4,065)	-	-
Other Income	-	59	(59)	-	-
COVID-19	-	427	(427)	-	-
	<u>-</u>	<u>15,578</u>	<u>(16,063)</u>	<u>528</u>	<u>43</u>
Restricted fixed asset funds					
Transfer on Conversion	17,800	-	(518)	-	17,282
DfE/ESFA Capital Grants	2,690	203	(75)	94	2,912
Capital expenditure from GAG	769	-	(22)	-	747
Other Capital Funds	<u>1,897</u>	<u>-</u>	<u>(55)</u>	<u>-</u>	<u>1,842</u>
	23,156	203	(670)	94	22,783
Restricted pension funds					
Pension Reserve	<u>(8,818)</u>	<u>-</u>	<u>(1,113)</u>	<u>(256)</u>	<u>(10,187)</u>
Total restricted funds	14,338	15,781	(17,846)	366	12,639
Unrestricted funds					
General Fund	<u>1,897</u>	<u>228</u>	<u>-</u>	<u>(622)</u>	<u>1,503</u>
Total funds	<u>16,235</u>	<u>16,009</u>	<u>(17,846)</u>	<u>(256)</u>	<u>14,142</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	9,467	(9,581)	114	-
Other DfE/ESFA Income	-	1,513	(1,513)	-	-
Other Government Grants	-	4,010	(4,010)	-	-
	-	14,990	(15,104)	114	-
Restricted fixed asset funds					
Transfer on Conversion	18,309	-	(509)	-	17,800
DfE/ESFA Capital Grants	2,626	73	(73)	64	2,690
Capital expenditure from GAG	791	-	(22)	-	769
Other Capital Funds	1,951	-	(54)	-	1,897
	23,677	73	(658)	64	23,156
Restricted pension funds					
Pension Reserve	(6,521)	-	(847)	(1,450)	(8,818)
Total restricted funds	17,156	15,063	(16,609)	(1,272)	14,338
Unrestricted funds					
General Fund	1,866	177	32	(178)	1,897
Total funds	19,022	15,240	(16,577)	(1,450)	16,235

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (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 2021.

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 Trust.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021 £ 000	2020 £ 000
Beaumont Hill Academy	881	863
Gurney Pease Academy	296	303
Haughton Academy	18	284
Marchbank Academy	240	335
Springfield Academy	111	112
Total before fixed assets and pension reserve	1,546	1,897
Restricted fixed asset fund	22,783	23,156
Pension Reserve	(10,187)	(8,818)
Total	14,142	16,235

The central services of the Trust is carrying a net deficit of £146,000 on these funds as at 31 August 2021.

The deficit has been allocated to each school within the Trust by apportionment on the same basis of the central services costs for the year.

The Trust is taking the following action to return the Academy to surplus:

- Completion of an Integrated Curriculum and Financial Planning review to identify opportunities for efficiency
- Full review of the contracts register and plan for major procurements developed and implemented
- Monthly budget meetings will be introduced with the Finance Manager, Principals and Chief operating Officer to monitor spend against agreed budgets and discuss projections (expenditure incurred and expenditure committed).
- Regular reforecasts of the outturn position
- Income generation plan developed and implemented
- Energy efficiency and sustainability drive implemented
- ICT service to be outsourced to reduce risk and costs by rationalising, integrating and reducing software, kit and infrastructure

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

Total cost analysis by academy

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 2021 £ 000
Beaumont Hill Academy	2,652	2,093	43	1,553	6,341
Gurney Pease Academy	619	392	31	290	1,332
Haughton Academy	3,428	974	56	1,340	5,798
Marchbank Academy	637	336	11	210	1,194
Springfield Academy	608	311	25	336	1,280
Central services	218	1,696	-	(683)	1,231
Academy Trust	<u>8,162</u>	<u>5,802</u>	<u>166</u>	<u>3,046</u>	<u>17,176</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Beaumont Hill Academy	2,456	2,592	44	1,255	6,347
Gurney Pease Academy	567	432	26	283	1,308
Haughton Academy	3,448	1,160	45	1,104	5,757
Marchbank Academy	506	420	7	277	1,210
Springfield Academy	629	411	29	261	1,330
Academy Trust	<u>7,606</u>	<u>5,015</u>	<u>151</u>	<u>3,180</u>	<u>15,952</u>

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	-	-	22,774	22,774
Current assets	2,712	43	9	2,764
Current liabilities	(1,209)	-	-	(1,209)
Pension scheme liability	-	(10,187)	-	(10,187)
Total net assets	<u>1,503</u>	<u>(10,144)</u>	<u>22,783</u>	<u>14,142</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	-	-	23,147	23,147
Current assets	2,762	-	9	2,771
Current liabilities	(865)	-	-	(865)
Pension scheme liability	-	(8,818)	-	(8,818)
Total net assets	<u>1,897</u>	<u>(8,818)</u>	<u>23,156</u>	<u>16,235</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Analysis of net assets between funds (continued)

Academy Trust

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	22,774	22,774
Current assets	2,712	43	9	2,764
Current liabilities	(1,209)	-	-	(1,209)
Pension scheme liability	-	(10,187)	-	(10,187)
Total net assets	<u>1,503</u>	<u>(10,144)</u>	<u>22,783</u>	<u>14,142</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	-	-	23,147	23,147
Current assets	2,762	-	9	2,771
Current liabilities	(865)	-	-	(865)
Pension scheme liability	-	(8,818)	-	(8,818)
Total net assets	<u>1,897</u>	<u>(8,818)</u>	<u>23,156</u>	<u>16,235</u>

