

**VENN ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

# VENN ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mr T Johnson (Chair of Trustees)  
Mr C Fenwick  
Mr M McAlindon  
Mr S Witham (Chief Executive Officer and Accounting Officer)  
Mrs C Patton (Executive Head)  
Mr P Wilson (Vice Chair)  
Mr V Blake-Barnard (resigned December 2107)  
Mr C Hooper (from December 2017)

### Members

Mr T Burnside  
Mr M McAlindon  
Mrs B Welbourn  
Mr M Dickinson

### Senior management team

|  |              |
|--|--------------|
| - Chief Executive Officer and Accounting Officer | Mr S Witham  |
| - Deputy CEO and Director of School Improvement  | Mr A Ali     |
| - Executive Head – Alternative Provision         | Mrs C Patton |

### Company registration number

09662303 (England and Wales)

### Registered office

C/O Bridgeview, Whitehouse & Sullivan Centre  
Pickering Road  
Hull  
HU4 7AD

### Academies operated

Thorpepark Academy  
Bridgeview Special School  
Sullivan Centre  
Whitehouse  
Mountbatten Primary School  
Boulevard Centre  
Griffin Primary School

### Location

Kingston Upon Hull  
Kingston Upon Hull  
Kingston Upon Hull  
Kingston Upon Hull  
Kingston Upon Hull  
Kingston Upon Hull  
Kingston Upon Hull

### Principal

Caroline Knight  
Nicola Witham  
Claire Goodaire  
Nicola Witham  
Lisa Traynor  
Claire Goodaire  
Juliette Garmston

### 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 LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

# VENN ACADEMY TRUST

## TRUSTEES' REPORT

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' 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). During the following year the Trust grew to include a number of additional converter academies, these are governed by Venn Academy Trust. The Boulevard Centre (School Girl Mums) joined the Trust on 1 September 2016. Griffin Primary School and Mountbatten Primary School both joined in June and July 2017 respectively and are both mainstream primary schools.

The Academy Trust operates 3 Primary Academies, 1 Primary Special School and 3 Alternative Provision Pupil Referral Units in Kingston upon Hull during 2017/18. It has a pupil net capacity of: Thorpepark Academy 540, Mountbatten Primary School 300, Griffin Primary School 496, the Alternative Provision PRU's have a capacity for which the school is organised to make provision of: Bridgeview Special School 35, Whitehouse PRU 30, Sullivan Centre 25, Boulevard Centre 40. The total number on roll in January was Thorpepark Academy 542, Mountbatten Primary School 311, Griffin Primary School 466, Bridgeview Special School 44, Sullivan Centre 23, Whitehouse PRU 10, Boulevard Centre 11.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The 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, The Sullivan Centre, The Boulevard Centre, Griffin Primary School and Mountbatten Primary School.

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 year are included in the Reference and Administrative Details on page 2.

#### Members' liability

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

#### Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee of the Trust shall be identified 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 to 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 break 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.

#### Method of recruitment and appointment or election of trustees

The Trust has a total of seven Trustees as shown on page 2. 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

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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Each academy has retained its own Local Governing Body (LGB), however Bridgeview Special School, Whitehouse PRU, The Boulevard and The Sullivan 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 where required and the Trust has an Audit and Risk committee. It is further supported by the Venn Senior Leadership Board. The central services have developed to include the Director of School Improvement, the Finance Director (who is the Chief Financial Officer), a senior HR Business Partner and a PA/ Clerk to the Governors.

The Board of Trustees 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 Heads of School 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 and is reviewed annually.

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 Heads of School of the participating academies. The Trustees may delegate such powers and functions as they consider are required to the Chief Executive Officer and the Heads of School 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 Heads of School so that they can manage the school effectively.

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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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, Deputy Chief Executive and Executive Headteachers. 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 executive leaders results from a performance management review of targets met 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, providing facilities to meet demand and delays to Euler opening due to site delays.

### **Related parties and co-operation with other 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 and the SCITT. Effective practice in schools is achieved by responding to identified needs and supporting the measures necessary to transform those needs into daily practice.

The Local Authority in Hull 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 is an accredited Team Teach provider working with other schools to provide Team Teach de-escalation training for adults working in schools. In addition, Venn has written Leading 4 Learning, a course aimed at reducing low-level disruption in school classrooms.

### **Catchment area**

The catchment area for Bridgeview Special School, Sullivan Centre, Whitehouse Pupil Referral Unit and the Boulevard Centre is city wide and also extends into the neighbouring local authorities. The catchment area for Thorpepark Academy, Griffin Primary School and Mountbatten Primary School are based on the areas 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 further afield. As a proposed sponsor we

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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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 7 academies in our trust. The Trust has an application for a Free School Alternative Provision Pupil Referral Unit at pre-opening phase. The Trust is looking to develop 2 regional hubs to support the balance and capacity required to support each other adding the challenge and rigour required to ensure all schools become or remain outstanding.

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.

### North Yorkshire

The Trust is currently providing school-to-school support to two primary schools in North Yorkshire.

### Euler Academy

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 on Salthouse Road, in East Hull, on the old Whitehouse site, for 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

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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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.

## **STRATEGIC REPORT**

### **Financial review**

The Trust's main source of income is from the Education and Skills Funding Agency (ESFA) in the form of GAG (General Annual Grant) payments based on the School Funding Formula. 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 2017-18 academic year the Trust required each academy to contribute 5% of its GAG and other relevant income to the central services operations, with the funding used to provide centralised support services.

