

Venn Academy Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the period ended

31 August 2016

Venn Academy Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr T Burnside Mr C Fenwick Mr M McAlindon Mrs B Welbourne Mr M Dickinson	
Trustees	Mr T Johnson#^ (Chair of Trustees) Mr V Blake-Barnard* (Vice Chair) Mr C Fenwick# Mr M McAlindon* Mr S Witham# (Chief Executive Principal and Accounting Officer) Mrs C Patton (Headteacher) Mr P Wilson Ms S Butterworth	(appointed 29 June 2015) (appointed 29 June 2015) (appointed 29 June 2015) (appointed 20 October 2015) (appointed 29 June 2015) (appointed 29 June 2015) (appointed 23 March 2016) (resigned 27 October 2015)
	* members of the Audit Committee # members of the Local Governing Body of Thorpepark Primary School ^ members of the Local Governing Body of Bridgeview, Whitehouse and Sullivan Centre	
Senior Management Team	Chief Executive Principal and Accounting Officer Headteacher PRU's/Special School	Mr S Witham Mrs C Patton
Principal and Registered Office	Thorpepark Primary School Laxthorpe, Orchard Park Estate Hull East Riding of Yorkshire HU6 9EG	
Company Registration Number	09662303 (England and Wales)	
Independent Auditor	RSM UK Audit LLP Two Humber Quays Wellington Street West Hull HU1 2BN	
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ	

Venn Academy Trust

TRUSTEES' REPORT

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report together with the financial statements and auditors report for the period from the date of incorporation, being 29 June 2015 up to 31 August 2016. The annual report serves the purposes of both a trustees' report and a director's report under company law.

The Trust opened on 1 September 2015 with four converting Academies, being Thorpepark Academy, Bridgeview Special School, Whitehouse Pupil Referral Unit and The Sullivan Centre (a medical pupil referral unit) and these are governed by Venn Academy Trust.

The Trust operates 1 Primary Academy, 1 Primary Special School and 2 Alternative Provision Pupil Referral Units in Kingston upon Hull during 2015/16. It has a pupil capacity of: Thorpepark Primary 540, the Alternative Provision PRU's have a capacity for which the school is organised to make provision of: Bridgeview Special School 30, Whitehouse PRU 30, Sullivan Centre 25. The total number on roll in the January census 2016 was Thorpepark 519, Bridgeview Special School 25, Sullivan Centre 11, Whitehouse PRU 31.

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 multi-academy Trust ("the Trust") is known as the Venn Academy Trust and the settings are known as Thorpepark Academy, Bridgeview Special School, Whitehouse PRU and the Sullivan Medical Centre.

The Trustees of Venn Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during 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 period after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every governor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or trust in relation the affairs of the Trust.

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of Trust which by virtue of any law would otherwise attach to them. This is in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Academy Trust. (RPA Governors Liability Expense) The insurance provides cover up to £10,000,000 for any one loss and any one-membership period.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Method of Recruitment and Appointment or Election of Trustees

The Trust has a total of seven Trustees as shown on page 1. This includes the Chief Executive, Accounting Officer and the Chair of the Local Governing Body of Thorpepark Academy. New Trustees are appointed by the Members. When new Trustees or Governors are appointed, the Members and Board of Trustees approves at that time an appropriate process and criteria for recruitment based on an analysis of the current skill and capability requirements of the Board or Governing Body, the current needs of each academy and governance good practice at Trust level.

Each academy has retained its own Local Governing Body (LGB), however Bridgeview Special School, Whitehouse PRU, Sullivan Medical Centre share one LGB with discreet agenda items that are school specific as necessary.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees and Governors are provided with copies of the DfE Governors' Handbook on appointment. When new Trustees or Governors are appointed, an analysis of the requirements of their role and their current skills determines their induction process. The induction process is outlined in the Governance Handbook. Effective governance is critical to the success of the Trust and its schools. The Trust also has a formal induction policy for new Trustees and Governors.

Organisational Structure

During the period the organisational structure of the Trust consisted of 3 levels: the Trust Members, the Board of Trustees and the Local Governing Bodies. The Local Governing Bodies have committees which including Finance and General Purposes and the Trust has an Audit and Risk committee. It is further supported by the Executive Leadership Board. The central services structure will be reviewed as the Trust grows to ensure sufficient capacity to deliver.

The Board of Directors of the Trust shall hold a minimum of four meetings in every school period, including the annual general meeting (AGM).

The role of the Trust is:

- To be ultimately accountable and responsible for all decisions regarding the strategic running of the MAT and the individual schools within it
- To have oversight of the curriculum, standards, progress and outcomes across the trust and the individual schools
- To have oversight of finances and risk management of the trust and the individual schools

The role of each LGB is to:

- Ensure clarity of vision, ethos and strategic direction at each school
- Hold Headteachers to account for the educational performance of the school and its pupils, and the performance management of staff
- Oversee the financial performance of the school and making sure its money is well spent
- Advise the Board as required

The Scheme of Delegation framework sets out the responsibilities of the key roles in relation to each school within the Trust.

Venn Academy Trust

TRUSTEES' REPORT (continued)

The Board of Trustees are able to delegate identified functions to any Trustee, committee (including any Local Governing Body), or any other holder of an executive office, to the extent of power or function which they consider desirable to be exercised by them. Any such delegation shall be made subject to any conditions the Trustees may impose, and may be revoked or altered. The Trustees shall appoint Headteachers of the participating schools. The Trustees may delegate such powers and functions as they consider are required to the Chief Executive Officer and the Headteachers for the internal organisation, management and control of the Schools (including the implementation of all policies approved by the Trustees and for the direction of the teaching and curriculum at the Schools).

The Board of Trustees are responsible for ensuring that high standards of corporate governance are maintained. It should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the schools within the Trust.

The Local Governing Body is able to delegate identified functions to a committee; where decisions have been delegated these must be reported back to the next Local Governing Body meeting. It is essential that the Local Governing Body delegate sufficient powers to the Headteacher so that they can manage the school effectively.

The Board / Local Governing Body delegates general responsibility to incur financial commitments and expenditure in accordance with the approved budget plan and financial regulations.

Arrangements for setting pay and remuneration of key management personnel

Venn Academy Trust has a senior leadership pay scale applicable for the Chief Executive Officer and Head Teacher. The pay scale was set up to reflect the level of responsibility of the post holders with reference to the School Teachers Pay and Conditions Policy with respect to the Senior Leadership Pay Scale. The pay scale is reviewed and endorsed annually by the Trust Board.