19 Long-term commitments, including operating leases

Group

Operating leases - group

At 31 August 2021 the group had annual commitments under non-cancellable operating leases as follows:

	2021 £ 000	2020 £ 000
Amounts due within one year	14	17
Amounts due between one and five years	<u>67</u>	<u>-</u>
	<u>81</u>	<u>17</u>

The Academy Trust occupies premises which are subject to a private finance initiative (PFI) contract. The Academy Trust is itself not party to this service concession contract, however the Academy Trust has entered into a supporting agreement to make contributions towards the costs. The commitment covers the same period as the PFI agreement of 13 years. The current year cost was £622,048 and it is expected that future annual commitments will be at a similar level.

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

19 Long-term commitments, including operating leases (continued)

Academy Trust

Operating leases - company

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	14	17
Amounts due between one and five years	67	-
	<u>81</u>	<u>17</u>

The Academy Trust occupies premises which are subject to a private finance initiative (PFI) contract. The Academy Trust is itself not party to this service concession contract, however the Academy Trust has entered into a supporting agreement to make contributions towards the costs. The commitment covers the same period as the PFI agreement of 13 years. The current year cost was £622,048 and it is expected that future annual commitments will be at a similar level.

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

	Note	2021 £ 000	2020 £ 000
Net expenditure		(1,837)	(1,337)
Depreciation	7	670	658
Capital grants from DfE and other capital income		(80)	(73)
Interest receivable	6	(1)	(5)
Defined benefit pension scheme cost less contributions payable	25	969	729
Defined benefit pension scheme finance cost	25	144	118
(Increase)/decrease in debtors		(247)	153
Increase/(decrease) in creditors		<u>344</u>	<u>(74)</u>
Net cash (used in)/provided by Operating Activities		<u>(38)</u>	<u>169</u>

21 Cash flows from investing activities

	2021 £ 000	2020 £ 000
Dividends, interest and rents from investments	1	5
Purchase of tangible fixed assets	(297)	(566)
Capital funding received from sponsors and others	<u>80</u>	<u>73</u>
Net cash used in investing activities	<u>(216)</u>	<u>(488)</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Analysis of cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank and in hand	2,135	2,389
Total cash and cash equivalents	2,135	2,389

23 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	2,389	(254)	2,135
Total	2,389	(254)	2,135

24 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.

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £223,717 (2020 - £206,547) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,247,860 (2020: £1,167,599).

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

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Under the definitions set out in 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

Durham Pension Fund

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 2021 was £891,000 (2020 - £789,000), of which employer's contributions totalled £672,000 (2020 - £591,000) and employees' contributions totalled £219,000 (2020 - £198,000). The agreed contribution rates for future years are 17.9 per cent for employers and 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

	2021	2020
	%	%
Rate of increase in salaries	3.60	3.20
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.20</u>

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

	2021	2020
Retiring today		
Males retiring today	22.30	22.20
Females retiring today	24.30	24.20
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	<u>25.80</u>	<u>25.70</u>

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	22,155	18,094
Discount rate -0.1%	23,360	19,079
Mortality assumption – 1 year increase	23,610	17,908
Mortality assumption – 1 year decrease	21,904	19,246
CPI rate +0.1%	22,837	19,004
CPI rate -0.1%	<u>22,655</u>	<u>18,168</u>

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

	2021 £ 000	2020 £ 000
Equities	7,107	4,820
Corporate bonds	2,173	1,435
Government bonds	1,947	2,333
Property	779	693
Cash and other liquid assets	<u>553</u>	<u>478</u>
Total market value of assets	<u>12,559</u>	<u>9,759</u>

The actual return on scheme assets was £2,021,000 (2020 - £80,000).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	1,641	1,320
Interest income	(173)	(178)
Interest cost	<u>317</u>	<u>296</u>
Total amount recognised in the SOFA	<u>1,785</u>	<u>1,438</u>

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

	2021 £ 000	2020 £ 000
At start of period	18,577	15,520
Current service cost	1,641	1,320
Interest cost	317	296
Employee contributions	219	198
Actuarial (gain)/loss	2,104	1,352
Benefits paid	<u>(112)</u>	<u>(109)</u>
At 31 August	<u>22,746</u>	<u>18,577</u>

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

The Education Village Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

	2021	2020
	£ 000	£ 000
At start of period	9,759	8,999
Interest income	173	178
Actuarial gain/(loss)	1,848	(98)
Employer contributions	672	591
Employee contributions	219	198
Benefits paid	(112)	(109)
At 31 August	<u>12,559</u>	<u>9,759</u>

26 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. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

EdIT Learning Limited

(EdIT Learning Limited is a 100% subsidiary and has trustees/directors in common.)

During the year The Education Village Academy Trust obtained IT consumables and support worth £nil (2020 - £231,561).

At the balance sheet date the amount due to EdIT Learning Limited was £Nil (2020 - £Nil).

Income related party transactions

During the year the academy trust made the following related party transactions:

EdIT Learning Limited

(EdIT Learning Limited is a 100% subsidiary and has trustees/directors in common.)

During the year, The Education Village Academy Trust received gift aid £nil (2020 - £32,555) and dividends of £nil (2020 - £8,329).