During the period ending 31 August 2018 total income, excluding fixed asset fund income, was £9,525,256 (2017: £6,824,190), and total expenditure, excluding depreciation was £9,433,067 (2017: £6,476,881). 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 re-measurement), was £92,189 (2017: £347,309).

At 31 August 2018 the net book value of fixed assets was £22,757,965 (2017: £23,080,465).

### **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.

### Reserves policy

The Trust held total fund balance reserves of £23,543,210 as at 31 August 2018 (2017: £22,418,827), comprising of £21,747,745 (2017: £21,235,389) of restricted funds including a pension deficit of £2,279,000 (2017: £2,944,000) and unrestricted funds of £1,795,465 (2017: £1,183,438).

Total revenue reserves of the Trust are £2,617,538 (2017: £2,282,362) as at 31 August, and this excludes the fixed asset fund of £23,204,673 (2017: £23,080,465) and the pension reserve deficit of £2,279,000 (2017: £2,944,000). The amount of free funds, being total funds less the amount held in fixed assets and restricted pension funds is £2,617,537 (2017: £2,282,362). 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 £2,279,000 (2017: £2,944,000) 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 of £2.3m 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.



# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### 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:

The following were achieved by August 2018:

1. The three mainstream primary academies met government floor standards.
2. Attainment and progress in the three mainstream academies was improved.
3. Attainment in reading at the end of Year 6 was a strength with 84% of pupils reaching the expected standard.
4. Four settings had positive inspections during the year. The Whitehouse maintained its Outstanding inspection overall effectiveness grade with three others, Thorpepark, The Sullivan Centre and Bridgeview, evaluated as Good and improving rapidly so could be Outstanding. As a consequence, their next inspections will be two-day section 5 inspections.
5. Overall, five out of seven schools were graded at least 'Good' or 'Outstanding' by Ofsted.
6. Three schools are yet to have their first Ofsted inspection as academies (two are Requires Improvement and new to the Trust and one is Outstanding).
7. The role of the School Improvement Team was consolidated over the year with clear protocols for specialist leaders of education to work across the trust.
8. Finance Director has been consolidated over the year to secure economies of scale and best value reporting across the trust.
9. Governor and Trustee training has helped to develop the skills of both governors and trustees.
10. Trust wide policies are becoming embedded.
11. Inter-school working is well established for moderating work and assessments.
12. Opportunities for trust wide training and development are and fully embedded to support outcomes for pupils, particularly in reading.

### Bridgeview

All pupils at Bridgeview Special School have Education and Health Care Plans (HCP's). We can evidence that all of these children make progress in line with their personal targets i.e. in behaviour and learning.

### **Bridgeview Outcomes over the year**

- There were 46 pupils attending the Bridgeview during the academic year.
- Attendance was 91.6% in Bridgeview.
- Attendance of pupil premium was a little below no-pupil premium pupils.
- Almost 80% of pupils improved their attendance when compared to their previous school/
- Maths average steps progress was 1.5 steps per term (2 steps is expected progress per term).
- Reading average steps progress was 2.1 steps per term (2 steps is expected progress per term).
- Writing average steps progress was 1.7 (2 steps is expected progress per term).
- 86% of pupils improved their reading age faster than their chronological age.
- 100% of look after pupils increase their reading age faster than their chronological age.

### **SATs:**

In Year 2 there was only one pupil and he reached the expected standard in reading, writing and mathematics.

### **Year 6 - 15 pupils on roll**

Reading:

SATs: 20% reached the expected standard

Writing: 0% reached the expected standard

Maths: 7% reached the expected standard



# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### The Whitehouse Pupil Referral Unit

Whitehouse progress is measured by improvements to pupils' attendance, attitudes and basic skills of reading, writing and mathematics as well as how successful pupils are at re-entering a mainstream school. Additionally, as a setting we consider successful assessments for a EHCP to be a positive outcome for pupils.

### **Whitehouse Outcomes**

- There were 40 pupils attending the Whitehouse during the academic year.
- Pupils who had been permanently excluded from their last school and join the roll of the Whitehouse. Pupils who have been allocated places through FAP tend to be dual roll, so they remain on the roll of their last school,
- Attendance was in Whitehouse 90.1%; the attendance of pupil premium pupils was below non-pupil premium pupils.
- 93.1% of pupils improved their attendance over the year compared to their previous setting.
- Year 2
- No Year 2 pupils were on the roll so there are no outcomes for key stage 1 statutory assessments
- Year 6
- There were four pupils on roll who were in Year 6.
- Mathematics – 0% reached expected standard
- Reading - 0% reached expected standard
- Writing - 0% reached expected standard
- There were no differences between the attainment of pupil premium and others.
- 90% of pupils improved their reading age faster than their chronological age.
- 100% of looked after pupils improved their reading age faster than their chronological age.

### **Sullivan Centre Outcomes**

- There were 23 pupils attending the Sullivan Centre during the academic year.
- 14 pupils have returned for this academic year. We secured EHCPs for 6 pupils and two of these moved to special schools. Six moved to further education. One moved out of area. One returned to mainstream.

### **Attendance**

Average attendance was 77%. Authorised attendance was 16.1%

### **Exam entries 2017-18**

Five Year 11 students were entered for a minimum of two qualifications. 100% of students gained a minimum of one qualification. One student joined the school too late to be entered for GCSE subjects and took the Level 2 functional skills courses gaining a Pass in English. 50% of students achieved 4 GCSEs. Grades ranged from 1 to 5.