Pay for the CEO is reviewed annually following a performance management review completed by an external reviewer and two performance management Trustees. A recommendation on the annual pay award is made to the Trust Board based on evidence of performance targets met and guidance from the external reviewer. The annual pay award for the headteacher results from a performance management review of targets met involving the CEO, two trustees and the external reviewer, with a recommendation to the Trust Board.

Major risks for the Trust

The major risks and uncertainties identified include national changes and possible reductions in funding for alternative provision in respect of the Trust's Pupil Referral Units, uncertainty on national changes to High Needs Funding, post-opening management of academies joining the Trust, future changes to nursery funding and providing facilities to meet demand.

Related Parties and other Connected Charities and Organisations

Venn Academy Trust works with Tidal Teaching School Alliance. Tidal's core belief is the capacity to improve schools ties within schools. Tidal Teaching School Alliance taps into that potential using audits of need and up to date research to train the next generation of teachers through School Direct. Effective practice in schools is achieved by responding to identified needs and supporting the measures necessary to transform those needs into daily practice.

Hull Local Authority and the Trust works in partnership to offer school to school support in reference to pupils who have behavioural issues, or who are at risk of or have been permanently excluded. Additionally it provides educational provision for pupils with SEMH who have an EHCP: Pupils who are ill, pregnant, or who are vulnerable access education via Venn's range of settings. The local authority commissions places via the PRUs and through the Whitehouse Outreach service.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Team Teach and the Trust works with other schools to provide Team Teach de-escalation training for adults working in schools.

Catchment area

The catchment area for Bridgeview special school, Sullivan medical centre and Whitehouse pupil referral unit is city wide and also extends into the neighbouring local authorities. The catchment area for Thorpepark is based on the area around the school as defined by Kingston Upon Hull City Council Primary School Admissions policy.

Objectives and Activities

Principal activities

In accordance with our articles of association the charitable company has entered into a Master Funding Agreement approved by the Secretary of State. The Master Funding Agreement specifies, amongst other things, the basis for admitting pupils to the academies, the catchment areas from which pupils are drawn and that the curriculum should be broad and balanced and relevant to the needs of all our learners.

The principal object and activity of the charitable company is the operation of Venn Academy Trust to advance, for the public benefit, education for pupils of different abilities between the ages of 3-19.

Venn Academy Trust Vision and aims:

The communities the Trust serves are wide reaching and range from local stakeholders in the Humber region to children and families choosing to join (commissioned places) from as far as the West Midlands. As a proposed sponsor we recognise our strength is based on our leadership model, and with staff who can support effective learning behaviour within settings. We currently aim to work within a 50 mile / 1 hour radius of our central base in Hull.

The Trust proposes to maximise the freedoms that academy status offers developing a curriculum that meets the needs of pupils and being relentless in making sure every child succeeds. The current schools have a proven track record in doing so and a curriculum model which delivers to mainstream and alternative provision. We have high ambitions for our pupils. Additionally the Trust has access to Tidal Teaching School Alliance deploying their SLEs to improve outcomes.

The Trust has a defined approach to teaching and learning developing appropriate learning behaviour to secure progress, the aim is to relentlessly promote outstanding leadership and teaching. The Trust will use data to inform curriculum planning, using research to inform practice ensuring evidence based practice impacts on outcomes.

Dependent on the location and size of these schools we would work in two or three clusters ensuring good and outstanding schools are in each cluster working closely with those who require improvement and intervention.

Currently we have 4 convertor academies in our trust. During the next year there will be 2 further convertors and up to 2 sponsored academies. This would give the Trust the balance and capacity required to support each other adding the challenge and rigour required to ensure all schools become or remain outstanding.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Members of the executive leadership team and senior leaders meet regularly to review the progress and standards of each school to share self-evaluation, performance data and work towards developing school improvement. Good practice is disseminated to ensure all leaders are ambitious in communicating the vision of Venn Academy Trust. Any risks that are identified are discussed through the appropriate committees such as the Risk Management Committee, LGB or Board.

Public Benefit

The Trustees have complied with their duty under section 4 of the Charities Act 2006 to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties within the Trust.

East Hull Primary School

The Trust is currently providing school-to-school support to a primary school in the east of the city.

Euler

Euler Academy, proposed by Venn Academy Trust, will be an alternative provision for pupils that find mainstream schooling ineffective. It will support pupils (5-11 years) who require early intervention and present with social, emotional, or mental health issues. The school will be based in a central location within Hull, on one site with up to 56 pupils at any one time.

Venn Academy Trust has identified a gap amongst the current primary aged population of children who present with moderate learning difficulties. A wide number of these pupils are presenting with social, emotional, mental health issues projected through challenging behaviour. They have challenging behaviour which could be a result of SEMH issues in their personal circumstances and often attendance issues and are thus disengaged from usual mainstream education. These pupils are a minority of the overall cohort of students in Hull Schools yet their behaviours have a disproportionate impact on the learning and achievement of their peers. Adding to this issue is the fact that the current population of pupils who are being excluded is expanding. A robust and transparent referral system will ensure pupils access the correct support to the Academy.

CPD

The Trust has development of staff at its core and provides bespoke training and support in the city for a range of contexts.

Research

The Trust uses action and evidence based research to lead training and development of staff across the Trust and city. It is currently involved in researching reading with the University of East London and the United Kingdom Literacy Association. Additionally the trust has developed CPD to promote leading behaviour for learning.

Other schools

The Trust can evidence the impact it has had on schools across the city for learning behaviour and through its outreach facility. The trust works with the local authority and Fair Access Panels to support hard to reach and vulnerable pupils.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Going concern

The board of trustees has a reasonable expectation that the Academy Trust has the resources to adequately operate for the foreseeable future and maintain solvency. For this reason it continues to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of Accounting Policies. Schools or academies that join Venn will be required to undergo due diligence to ensure they do not diminish the Trust as a going concern and add to the strengthening of Venn to maintain sustainability in the future.

Strategic Report

Financial Review

The Trust's main source of income is from the Education Funding Agency (EFA) in the form of GAG (General Annual Grant) payments based on the School Formula Funding. These grants and the associated expenditure are shown in the Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for capital expenditure and these grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the asset.

During 2015-16 the Trust required each academy to contribute 3% of its GAG and other relevant income to the central services operations, with the funding used to provide centralised support services.

During the first period of the Trust's operations ending 31st August 2016 total income, excluding funds received on conversion and fixed asset fund income, was £4,967,739, and total expenditure, excluding depreciation was £4,417,862. The total surplus across the Trust, with income being greater than expenditure, (and excluding amounts on conversion, restricted fixed asset funds and accounting for the pension scheme actuarial valuation and charge), was £549,877.

At 31st August 2016 the net book value of fixed assets was £10,760,432.

Financial and risk management objectives and policies

The Trust has cash, bank balances and trade creditors and is not exposed to financial risks from credit as the Trust does not undertake any borrowing as all its operating needs are met from within its cash resources. Therefore the trust is not exposed to interest rate risk. The level of balances currently held is sufficient for the risk of insufficient cash liquidity to be considered minimal. The trust is exposed to price risks and future inflation, but is funded primarily from the government and therefore the credit risk is considered to be minimal.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Reserves policy

The Trust held total fund balance reserves of £10,151,462 as at 31 August 2016, comprising of £9,550,219 of restricted funds including a pension deficit of £1,765,000 and unrestricted funds of £601,243.

Total revenue reserves of the Trust are £1,156,030 as at 31 August, and this excludes the fixed asset fund of £10,760,432 and the pension reserve deficit of £1,765,000. The amount of free funds, being total funds less the amount held in fixed assets and restricted funds is £1,156,030. This amount is approximately equal to four months' total salary expenditure and the Trustees consider that this is adequate and reasonable to meet the operational and working capital needs of the Trust.

The trust is carrying a net deficit of £1,765,000 on the pension reserve deficit due to future pension liabilities exceeded the current value of assets held. Over time this will be brought back into balance through the payment of monthly pension contributions, based on a percentage of gross salaries, into the East Riding Pension Fund which includes an element to address the deficit position.

The Trust has a Reserves Policy to protect its activities by providing a financial comfort zone to provide for an unpredictable future financial environment and to make sufficient provision for future cash flow requirements and capital procurement. Given the growth of the Trust the management of reserves will be reviewed annually.

Investment policy

The Trust has an Investment Policy which is geared towards avoiding risk rather than maximising a financial return. The trust operates an interest bearing current account. The directors have the power to invest monies surplus to the trust's working requirements in a higher interest bearing account operated by an approved institution. The trust does not currently hold any higher interest investment accounts.

Achievements and Performance

Set out below are the key performance indicators and achievements met during the period by the Trust:

Key performance indicators

1. The mainstream primary academy met government floor standards.
2. All schools across the Trust are graded at least 'Good' by Ofsted.
3. Investment in capacity for the School Improvement Team recruited and in post for December 2016.
4. Development of Financial Direction role to secure economies of scale and best value reporting across the trust.
5. Governance and training conferences to support high quality teaching, learning and governance.
6. Trust wide policies are being embedded and will be in place by April 2017.
7. CPD is fully embedded to support outcomes for pupils and is trust wide.

The following were achieved by August 2016:

Bridgeview

All children in Bridgeview Special School have EHCP's. We can evidence that all of these children make progress in line with their personal targets i.e. in behaviour and learning.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Whitehouse

Whitehouse progress is measured by looking at how many children on placements return to mainstream. In 2015/16, 35% of pupils returned to their mainstream setting. For those who do not return to mainstream they often need statutory assessment they move to special schools. All children who access Whitehouse make academic progress in their learning and behaviour during their placement.

Sullivan

The Sullivan Centre is a specialist secondary unit which measures progress against how many students return to mainstream or move to special school. Approximately 25% annually return to a mainstream setting. For those who remain at the Sullivan Centre they take their GCSE's with us or follow a vocational route. All pupils which leave do so with an improved academic record and progress but more importantly a vastly improved attendance as most pupils are school phobics.

Thorpepark

2015 National Floor Standards:

Level 4+ RWM 65%
EP Reading 100%
EP Writing 97%
EP Mathematics 100%

EYFS

GLD 54%
Disadvantaged 58%

Year 1 Phonics

Expected 76%
Disadvantaged 77%

<u>KS1</u>	Expected	Greater Depth
Reading	73%	2%
Writing	61%	3%
Mathematics	73%	10%
RWM combined	59%	0%

<u>KS2</u>	Expected	Greater Depth
Reading	77%	12%
Writing	72%	2%
Mathematics	74%	19%
GPS	68%	18%
RWM combined	53%	

The Whitehouse pupil referral unit

The Whitehouse pupil referral unit is located with Bridgeview Special School at a new purpose-built site for multiple provisions. Whitehouse offers places to pupils aged 5 to 11 who are permanently excluded or at risk of exclusion.

The main purpose being to overcome behavioural issues which causes barriers, pupils learn to take responsibility for their behaviour and to develop coping mechanisms and self-control to overcome problems. They are taught the cause and effect of behaviour types and are encouraged to work towards a return to mainstream education with renewed attitudes.

Venn Academy Trust

TRUSTEES' REPORT (continued)

Following an initial assessment period of 6 weeks, a review is held to determine readiness for re-integration back to mainstream schools. Excluded pupils who require a new placement in mainstream education are allocated an alternative school through Hull's Fair Access Panel.

Whitehouse works in partnership with mainstream schools and maintains a continued relationship with behaviour leads in partnered schools to provide a continuous discussion on the progress of individuals.

Following the curriculum in mainstream education aims to limit the difference in learning content between placements and attendance at pupils' mainstream schools. The curriculum has a focus on basic skills and also provides an alternative curriculum to engage with particularly vulnerable pupils.

Ofsted last inspected the Whitehouse PRU in February 2013, rating the school as Outstanding in all areas.

Bridgeview Special School

Bridgeview Special School is a day school for pupils with Education, Health and Care Plans (EHCP). The school provides education and support to pupils aged 5 to 11 who present with a wide range of learning difficulties and disabilities. Pupils are equipped with the life skills they will need to gain independence, benefitting from investment in additional courses such as pedestrian and safe cycling skills. Bridgeview believes that offering creative access to a mainstream curriculum is key to gaining engagement from its pupils by providing opportunities to become involved in art projects, educational excursions, cultural and sporting activities to increase participation and enjoyment in education. Access to Bridgeview is via the Local Authority's Special Educational Needs department.

An Ofsted inspection rated the school as Good in July 2014.

The Sullivan Centre

The Sullivan Centre is a medical pupil referral unit providing education for young people aged 11 to 16, with a flexible approach to education, providing access to learning at a range of locations to suit the pupils' ongoing needs. Based at a state-of-the-art educational site in west Hull, but also providing a home tuition service and education at the hospital classroom at Hull Royal Infirmary.

One of the key aims of the Sullivan Centre is to remove the barriers to learning which its pupils have faced, providing not only a positive point of access to education, but the outlook and stability needed for success. Following a mainstream curriculum and providing GCSE entry for those in KS4, while recognising the need to develop confidence and resilience in its students, additional courses designed to engage with young people using a holistic approach are employed.

One such course was CatZero, which is a not-for-profit organisation offering unique experiences to young people and their families. Working with CatZero, students were given the opportunity to access development training programmes, set individual and personal targets, experience situations which pushed them beyond their comfort zones; all of which developed skills and confidence in preparation for a positive and independent life ahead.