Two students, who were dual roll, were entered by their mainstream schools and were supported by Sullivan Centre. Of these both students achieved a minimum of four GCSEs, grades ranging from 4 to 8.

### **Destination of leavers**

Of the seven students who left at the end of the summer term six went onto further education and one left their maintained school.

### **The Boulevard Centre**

Formerly provision for school girl mothers 27 students attended the Boulevard Centre in the 2017-18 academic year. Ten students joined during the year and 17 students completed the whole year there. There were nine students' with babies/children accommodated in the Nursery.

### **Attendance**

Average attendance was 63.42%. Authorised attendance was 16.18%. This was affected by maternity related issues and sickness absence. Approximately a third of the students have responsibility for the care of their child during the day and will have to remain at home if their child becomes unwell. 7 students were funded through the pupil premium.

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Exam entries 2017-18**

Three Year 10 students were entered for GCSE subjects and level 1 Functional Skills. 100% achieved Pass for four qualifications. All achieved within a range of 1 to 5 for GCSE subjects.

Ten Year 11 students were entered for a minimum of two qualifications. 80% of students gained a minimum of one qualification. 10% of students did not attend any of the external qualifications. 60% of students missed one or more of the examinations or part of the examinations.

Six Post-16 students were entered for a minimum of 4 qualifications. 100% achieved a Pass in a minimum of 4 qualifications. Grades for GCSE ranged from 1 to 8. 1 student (17%) did not achieve GCSE mathematics.

### **Destination of leavers**

Of the 16 students who left at the end of the summer term: four continued on to study in the post-16 group at the Boulevard Centre. Three went onto maternity leave. Three became apprentices. Seven went on to further education and training with local providers.

### **Griffin context**

Griffin Primary School had 466 pupils on roll based on the January School Census, which is considerably higher than the England average. The main electoral ward served by the school is Marfleet and the level of deprivation in the school is considerably higher than the LA average. 93.8% of households are categorised within 10% of the most deprived households nationally. The percentage of pupils eligible for a free school meal (eligible for and claiming FSM at any time in the last 6 years) is 42.5% which is above the LA average, but considerably higher than the England average. The number of pupils at the school with English as an additional language is below both LA and England averages. The main languages spoken other than English are Polish and Russian, although in total the school supports 4 discrete language groups. The school's minority ethnic profile is below both LA and England averages. The school's level of Pupil Stability is broadly in line with both LA and England averages. The total incidence of Special Educational Needs is broadly in line with both the LA and England averages. 14.4% of pupils are categorised as needing SEN Support, which is 2.4 percentage points above the England average and 1.2 percentage points above the LA average. 1.5% of pupils are categorised as having an Education Health and Care Plan or Statement, which is 0.1 percentage points above the England average and 0.1 percentage points above the LA average. The school has 5 looked after pupils. The level of absence is 5%, which is higher than average compared to the national figure, and broadly average locally. There is a preponderance of summer born children in year 4. There is a preponderance of summer born children in year 6.

### **Mountbatten context**

Mountbatten Primary School had 311 pupils on roll based on the January School Census, which is considerably higher than the England average. The main electoral ward served by the school is Longhill and the level of deprivation in the school is considerably higher than the LA average. 98.4% of households are categorised within 10% of the most deprived households nationally. The percentage of pupils eligible for a free school meal (eligible for and claiming FSM at any time in the last 6 years) is 48.2% which is above the LA average, but considerably higher than the England average. The number of pupils at the school with English as an additional language is below both LA and England averages. The main languages spoken other than English are Polish and Latvian, although in total the school supports 6 discrete language groups. The school's Minority Ethnic profile is below both LA and England averages. The school's level of Pupil Stability is broadly in line with both LA and England averages. The total incidence of Special Educational Needs is broadly in line with both the LA and England averages. 10.3% of pupils are categorised as needing SEN Support, which is 1.7 percentage points below the England average and 2.9 percentage points below the LA average. 1.9% of pupils are categorised as having an Education Health and Care Plan or Statement, which is 0.5 percentage points above the England average and 0.5 percentage points above the LA average. The school has 1 looked after pupil. The level of absence is 4.5%, which is higher than average compared to the national figure, and broadly average locally. There is a preponderance of summer born children in EYFS. There is a preponderance of summer born children in year 2.

### **Thorpepark context**

Thorpepark Academy had 542 pupils on roll based on the January School Census, which is considerably higher than the England average. The main electoral ward served by the school is Orchard Park and Greenwood and the level of deprivation in the school is considerably higher than the LA average. 96.7% of

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

households are categorised within 10% of the most deprived households nationally. The percentage of pupils eligible for a free school meal (eligible for and claiming FSM at any time in the last 6 years) is 46.9% which is above the LA average, but considerably higher than the England average. The number of pupils at the school with English as an additional language is broadly in line with LA average, but below the England average. The main languages spoken other than English are Polish and Latvian, although in total the school supports 15 discrete language groups. The school's Minority Ethnic profile is below both LA and England averages. The school's level of Pupil Stability is broadly in line with both LA and England averages. The total incidence of Special Educational Needs is broadly in line with both the LA and England averages. 13.1% of pupils are categorised as needing SEN Support, which is 1.1 percentage points above the England average and 0.1 percentage points below the LA average. 1.8% of pupils are categorised as having an Education Health and Care Plan or Statement, which is 0.4 percentage points above the England average and 0.4 percentage points above the LA average. The school has 4 looked after pupils. The level of absence is 3.9%, which is broadly average compared to the national figure, and lower than average locally. There is a preponderance of summer born children in year 2. There is a preponderance of summer born children in year 4.