The Sullivan Centre was rated as Good by Ofsted in 2014.

Thorpepark Academy

Thorpepark is an inclusive educational setting for children aged 2-11. The mainstream primary academy celebrates diversity and works hard to provide a well-equipped learning experience for all children and appreciates the differences that make them unique.

Venn Academy Trust

TRUSTEES' REPORT (continued)

The academy is recognised as a support school for learning behaviour, providing support and guidance for managing low-level disruptive behaviour. Thorpepark works in partnership with Bridgeview and Whitehouse to deliver the 'Behaviour can change and Leading for Learning programmes'. Emphasis is placed on supporting, guiding and developing staff training in the school involved and its staff practice.

As a Venn Academy Trust partner Thorpepark Academy aims to tackle challenging behaviour during pupils' earliest years in education to provide a solid foundation for a successful approach to learning behaviour from a young age. Thorpepark Primary works in partnership with Venn to be a lead school for Team Teach training and has been awarded Big Maths School hub status with Andrell Education.

The school underwent a section 5 Ofsted in April 2014 achieving Good in all areas with the capacity to be Outstanding.

Tidal Teaching School

Tidal Teaching School is an alliance of partners from Kingston upon Hull and the East Riding. The organisation consists of secondary, primary, special schools and academies; including a pupil referral unit, higher education institutes and educational agencies. Tidal uses Educational consultants, bringing together the very best expertise to deliver quality teacher training.

Tidal views school improvement as a collaborative effort, prioritising and concentrating on the most important issues. The organisation believes success is not a solo journey - everyone involved in our training co-operates with each school to provide a feeling of inclusion. This attitude allows schools to contribute working practices to the training programme, enabling change to take place. We inspire schools to become laboratories of innovation where teachers are encouraged to reflect and share findings from their work. Tidal believes in lifelong learning, providing professional development opportunities for teaching staff at every level, from teacher training and Newly Qualified Teachers, to Executive Headships; creating pathways of development to benefit both the individual staff member and their school. The training school utilises steering groups, CPD, leadership development, the latest research and specialist leaders of education to ensure the best outcomes for all children are achieved.

Plans for Future Periods

Expansion:

The strategic intention is to build a Multi-Academy Trust of no more than 15 academies over five years, with a geographical boundary of Hull, East Riding, North and North East Lincs. These academies will all be good and outstanding, or on a journey from their starting point to outstanding. Venn will have a mix of sponsored and non sponsored primary schools and free schools consisting of Special, Alternative Provision, Free School and Mainstream provision. The schools will choose to join the Trust and will work together to support and deliver high quality learning experiences for pupils. The Trust is talking to three additional settings in this academic year.

In September 2016 the Boulevard Centre joined the Venn and we are currently engaged with two primary schools who hope to join the Trust in 2016/17 as well as an application to the DfE for Euler Academy an AP Free School.

Resource, capacity and expertise

The Trust intends to appoint two key roles in the coming year, and these are Human Resources Lead and School Improvement Partner.

Having an internal HR function for the Trust will enable us to respond promptly and effectively to HR need across our schools. As a unique Trust with a real mix of complexity and provision we need to secure advice and support which thoroughly understands our requirements, can advise effectively in a timely fashion and is able to support our school leaders.

Venn Academy Trust

TRUSTEES' REPORT (continued)

The Trust will appoint a trust wide School Improvement Lead to undertake half termly scrutiny and moderation of each academy to support teaching and learning outcomes and provide quality assurance. They will support Academy Headteachers in developing the SEF/SDP and secure accountability through monitoring across each academy. They will be responsible to the Board and attend Executive Leadership meetings to develop robust systems of accountability. They will support SLTs in securing the highest standards across each academy to uphold existing outcomes and aide schools in transitioning to outstanding. Data will be scrutinised with Assessment leads to hold SLTs to account.

Venn Academy Trust will develop and be flexible in its approach to growing and widening its membership but it will be single minded in its intention to develop the highest standards for its educational offer to children and to drive continuous improvement in schools.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed. The Academy has a Risk Register, which records and summarises the main large-scale, offensive and systematic risks to the Trust with safeguarding being the underlying principle of assessment.

Risk Management:

Venn Academy Trust view risk management as an integral part of good corporate governance in order to continue to:

- Manage the maintenance of high educational standards in terms of outcomes, policy and practice.
- Demonstrate best value and
- Protect the assets and reputation of the Trust and it's academies.

The Trust considers that key risks are most likely to arise in the following areas:

- Preserving and improving the delivery of high quality education to pupils attending the Trust's Academies;
- Safeguarding pupils, employees and all other persons to whom the Trust has a duty of care;
- Maintaining effective control of public funds;
- Protecting property including buildings, equipment, vehicles and all other assets and resources;
- Compliance with statutory obligations and
- Maintaining the positive reputation of Trust.

In order to effectively manage these risks the Trust's Board of Trustees, audit committee and Local Governing Bodies are accountable for overseeing the implementation of the Risk Management Policy and ensuring that management:

- Establishes clear roles, responsibilities and reporting lines for risk management;
- Provides a framework for recording and reviewing potential risks and associated actions;
- Reinforces the importance of effective risk management by offering training, good practice, and other support.

The Accounting Officer is responsible for embedding the risk management culture across the Trust that encourages the identification and management of risk.

Risks identified are recorded in the Trust's Risk Register classified as Safeguarding, Strategic, Pupil Demand, Physical, Governance and Leadership, Staffing and Financial, and are graded as high, medium or low. These risks are reviewed during the period and the directors have assessed the major risks and uncertainties to which the trust is exposed.

Venn Academy Trust

TRUSTEES' REPORT (continued)

The Academy's principal risks and uncertainties concern the future funding of education and the change to the national funding formula and funding for High Needs and the impact this will have on the Trusts finances. Three of the Trust's Academies are primarily funded through High Needs block funding and as yet the government have not decided on the future of such funding from 2018/19. However the Academies are well placed to adapt to changes in funding and demand for places generally exceeds supply.