### Primary School Context

|             | Girls | FSM  | EAL  | ME   | SEN  | EHCP | NoR | Deprivation |
|-------------|-------|------|------|------|------|------|-----|-------------|
| Griffin     | 48.9  | 42.5 | 1.7  | 0.6  | 14.4 | 1.5  | 466 | 0.43        |
| Mountbatten | 46.6  | 48.2 | 5.8  | 2.6  | 10.3 | 1.9  | 311 | 0.49        |
| Thorpepark  | 47.4  | 46.9 | 14.2 | 6.1  | 13.1 | 1.8  | 542 | 0.53        |
| Venn AT     | 47.8  | 45.6 | 7.8  | 3.3  | 12.9 | 1.7  | 440 | 0.49        |
| England     | 49.0  | 14.2 | 21.2 | 33.1 | 12.4 | 1.4  |     | 0.21        |

|             | Absence | Overall PA |
|-------------|---------|------------|
| Griffin     | 5.0     | 11.4       |
| Mountbatten | 4.5     | 8.9        |
| Thorpepark  | 3.9     | 7.3        |
| Venn AT     | 4.4     | 9.2        |
| England     | 4.0     | 8.3        |

### Good level of development

|             |      |
|-------------|------|
| Griffin     | 62.3 |
| Mountbatten | 64.3 |
| Thorpepark  | 65.8 |
| Venn AT     | 64.2 |
| England     | 71.5 |

### Phonics screening check

|             | Year 1 | Year 2 |
|-------------|--------|--------|
| Griffin     | 80.0   | 84.7   |
| Mountbatten | 73.2   | 93.3   |
| Thorpepark  | 79.0   | 91.8   |
| Venn AT     | 78.0   | 89.7   |
| England     | 82.5   | 91.8   |

### Key Stage 1 Reading

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 66.7               | 13.3          |
| Mountbatten | 71.1               | 26.7          |
| Thorpepark  | 71.7               | 20.0          |
| Venn AT     | 69.7               | 19.4          |
| England     | 75.4               | 25.6          |

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Key Stage 1 Writing

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 60.0               | 6.7           |
| Mountbatten | 71.7               | 13.3          |
| Thorpepark  | 68.3               | 11.7          |
| Venn AT     | 66.1               | 10.3          |
| England     | 69.9               | 15.9          |

### Key Stage 1 Mathematics

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 58.3               | 0.0           |
| Mountbatten | 75.6               | 26.7          |
| Thorpepark  | 80.0               | 18.3          |
| Venn AT     | 70.9               | 13.9          |
| England     | 76.1               | 21.8          |

### Key Stage 1 Science

|             | Expected |
|-------------|----------|
| Griffin     | 60.0     |
| Mountbatten | 71.1     |
| Thorpepark  | 83.3     |
| Venn AT     | 71.5     |
| England     | 82.8     |

### Key Stage 1 reading, writing and mathematics combined

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 50.0               | 0.0           |
| Mountbatten | 68.9               | 13.3          |
| Thorpepark  | 68.3               | 8.3           |
| Venn AT     | 61.8               | 6.7           |
| England     | 65.3               | 11.7          |

### Key Stage 2 Reading

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 90.4               | 30.8          |
| Mountbatten | 80.6               | 54.8          |
| Thorpepark  | 81.3               | 43.8          |
| Venn AT     | 84.7               | 41.2          |
| England     | 75.0               | 28.0          |

### Key Stage 2 Writing

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 73.1               | 1.9           |
| Mountbatten | 74.2               | 6.5           |
| Thorpepark  | 79.2               | 16.7          |
| Venn AT     | 75.6               | 8.4           |
| England     | 78.0               | 20.2          |

### Key Stage 2 Mathematics

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 82.7               | 21.2          |
| Mountbatten | 80.6               | 32.3          |
| Thorpepark  | 79.2               | 22.9          |
| Venn AT     | 80.9               | 24.4          |
| England     | 76.0               | 24.0          |

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Key Stage 2 Science

|             | Expected |
|-------------|----------|
| Griffin     | 90.4     |
| Mountbatten | 74.2     |
| Thorpepark  | 89.6     |
| Venn AT     | 86.3     |
| England     | 82.0     |

### Key Stage 2 grammar, punctuation and spelling

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 82.7               | 25.0          |
| Mountbatten | 74.2               | 25.8          |
| Thorpepark  | 81.3               | 37.5          |
| Venn AT     | 80.2               | 29.8          |
| England     | 78.0               | 34.0          |

### Key Stage 2 reading, writing and mathematics combined

|             | Expected and above | Greater depth |
|-------------|--------------------|---------------|
| Griffin     | 69.2               | 1.9           |
| Mountbatten | 74.2               | 3.2           |
| Thorpepark  | 70.8               | 10.4          |
| Venn AT     | 71.0               | 5.3           |
| England     | 64.0               | 10.0          |

### Key Stage 2 reading scaled score

|             | Expected and above |
|-------------|--------------------|
| Griffin     | 108                |
| Mountbatten | 108                |
| Thorpepark  | 108                |
| Venn AT     | 108                |
| England     | 105                |

### Key Stage 2 mathematics scaled score

|             | Expected and above |
|-------------|--------------------|
| Griffin     | 105                |
| Mountbatten | 105                |
| Thorpepark  | 105                |
| Venn AT     | 105                |
| England     | 104                |

### Key Stage 2 grammar, punctuation and spelling scaled score

|             | Expected and above |
|-------------|--------------------|
| Griffin     | 106                |
| Mountbatten | 104                |
| Thorpepark  | 106                |
| Venn AT     | 106                |
| England     | 106                |

### Key Stage 2 reading progress score

|             | Progress score |
|-------------|----------------|
| Griffin     | 1.7            |
| Mountbatten | 6.0            |
| Thorpepark  | 4.5            |
| Venn AT     | 3.8            |
| England     | 0.0            |

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### Key Stage 2 writing progress score

|             | Progress score |
|-------------|----------------|
| Griffin     | - 4.0          |
| Mountbatten | 1.5            |
| Thorpepark  | 1.7            |
| Venn AT     | - 0.7          |
| England     | 0.0            |

### Key Stage 2 mathematics progress score

|             | Progress score |
|-------------|----------------|
| Griffin     | - 0.4          |
| Mountbatten | 3.8            |
| Thorpepark  | 2.7            |
| Venn AT     | 1.8            |
| England     | 0.0            |

### 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 Yorkshire 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

### Resource, capacity and expertise

The Trust has appointed two key roles which are Human Resources Partnership Manager and Director of School Improvement.

During this year the Director of School Improvement has provided quality assurance and robust accountability, supporting Academy Heads.

### **Trade union facility time**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy to publish information on facility time arrangements for trade union officials at the Academy.

| Numbers of employees who were relevant Union officials during the period | FTE employee number |
|--|---------------------|
| None   | Nil                 |

# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0%                 | Nil                 |
| 1-50%              | Nil                 |
| 51-99%             | Nil                 |
| 100%               | Nil                 |

|   |     |
|---|-----|
| Total cost of facility time                     | Nil |
| Total pay bill                                  | Nil |
| Percentage of total bill spent on facility time | Nil |

|   |     |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time | Nil |
|---|-----|

### 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 the 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.

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 Trust's 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.



# VENN ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Employee Consultation and disabled persons**

Venn Academy Trust is an Equal Opportunities employer and is mindful of its obligations under the Equalities Act 2010. The Trust works alongside external agencies as necessary to enable support for disabled persons. The Trust also has specialists for Special Education Needs (SEN), Designated Special Provision (DSP) and Autistic Learners. The Trust provides resources for work place assessments and makes reasonable adjustments where able.

### **Auditor**

A resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charitable company will be put to the members.

### **Statement as to disclosure of information to auditor**

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is 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 17<sup>th</sup> December 2018 and signed on its behalf by:



Mr T Johnson  
**Chair of Trustees**

# VENN ACADEMY TRUST

## GOVERNANCE STATEMENT

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### 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 Officer, 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees   | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mr T Johnson (Chair of Trustees)                             | 5                 | 5               |
| Mr V Blake-Barnard   | -                 | 1               |
| Mr C Fenwick   | 5                 | 5               |
| Mr M McAlindon   | 2                 | 4               |
| Mr S Witham (Chief Executive Officer and Accounting Officer) | 5                 | 5               |
| Mrs C Patton (Executive Headteacher)                         | 4                 | 5               |
| Mr P Wilson (Vice Chair)                                     | 4                 | 5               |
| Mr C Hooper  | 3                 | 4               |

### Governance reviews

A review of Governance took place in the year and at the point of signing the financial statements concluded with a report to the Trust Board. The review recommended:

- The membership of the Governing body has been strengthened to ensure that the Trust has the ability to accommodate the needs of Academies in the Trust that require additional support.
- The Trust performs an annual skills audit of its governors to ensure we continue to identify and address any skills gaps.
- An assessment of the structure of the Trusts' Governance structures has resulted in changing weaker academies to become "supported". The financial aspects of these Academies is now managed via a separate finance committee. This allows the academies to concentrate its resources on teaching and learning.
- Further developments have seen the Trust create a pay committee to facilitate and consolidate the decisions in this area across the Trust.
- The committees across the Trust have been reviewed and the Terms of References have been amended where necessary to allow a more focussed approach to Trust governance going forward.
- The Trust has actively recruited onto the Board and reviewed the make-up and skills of the various sub-committees to improve Trust Governance going forward.

### Audit sub-committee

The audit committee is a sub-committee of the Trust Board and met three times during the 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

# VENN ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows:

| Trustees           | Meetings attended | Out of possible |
|--------------------|-------------------|-----------------|
| Mr S Clark (Chair) | 4                 | 4               |
| Mr V Blake-Barnard | 1                 | 1               |
| Mr M McAlindon     | 4                 | 4               |
| Mr C Hooper        | 3                 | 3               |

### Review of value for money

As accounting officer the CEO 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- We have made a number of key appointments across the trust including a Director of School Improvement as well as a HR Business Partner.
- The Trust has reviewed the Staffing structures to develop a Venn Senior Leadership team, putting in place Heads of School supported by Executive Leaders.
- Senior Leadership has continued to work with the Venn School Improvement Team to add robust accountability
- The Trust has embedded fully the Guided Reading Project to improve outcomes for pupils
- We have developed Leading 4 Learning professional training to support practitioners to reduce low level disruption. This is also an income stream for the trust.
- We have reviewed all academies to ensure best value in terms of efficiencies
- Having set up one early years hub we have begun to set up others around the city
- Through the Audit Committee we have reviewed the master policy schedule, the risk register, the preferred supplier list and the disaster recovery plans.
- The Trust has conducted a review of early years and of our IT landscape to support best value
- We have commissioned safeguarding and pupil premium reviews
- The Trust has offered secondments to Venn staff to share best practice across the organisation
- We have developed the Venn senior leadership team and CPD to impact positively on Teaching and Learning
- We have shared professional development across the Trust to aid more efficient CPD.