Auditor

RSM UK Audit LLP has been appointed as auditor during the period and has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 16 December 2016 and signed on its behalf by:



T Johnson
Chair of Trustees

Venn Academy Trust

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Venn Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Venn Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Johnson (Chair of Trustees)	6	6
Mr V Blake-Barnard (Vice Chair)	5	6
Mr C Fenwick	6	6
Mr M McAlindon	4	5
Mr S Witham Chief Executive Headteacher	6	6
Mrs C Patton (Headteacher)	6	6
Mr P Wilson	3	3
Ms S Butterworth (resigned 27 October 2015)	2	2

Governance Reviews:

A review of Governance took place in the Spring Term of 2016 and concluded with a report to the Trust Board. The review recommended:

- Recruiting new governors on to the Local Governing Bodies with the intention of widening the skill set of governors to provide effective support and challenge to the schools.
- increasing the size of the Board of Trustees to 9 and recruiting new Trustees through the national academy ambassadors programme
- Removing any duplication from the Members and Trustees groups

Audit Sub-committee

The audit committee is a sub-committee of the Trust Board and met twice during the period, with the first meeting taking place in May 2016. In future the committee will meet three times a period. The purpose of the Audit Committee is to receive reports from the external and internal auditors of the Trust and provide assurance to the Trust that adequate controls are in place to safeguard the Trust's assets and ensure regularity and propriety in transactions across the schools. The committee receives and reviews the Risk Register. During the period members of the audit committee all attended both meetings and the sub-committee members were:

Mr S Clark (Chair)
Mr M McAlindon
Mr V Blake-Barnard

Venn 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 societal 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 period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the period by:

Value for Money

The accounting officer for the academy trust has delivered improved value for money during the period by:

- Reviewing the senior leadership team to better meet the requirements of the growing Trust, with the appointment of a Finance Director.
- Reviewed the staffing structures within the Trust to support its future growth.
- Facilitating the appointment of a school improvement team for the Trust to add capacity going forward
- Introducing the Guided Reading Project to improve the reading skills of pupils and improve the effectiveness of teachers and support staff to develop questioning to help students progress.
- Reviewing support staff working hours to include lunchtimes to provide high quality activities and promote positive social interactions for the children.
- Set up an early years hub to improve learning outcomes across the northern area of Hull, working in partnership with other nurseries and PVI settings.
- Commissioning a review all contracts across the Trust
- Developing a range of CPD courses within the Trust to develop income streams.
- Joint appointments/shared posts.

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 Venn Academy Trust for the period 29 June 2015 to 31 August 2016 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 29 June 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and their audit and risk committee.

Venn Academy Trust

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The governing body has considered the need for a specific internal audit function and decided to appoint Hull City Council Internal Audit department (who subcontract the service) as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing and review of all the Academies main financial systems and procedures to include
- purchase and procurement systems
- payroll systems
- bank reconciliations
- reviewing compliance with information on the Trust's website.

On an annual basis, the auditor reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The auditor completed their planned schedule of work which resulted in an Internal Audit Report at the end of the period identifying their findings and recommendations. The majority of recommendations were actioned during the period or shortly after the period end and there are no material control issues outstanding.

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the work of the audit committee
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 16 December 2016 and signed on its behalf by:



T Johnson
Chair of Trustees



Simon Witham
Accounting Officer

Venn Academy Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Venn Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2014 and 2015.

I confirm that I and the academy trust board of trustees 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 2014 and 2015.

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



Simon Witham
Accounting Officer

16 December 2016

Venn Academy Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Trustees on 16 December 2016 and signed on its behalf by:

Signed



T Johnson
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENN ACADEMY TRUST FOR THE PERIOD ENDING ON 31 AUGUST 2016

We have audited the financial statements of Venn Academy Trust for the period from 29 June 2015 to 31 August 2016 on pages 21 to 43. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies: Accounts Direction 2015/16 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who act as Directors for the charitable activities of the charitable company, and are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period from 29 June 2015 to 31 August 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/16 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

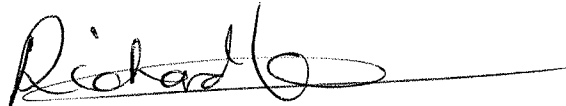
In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENN ACADEMY
TRUST FOR THE PERIOD ENDED 31 AUGUST 2016 (continued)

Matters on which we are required to report by exception

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

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



Richard Lewis (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Date:

16/12/2016

Venn Academy Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the period ended 31 August 2016

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
		£	£	£	£
INCOME FROM:					
Donations and capital grants	2	-	44,117	49,038	93,155
Transfer from local authority on conversion	23	583,869	(1,352,000)	10,993,708	10,225,577
Charitable activities:					
Funding for the Academy Trust's educational operations	3	-	4,900,248	-	4,900,248
Other trading activities	4	22,345	-	-	22,345
Investment income	5	1,029	-	-	1,029
Total		<u>607,243</u>	<u>3,592,365</u>	<u>11,042,746</u>	<u>15,242,354</u>
EXPENDITURE ON:					
Charitable activities:					
Academy Trust's educational operations	6	(6,000)	(4,411,862)	(320,030)	(4,737,892)
Total		<u>(6,000)</u>	<u>(4,411,862)</u>	<u>(320,030)</u>	<u>(4,737,892)</u>
NET INCOME/(EXPENDITURE)		<u>601,243</u>	<u>(819,497)</u>	<u>10,722,716</u>	<u>10,504,462</u>
Transfers between funds	16	-	(37,716)	37,716	-
NET INCOME FOR THE YEAR		<u>601,243</u>	<u>(857,213)</u>	<u>10,760,432</u>	<u>10,504,462</u>
OTHER RECOGNISED GAINS AND LOSSES					
Remeasurement of net defined benefit pension liability	21	-	(353,000)	-	(353,000)
NET MOVEMENT IN FUNDS		<u>601,243</u>	<u>(1,210,213)</u>	<u>10,760,432</u>	<u>10,151,462</u>
TOTAL FUNDS CARRIED FORWARD	16	<u>601,243</u>	<u>(1,210,213)</u>	<u>10,760,432</u>	<u>10,151,462</u>

Venn Academy Trust

BALANCE SHEET

31 August 2016

Company Registration No: 09662303

	Notes	2016 £
FIXED ASSETS		
Tangible assets	12	10,760,432
		<u>10,760,432</u>
CURRENT ASSETS		
Debtors	13	87,291
Cash at bank and in hand		1,494,673
		<u>1,581,964</u>
CURRENT LIABILITIES		
CREDITORS: Amounts falling due within one year	14	(425,934)
		<u>1,156,030</u>
NET CURRENT ASSETS		
		<u>11,916,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
		<u>11,916,462</u>
NET ASSETS EXCLUDING PENSION LIABILITY		
		<u>11,916,462</u>
Defined benefit pension scheme liability	21	(1,765,000)
		<u>10,151,462</u>
TOTAL NET ASSETS		<u><u>10,151,462</u></u>
FUNDS OF THE ACADEMY TRUST:		
RESTRICTED FUNDS		
Restricted fixed asset fund	16	10,760,432
Restricted income fund	16	554,787
Pension reserve	16	(1,765,000)
		<u>9,550,219</u>
TOTAL RESTRICTED FUNDS		<u><u>9,550,219</u></u>
UNRESTRICTED INCOME FUNDS		
General fund	16	601,243
		<u>601,243</u>
TOTAL UNRESTRICTED FUNDS		<u><u>601,243</u></u>
TOTAL FUNDS		<u><u>10,151,462</u></u>