### 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 1 September 2017 to 31 August 2018 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# VENN ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### **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 committees 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 board of trustees has considered the need for a specific internal audit function and has 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 the main financial systems and procedures to include
- purchase and procurement systems
- payroll systems
- bank reconciliations
- reviewing compliance with information on the Trust's website
- review of the implementation of the teachers performance appraisal process.

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 Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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 17<sup>th</sup> December 2018 and signed on its behalf by:



Mr T Johnson  
Chair of Trustees



Mr S Witham  
Chief Executive Principal and Accounting Officer

# VENN ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Venn Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust's 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 2017.

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



Mr S Witham  
**Accounting Officer**

17<sup>th</sup> December 2018

# VENN ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 17<sup>th</sup> December 2108 and signed on its behalf by:



Mr T Johnson  
Chair of Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENN ACADEMY TRUST

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## Opinion

We have audited the financial statements of Venn Academy Trust (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENN ACADEMY TRUST (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report and the Strategic Report included within the Trustees Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 21, the Trustees (who act as trustees for the charitable activities of the charitable company 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

This report is made solely to the charitable 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.



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

Date –

18/12/2018

**VENN ACADEMY TRUST****STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2018**

|   |       | Unrestricted<br>Funds | Restricted<br>General<br>Funds | Restricted<br>Fixed<br>Funds | Total<br>2018     | Total<br>2017     |
|---|-------|-----------------------|--------------------------------|------------------------------|-------------------|-------------------|
|   | Notes | £                     | £                              | £                            | £                 | £                 |
| <b>Income and endowments from:</b>                      |       |                       |                                |                              |                   |                   |
| Donations and capital grants                            | 3     | -                     | 18,040                         | 506,566                      | 524,606           | 135,774           |
| Donations - transfer from local authority on conversion |       | -                     | -                              | -                            | -                 | 12,015,214        |
| Charitable activities:                                  |       |                       |                                |                              |                   |                   |
| - Funding for educational operations                    | 4     | -                     | 8,895,189                      | -                            | 8,895,189         | 6,747,508         |
| Other trading activities                                | 5     | 610,431               | -                              | -                            | 610,431           | 15,594            |
| Investments   | 6     | 1,596                 | -                              | -                            | 1,596             | 1,660             |
| <b>Total</b>  |       | <b>612,027</b>        | <b>8,913,229</b>               | <b>506,566</b>               | <b>10,031,822</b> | <b>18,915,750</b> |
| <b>Expenditure on:</b>                                  |       |                       |                                |                              |                   |                   |
| Charitable activities:                                  |       |                       |                                |                              |                   |                   |
| - Educational operations                                | 7     | -                     | 9,433,067                      | 659,372                      | 10,092,439        | 6,945,385         |
| <b>Total</b>  | 8     | <b>-</b>              | <b>9,433,067</b>               | <b>659,372</b>               | <b>10,092,439</b> | <b>6,945,385</b>  |
| <b>Net income/(expenditure)</b>                         |       | <b>612,027</b>        | <b>(519,838)</b>               | <b>(152,806)</b>             | <b>(60,617)</b>   | <b>11,970,365</b> |
| Transfers between funds                                 |       | -                     | (277,014)                      | 277,014                      | -                 | -                 |
| <b>Other recognised gains/(losses)</b>                  |       |                       |                                |                              |                   |                   |
| Re-measurement of defined benefit obligations           | 24    | -                     | 1,185,000                      | -                            | 1,185,000         | 297,000           |
| <b>Net movement in funds</b>                            |       | <b>612,027</b>        | <b>388,148</b>                 | <b>124,208</b>               | <b>1,124,383</b>  | <b>12,267,365</b> |
| <b>Reconciliation of funds</b>                          |       |                       |                                |                              |                   |                   |
| Total funds brought forward                             |       | 1,183,438             | (1,845,076)                    | 23,080,465                   | 22,418,827        | 10,151,462        |
| <b>Total funds carried forward</b>                      |       | <b>1,795,465</b>      | <b>(1,456,928)</b>             | <b>23,204,673</b>            | <b>23,543,210</b> | <b>22,418,827</b> |

**VENN ACADEMY TRUST****BALANCE SHEET****AS AT 31 AUGUST 2018**

|  | Notes | 2018             |                   | 2017             |                   |
|--|-------|------------------|-------------------|------------------|-------------------|
|  |       | £                | £                 | £                | £                 |
| <b>Fixed assets</b>                            |       |                  |                   |                  |                   |
| Tangible assets                                | 13    |                  | 22,757,965        |                  | 23,080,465        |
| <b>Current assets</b>                          |       |                  |                   |                  |                   |
| Debtors  | 14    | 599,699          |                   | 264,780          |                   |
| Cash at bank and in hand                       |       | 3,124,367        |                   | 2,649,080        |                   |
|  |       | <u>3,724,066</u> |                   | <u>2,913,860</u> |                   |
| <b>Current liabilities</b>                     |       |                  |                   |                  |                   |
| Creditors: amounts falling due within one year | 15    | (659,821)        |                   | (631,498)        |                   |
| <b>Net current assets</b>                      |       |                  | <u>3,064,245</u>  |                  | <u>2,282,362</u>  |
| <b>Net assets excluding pension liability</b>  |       |                  | <u>25,822,210</u> |                  | <u>25,362,827</u> |
| Defined benefit pension scheme liability       | 24    |                  | (2,279,000)       |                  | (2,944,000)       |
| <b>Net assets</b>                              |       |                  | <u>23,543,210</u> |                  | <u>22,418,827</u> |
| <b>Funds of the Academy Trust:</b>             |       |                  |                   |                  |                   |
| <b>Restricted funds</b>                        | 18    |                  |                   |                  |                   |
| - Restricted fixed asset funds                 |       |                  | 23,204,673        |                  | 23,080,465        |
| - Restricted income funds                      |       |                  | 822,072           |                  | 1,098,924         |
| - Pension reserve                              |       |                  | (2,279,000)       |                  | (2,944,000)       |
| <b>Total restricted funds</b>                  |       |                  | <u>21,747,745</u> |                  | <u>21,235,389</u> |
| <b>Unrestricted income funds</b>               | 18    |                  | <u>1,795,465</u>  |                  | <u>1,183,438</u>  |
| <b>Total funds</b>                             |       |                  | <u>23,543,210</u> |                  | <u>22,418,827</u> |

The financial statements on pages 24 to 48 were approved by the board of trustees and authorised for issue on 17<sup>th</sup> December 2018 and are signed on their behalf by:



Mr T Johnson  
Chair of Trustees

# VENN ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

|  | Notes | 2018<br>£               | £ | 2017<br>£               | £ |
|--|-------|-------------------------|---|-------------------------|---|
| <b>Cash flows from operating activities</b>                              |       |                         |   |                         |   |
| Net cash provided by operating activities                                | 22    | 303,997                 |   | 643,724                 |   |
| Cash funds transferred on conversion                                     |       | -                       |   | 516,612                 |   |
|  |       | <u>303,997</u>          |   | <u>1,160,336</u>        |   |
| <b>Cash flows from investing activities</b>                              |       |                         |   |                         |   |
| Interest from investments  |       | 1,596                   |   | 1,660                   |   |
| Capital grants from DfE and ESFA   |       | 506,566                 |   | 76,346                  |   |
| Purchase of tangible fixed assets  |       | <u>(336,872)</u>        |   | <u>(83,935)</u>         |   |
| <b>Net cash used in investing activities</b>                             |       | <u>171,290</u>          |   | <u>(5,929)</u>          |   |
| <b>Net increase in cash and cash equivalents in the reporting period</b> |       | <b>475,287</b>          |   | <b>1,154,407</b>        |   |
| Cash and cash equivalents at beginning of the year                       |       | <u>2,649,080</u>        |   | <u>1,494,673</u>        |   |
| <b>Cash and cash equivalents at end of the year</b>                      |       | <b><u>3,124,367</u></b> |   | <b><u>2,649,080</u></b> |   |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### General information

Venn Academy Trust is a charitable company. The address of its principal place of business is given on page 2 and the nature of its operations are set out in the trustees' report.

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

##### Basis of preparation

The financial statements of the Academy Trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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. The Trust currently manages its solvency through a combination of a robust budget setting process and a regular review of the budget against actual income and expenditure for each setting. In addition, the trust and the individual academies operate with a healthy liquid cash balance and manage income and payments closely to ensure any potential risks to this are identified early. Schools or academes that join Venn Academy Trust will be required to undergo due diligence to ensure they do not diminish the Academy Trust as a going concern and add to the strengthening of Venn Academy Trust to maintain sustainability in the future.

##### 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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (continued)

##### Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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.

##### Other income

Other income, including the hire of facilities, 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.

##### Donated goods, facilities and services

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.

##### **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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (continued)

##### Expenditure on raising funds

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

##### Charitable activities

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

##### **Tangible fixed assets and depreciation**

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 that require 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 other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                                  |                       |
|----------------------------------|-----------------------|
| Long leasehold land              | Term of lease         |
| Leasehold buildings              | Between 30 - 51 years |
| Freehold buildings               | 2% straight line      |
| Leasehold Improvements           | 2% straight line      |
| Computer equipment               | 33.33% straight line  |
| Fixtures, fittings and equipment | 20% 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.

No depreciation is provided in respect of freehold land.

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

##### **Liabilities**

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



# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (continued)

##### **Leased assets**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### **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), unless the arrangement constitutes a financing transaction. A financial asset or financial 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 agreement 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.

##### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the 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 of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (continued)

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. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each 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/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### **Fund accounting**

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

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

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

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 2 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

##### *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 13 for the carrying amount of the property plant and equipment, and accounting policies above 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 24 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3 Donations and capital grants

|                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants  | -                          | 506,566                  | 506,566            | 76,346             |
| Other donations | -                          | 18,040                   | 18,040             | 59,428             |
|                 | -                          | 524,606                  | 524,606            | 135,774            |

The income from donations and capital grants was £524,606 (2017: £135,774) of which £18,040 was restricted (2017: £59,428) and £506,566 was restricted fixed assets (2017: £76,346).