The financial statements on pages 21 to 43 were approved by the Trustees and authorised for issue on 16 December 2016, and are signed on their behalf by:



Mr T Johnson
Chair of Trustees

Venn Academy Trust
CASH FLOW STATEMENT
For the period ended 31 August 2016

	Notes	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by operating activities	19	1,060,983
CASH FLOW FROM INVESTING ACTIVITIES		
Capital grants from DfE/EFA		49,038
Purchase of tangible fixed assets		(86,754)
Interest received		1,029
Cash transferred on conversion to an academy trust		470,377
		<hr/>
Net cash provided by investing activities		433,690
NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD		<hr/> 1,494,673 <hr/>
Cash and cash equivalents at end of the period	19	<hr/> 1,494,673 <hr/>

Venn Academy Trust

ACCOUNTING POLICIES

for the period ended 31 August 2016

General information

Venn Academy Trust is a charitable company. The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations are set out in the Trustees' Report.

Basis of Preparation

The financial statements of the academy trust, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated.

Going Concern

The Board of Trustees has a reasonable expectation that the Academy Trust has the resources to adequately operate for the foreseeable future and maintain solvency. For this reason it continues to adopt the going concern basis in preparing financial statements. Schools or academies that join Venn Academy Trust will be required to undergo due diligence to ensure they do not diminish the Trust as a going concern and add to the strengthening of Venn Academy Trust to maintain sustainability in the future.

Conversion to Academy Trust

The transfer of four schools into the academy trust, involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the maintained schools Thorpepark, Bridgeview, Sullivan Centre and Whitehouse to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

As described in note 21 the ERPF obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Further details of the transaction are set out in note 23.

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.

Venn Academy Trust

ACCOUNTING POLICIES (continued)

for the period ended 31 August 2016

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 no 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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.

Donated services and gifts in kind

Gifts in kind, being the gift of a fixed asset, are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Other income

Other income is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

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

Expenditure on Raising Funds

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

Venn Academy Trust

ACCOUNTING POLICIES (continued)

for the period ended 31 August 2016

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life to its residual value, as follows:

- | | |
|------------------------------------|----------------------------|
| • Leasehold buildings | 2% straight line |
| • Leasehold improvements | 2% straight line |
| • Leasehold land | Over the term of the lease |
| • Fixtures, fittings and equipment | 20% straight line |
| • Computer hardware | 33.33% straight line |
| • Motor vehicles | 25% straight line |

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

Liabilities are recognised when there is an obligation at the reporting 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.

Venn Academy Trust

ACCOUNTING POLICIES (continued)

for the period ended 31 August 2016

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 as a financing cost in the period it arises in the statement of financial activities and is allocated to the appropriate expenditure heading.

Leased Assets

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

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

A financial asset is derecognised only when the contractual rights to cash flows are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

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

Venn Academy Trust

ACCOUNTING POLICIES (continued) for the period ended 31 August 2016

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the East Riding Pension Fund ('ERPF'), which are multi-employer 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

The ERPF is a funded scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2016

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENTS

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 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and the accounting policies for the useful economic lives for each class of assets.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

The present value of the East Riding Pension Fund 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 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 DONATIONS AND CAPITAL GRANTS

		Unrestricted	Restricted	Restricted	
		Funds	General	Fixed	Total
Notes		£	Funds	Asset	2016
			£	Funds	£
Capital grants		-	-	49,038	49,038
Donations – transfer from					
local authority on conversion	23	583,869	(1,352,000)	10,993,708	10,225,577
Other donations		-	44,117	-	44,117
		<u>583,869</u>	<u>(1,307,883)</u>	<u>11,042,746</u>	<u>10,318,732</u>

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

3 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted General Funds £	Total 2016 £
DfE/EFA GRANTS			
General annual grant (GAG)	-	2,766,680	2,766,680
Start-up grants	-	140,000	140,000
Pupil premium	-	311,326	311,326
Other DfE/EFA grants	-	134,090	134,090
	<u>-</u>	<u>3,352,096</u>	<u>3,352,096</u>
OTHER GOVERNMENT GRANTS			
Local Authority grants	-	1,548,152	1,548,152
	<u>-</u>	<u>1,548,152</u>	<u>1,548,152</u>
TOTAL	<u>-</u>	<u>4,900,248</u>	<u>4,900,248</u>

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted General Funds £	Total 2016 £
Teacher training income	22,345	-	22,345
	<u>22,345</u>	<u>-</u>	<u>22,345</u>

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted General Funds £	Total 2016 £
Bank interest received	1,029	-	1,029
	<u>1,029</u>	<u>-</u>	<u>1,029</u>

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 31 August 2016

6 EXPENDITURE

	Staff Costs £	Non pay expenditure Premises £	Other Costs £	Total 2016 £
Academy educational operations:				
Direct costs	2,838,128	-	505,921	3,344,049
Allocated support costs	411,547	498,325	483,971	1,393,843
	<u>3,249,675</u>	<u>498,325</u>	<u>989,892</u>	<u>4,737,892</u>
				Total 2016 £
Net income for the period include:				
Operating lease rentals				19,421
Depreciation				320,030
Net interest on defined benefit pension liability				52,000
Fees payable to RSM UK Audit LLP and its associates for:				
Audit				10,500
Non-audit				2,500
				<u>2,500</u>

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

7 CHARITABLE ACTIVITIES

	Total 2016 £
Direct costs – educational operations	3,344,049
Support costs – educational operations	1,393,843
	<u>4,737,892</u>

Analysis of support costs

	Total 2016 £
Support staff costs	411,547
Depreciation	320,030
Recruitment and support	86,589
Technology costs	2,120
Maintenance of premises and equipment	103,629
Cleaning	22,505
Rent and rates	15,698
Energy costs	54,846
Insurance	14,617
Catering supplies	173,480
Other support costs	56,952
Pension finance cost	52,000
Governance costs	79,830
	<u>1,393,843</u>

All support costs are incurred in line with educational operations.

Expenditure on charitable activities was £4,737,892 of which £6,000 was unrestricted, £320,030 was restricted fixed asset funds and £4,411,862 was restricted general funds.

8 STAFF COSTS

Staff costs

	2016 £
Staff costs during the period were:	
Wages and salaries	2,475,320
Social security costs	175,605
Pension costs	472,173
Total staff costs	<u>3,123,098</u>
Supply staff costs	120,904
Staff restructuring costs	5,673
	<u>3,249,675</u>

Included in staff restructuring costs are statutory/contractual severance payments totalling £5,673. Individually, the payment was £5,673.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

8 STAFF COSTS (continued)

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period was as follows:

	2016 No
Educational operations	
Teachers	43
Administration and support	98
Management	11
	<hr/>
	152
	<hr/>

Higher paid staff

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

	2016 No
£70,001 - £80,000	1
£80,001 - £90,000	1
	<hr/>
	2
	<hr/>

Both of the above employees participate in the Teachers' Pension Scheme. During the period ended 31 August 2016, pension contributions for these staff amounted to £25,229.

Key Management Personnel Compensation

The key management personnel of the Academy Trust comprise the Accounting Officer and Headteacher as listed on page 1. The total amount of employee benefits (including employer pension contributions, and including employer national insurance) received by key management personnel for their services to the Academy Trust was £195,909.

9 CENTRAL SERVICES

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

Chief Executive Officer
Financial Management
Audit Services - internal and external
Provision of Insurance
Local Authority pooled budget charges
Local Authority SSA charges for HR, Payroll and other central services.
Legal and consultancy costs re Academy Conversions.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

9 CENTRAL SERVICES (continued)

The trust charges for the services provided was a flat 3% of income received, excluding targeted grants.

	2016 £
The actual amounts charged during the period were as follows:	
Thorpepark	73,354
Bridgeview	25,441
Sullivan Centre	14,764
Whitehouse	26,695
	<u>140,254</u>

10 TRUSTEE'S REMUNERATION AND EXPENSES

During the period no trustees were paid remuneration or received other benefits from an employment with the Academy Trust. The principal and other staff trustees only received remuneration in respect of services they provided undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees were not paid any remuneration nor received any other benefits from employment with the Academy Trust.

Mrs C Patton, the Headteacher, received remuneration of £73,144 in 2016 and pension contributions paid by the Academy Trust in the period of £12,045.

Mr S Witham, the CEO, received remuneration of £80,000 in 2016 and pension contributions paid by the Academy Trust in the period of £13,184.

Related party transactions involving the Trustees are set out in note 22.

During the period ended 31 August 2016, no expenses were reimbursed to Governors or Directors.

11 DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligence acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2016 was £10,900. The cost of this insurance is included in the total insurance cost.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

12 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Leasehold improvements £	Fixtures fittings and equipment £	Motor vehicles £	Computer hardware £	Total £
Cost						
Additions	-	57,337	9,821	-	19,596	86,754
Transfer on conversion (Note 23)	10,520,000	-	240,753	36,895	196,060	10,993,708
31 August 2016	<u>10,520,000</u>	<u>57,337</u>	<u>250,574</u>	<u>36,895</u>	<u>215,656</u>	<u>11,080,462</u>
Depreciation Charged in the period	187,660	1,147	50,114	9,224	71,885	320,030
31 August 2016	<u>187,660</u>	<u>1,147</u>	<u>50,114</u>	<u>9,224</u>	<u>71,885</u>	<u>320,030</u>
Carrying amount 31 August 2016	<u>10,332,340</u>	<u>56,190</u>	<u>200,460</u>	<u>27,671</u>	<u>143,771</u>	<u>10,760,432</u>

13 DEBTORS

	2016 £
Trade debtors	41,649
VAT recoverable	39,728
Prepayments	5,914
	<u>87,291</u>

14 CREDITORS: Amounts falling due within one year

	2016 £
Trade creditors	150,108
Other taxation and social security costs	126,613
Other creditors	149,213
	<u>425,934</u>

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

15 FINANCIAL INSTRUMENTS

The Academy Trust has the following financial instruments:

	2016 £
Financial assets	
Debt instruments measured at amortised cost	41,649
Financial liabilities	
Financial liabilities measured at amortised cost	299,321

16 FUNDS

	Income £	Expenditure £	Gains, Losses and Transfers £	At 31 August 2016 £
RESTRICTED GENERAL FUNDS				
General Annual Grant (GAG)	2,766,680	(2,174,177)	(37,716)	554,787
Start-up grant	140,000	(140,000)	-	-
Pupil premium	311,326	(311,326)	-	-
Other DfE/EFA grants	134,090	(134,090)	-	-
Local authority grants	1,548,152	(1,548,152)	-	-
Other income	44,117	(44,117)	-	-
	<u>4,944,365</u>	<u>(4,351,862)</u>	<u>(37,716)</u>	<u>554,787</u>
PENSION RESERVE	<u>(1,352,000)</u>	<u>(60,000)</u>	<u>(353,000)</u>	<u>(1,765,000)</u>
RESTRICTED FIXED ASSET FUNDS				
DfE/EFA capital grants	49,038	(10,323)	-	38,715
Capital expenditure from GAG	-	-	37,716	37,716
Transfer of assets on conversion	10,993,708	(309,707)	-	10,684,001
	<u>11,042,746</u>	<u>(320,030)</u>	<u>37,716</u>	<u>10,760,432</u>
TOTAL RESTRICTED FUNDS	<u>14,635,111</u>	<u>(4,731,892)</u>	<u>(353,000)</u>	<u>9,550,219</u>
UNRESTRICTED FUNDS				
Unrestricted funds	607,243	(6,000)	-	601,243
TOTAL UNRESTRICTED FUNDS	<u>607,243</u>	<u>(6,000)</u>	<u>-</u>	<u>601,243</u>
TOTAL FUNDS	<u>15,242,354</u>	<u>(4,737,892)</u>	<u>(353,000)</u>	<u>10,151,462</u>

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

- (i) GAG balance carried forward is to be used for recurrent expenditure in the forthcoming period. Under the trust's Funding Agreement with the Secretary of State the trust was not subject to a limit GAG which could be carried forward at 31 August 2016.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

16 FUNDS (continued)

(ii) Restricted Fixed Asset Funds relate to income received from the DfE, other government grants, transfers from GAG income and income from sponsors of individual academies prior to merger with the trust. The funds balance includes donated capital, being school buildings, fixtures and fittings, motor vehicles and computer hardware assets. The depreciation relating to the assets procured is charged against these funds over the life of the assets.

(iii) Unrestricted Funds relate to funds generated from individual schools integrating with the trust and from self-generated income by the Trust's academies.

(iv) The Pension Reserve is in deficit to the value of £1,765,000 at the period end which is in excess of the unrestricted funds. The trustees will continue to monitor this situation closely.

A total of £37,716 has been transferred from Restricted General Funds to Restricted Fixed Asset Funds in respect of capital expenditure incurred in excess of capital grants received.

ANALYSIS OF ACADEMIES BY FUND BALANCE	2016 £
Fund balances at 31 August 2016 were allocated as follows:	
Thorpepark	340,218
Bridgeview	375,866
Sullivan Centre	185,119
Whitehouse	158,671
Venn	96,156
	<u>1,156,030</u>
Restricted Fixed Asset Fund	10,760,432
Pension Reserve	(1,765,000)
	<u>10,151,462</u>

	Teaching and Education Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	Total 2016 £
Thorpepark	1,422,966	247,458	-	600,968	2,271,392
Bridgeview	469,255	48,578	-	137,066	654,899
Sullivan Centre	293,508	35,755	-	72,853	402,116
Whitehouse	565,513	79,756	-	166,232	811,501
Venn	86,886	-	-	191,068	277,954
	<u>2,838,128</u>	<u>411,547</u>	<u>-</u>	<u>1,168,187</u>	<u>4,417,862</u>

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Tangible fixed assets	-	-	10,760,432	10,760,432
Current assets	601,243	980,721	-	1,581,964
Current liabilities	-	(425,934)	-	(425,934)
Pension scheme liability	-	(1,765,000)	-	(1,765,000)
	<u>601,243</u>	<u>(1,210,213)</u>	<u>10,760,432</u>	<u>10,151,462</u>

18 COMMITMENT UNDER OPERATING LEASES

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

	2016 £
Amounts due:	
Within one year	19,060
Between two and five years	24,107
	<u>43,167</u>

19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £
Net income for the reporting period	10,504,462
Net gain on transfer on conversion of schools joining (Note 23)	(11,464,085)
Depreciation (Note 12)	320,030
Investment income	(1,029)
Capital grants from DfE and other capital income	(49,038)
Defined benefit pension scheme obligation inherited (Note 21)	1,352,000
Defined benefit pension scheme cost less contributions payable (Note 21)	8,000
Defined benefit pension scheme finance cost (Note 21)	52,000
	<u>722,340</u>
Operating cash flows before movement in working capital	
Increase in debtors	(87,291)
Increase in creditors	425,934
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,060,983</u>

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES (continued)

Cash and cash equivalents represent:

Cash in hand and at bank	1,494,673
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20 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

21 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 East Riding Pension Scheme (ERPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

As described in note 23, the ERPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained schools and whose cumulative retirement benefit was transferred to Venn Academy Trust in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

There were no outstanding or prepaid contributions at the end of the financial period.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS *(continued)*

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £191,500 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million)
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The new employer contribution rate was 14.1% until 1 September 2015, when it increased to 16.48% (including a 0.08% administration fees), with an employer cost cap of 10.9% of pensionable pay. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £228,173.

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

East Riding Pension Fund

The ERPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £293,000, of which employer's contributions totalled £236,000 and employees' contributions totalled £57,000. The agreed contribution rates for future years are 12.8% for employers and 5.5-12.5% 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

	2016
Rate of increase in salaries	2.4%
Rate of increase for pensions in payment	2.1%
Discount rate	2.1%

We have used a salary increase assumption of 2.40% as at 31 March 2016 (1.00% for the year 2016/17 and 2017/18, reverting to the long term assumption of 2.60% (CPI plus 0.50%) for the year 2018/19 and thereafter), taking account of the average term to retirement.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (continued)

East Riding Pension Fund (continued)

The assumed life expectations on retirement at 65 are:

	31 August 2016
Retiring today:	
Males	21.9
Females	24.1
Retiring in 20 years:	
Males	24.2
Females	26.7

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

	Fair value of assets 2016 £
Equity instruments	542,000
Bonds	80,000
Property	80,000
Cash	22,000
TOTAL FAIR VALUE OF ASSETS	724,000

The actual return on scheme assets was £88,000.

<u>Amounts recognised in the statement of financial activities</u>	2016 £
Current service cost	244,000
Net interest cost	52,000
Total	296,000

<u>Changes in the present value of defined value benefit obligations</u>	2016 £
Upon conversion	1,695,000
Members' contributions	57,000
Current service cost	244,000
Interest cost	70,000
Actuarial loss	423,000
At 31 August	2,489,000

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

East Riding Pension Fund (*continued*)

<u>Changes in the fair value of academy's share of scheme assets</u>	2016 £
Upon conversion	343,000
Employer contributions	236,000
Employee contributions	57,000
Return on plan assets (excluding net interest on the net defined pension liability)	18,000
Actuarial gain	70,000
	<hr/>
At 31 August	724,000
	<hr/>

22 RELATED PARTY TRANSACTIONS

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

Key management personnel disclosure is included in note 8.

23 CONVERSION TO ACADEMY TRUST

The following schools converted to Academy Trust status under the Academies Act 2010 on the date set out below:

<i>Predecessor School</i>	<i>Academy</i>	<i>Conversion date</i>	<i>Local authority</i>
Thorpepark	Thorpepark	01/09/2015	Kingston upon Hull Council
Bridgeview	Bridgeview	01/09/2015	Kingston upon Hull Council
Sullivan Centre	Sullivan Centre	01/09/2015	Kingston upon Hull Council
Whitehouse	Whitehouse	01/09/2015	Kingston upon Hull Council

All the operations and assets and liabilities were transferred to Venn Academy Trust from the local authority listed above for £nil consideration.

The substance of the transfer is a gift and has been accounted for on that basis. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities.

Venn Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (continued) for the period ended 31 August 2016

23 CONVERSION TO ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	<i>Unrestricted Funds</i> £	<i>Restricted General Funds</i> £	<i>Restructured Fixed Asset Funds</i> £	<i>Total</i> £
Tangible fixed assets	-	-	10,993,708	10,993,708
School funds	583,869	-	-	583,869
LGPS pension (deficit)	-	(1,352,000)	-	(1,352,000)
Net assets/(liabilities)	<u>583,869</u>	<u>(1,352,000)</u>	<u>10,993,708</u>	<u>10,225,577</u>

24 POST BALANCE SHEET EVENTS

In September 2016 the Boulevard Centre joined the Venn and we are currently engaged with two primary schools who hope to join the Trust in 2016/17 as well as an application to the DfE for Euler Academy an AP Free School.

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

In accordance with the terms of our engagement letter dated 22 March 2016 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/16, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Venn Academy Trust during the period 29 June 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Venn Academy Trust and the EFA in accordance with the terms of our engagement letter dated 22 March 2016. Our work has been undertaken so that we might state to the Venn Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Venn Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Venn Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Venn Academy Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academies Financial Handbook extant from 1 September 2014 and 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015/16. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 29 June 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015/16 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO VENN ACADEMY TRUST AND THE EDUCATION 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 period 29 June 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Date: *16/12/2016*