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 4 Funding for the Academy Trust's educational operations

|                                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>       |                            |                          |                    |                    |
| General annual grant (GAG)     | -                          | 5,738,533                | 5,738,533          | 4,720,036          |
| Start up grants                | -                          | 30,000                   | 30,000             | 50,000             |
| Other DfE / ESFA grants        | -                          | 1,055,545                | 1,055,545          | 657,926            |
|                                | -                          | 6,824,078                | 6,824,078          | 5,427,962          |
| <b>Other government grants</b> |                            |                          |                    |                    |
| Local authority grants         | -                          | 2,071,111                | 2,071,111          | 1,271,217          |
| Other incoming resources       | -                          | -                        | -                  | 48,329             |
|                                | -                          | 8,895,189                | 8,895,189          | 6,747,508          |

The income from funding for educational operations was £8,895,189 (2017: £6,747,508) of which £- was unrestricted (2017: £48,329) and £8,895,189 was restricted (2017: £6,699,179).

#### 5 Other trading activities

|              | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|--------------|----------------------------|--------------------------|--------------------|--------------------|
| Other income | 610,431                    | -                        | 610,431            | 15,594             |

The income from other trading activities was £610,431 (2017: £15,594) of which £610,431 was unrestricted (2017: £15,594).

#### 6 Investment income

|                                   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Interest from short term deposits | 1,596                      | -                        | 1,596              | 1,660              |

The income from funding for investment income was £1,596 (2017: £1,660) of which £1,596 was unrestricted (2017: £1,660).

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure

|                                  | Staff costs<br>£ | Non Pay Expenditure<br>Premises<br>£ | Other<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|----------------------------------|------------------|--------------------------------------|------------|--------------------|--------------------|
| Academy's educational operations |                  |                                      |            |                    |                    |
| - Direct costs                   | 5,803,592        | -                                    | 591,591    | 6,395,183          | 4,773,626          |
| - Allocated support costs        | 1,511,792        | 1,135,591                            | 1,049,873  | 3,697,256          | 2,171,759          |
| Total support costs              | 7,315,384        | 1,135,591                            | 1,641,464  | 10,092,439         | 6,945,385          |

### Net income/(expenditure) for the year includes:

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| Operating lease rentals   | 26,660    | 13,121    |
| Depreciation of tangible fixed assets   | 659,372   | 468,504   |
| Net interest on defined benefit pension liability   | 79,000    | 50,000    |
| Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows: |           |           |
| - Audit   | 17,000    | 16,000    |
| - Other services  | 6,000     | 6,500     |

### 8 Charitable activities

|  | 2018<br>£         | 2017<br>£        |
|--|-------------------|------------------|
| <b>All from restricted funds:</b>      |                   |                  |
| Direct costs - educational operations  | 6,395,183         | 4,773,626        |
| Support costs - educational operations | 3,697,256         | 2,171,759        |
|  | <b>10,092,439</b> | <b>6,945,385</b> |

The expenditure on educational operations was £10,092,439 (2017: £6,945,385) of which £- was unrestricted (2017: £-), £9,433,067 was restricted (2017: £6,476,881) and £659,372 was restricted fixed assets (2017: £468,504).

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 8 Charitable activities (Continued)

|                                  | 2018<br>£        | 2017<br>£        |
|----------------------------------|------------------|------------------|
| <b>Analysis of support costs</b> |                  |                  |
| Support staff costs              | 1,511,792        | 823,253          |
| Depreciation and amortisation    | 659,372          | 468,504          |
| Technology costs                 | 147,065          | 66,287           |
| Premises costs                   | 476,219          | 343,192          |
| Other support costs              | 700,793          | 372,363          |
| Governance costs                 | 202,015          | 98,160           |
|                                  | <b>3,697,256</b> | <b>2,171,759</b> |

#### 9 Staff

##### Staff costs

Staff costs during the year were:

|  | 2018<br>£        | 2017<br>£        |
|--|------------------|------------------|
| Wages and salaries                                 | 5,349,531        | 3,733,241        |
| Social security costs                              | 424,300          | 275,176          |
| Operating costs of defined benefit pension schemes | 1,314,113        | 902,712          |
| <b>Total staff costs</b>                           | <b>7,087,944</b> | <b>4,911,129</b> |
| Supply staff costs                                 | 118,103          | 110,019          |
| Staff restructuring costs                          | 24,507           | 59,772           |
| Staff development and other staff costs            | 84,830           | 73,301           |
|  | <b>7,315,384</b> | <b>5,154,221</b> |
| <b>Staff Restructuring</b>                         |                  |                  |
| Redundancy Payments                                | -                | 59,772           |
| Severance Payments                                 | 24,507           | -                |
| Other Restructuring Costs                          | -                | -                |
|  | <b>24,507</b>    | <b>59,772</b>    |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,507 (2017: £nil). Individually, the payments were: £7,889 made on 16th Oct, £4,978 made on 10th Nov and £11,640 made on 10th May.

##### Staff numbers

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

|                            | 2018<br>Number | 2017<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 73             | 48             |
| Administration and support | 198            | 139            |
| Management                 | 8              | 4              |
|                            | <b>279</b>     | <b>191</b>     |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 9 Staff (Continued)

##### Higher paid staff

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

|                     | 2018<br>Number | 2017<br>Number |
|---------------------|----------------|----------------|
| £70,001 - £80,000   | 1              | 1              |
| £80,001 - £90,000   | -              | 1              |
| £100,001 - £110,000 | 1              | -              |

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the Headteacher PRU's / Special School as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £265,528 (2017: £209,859).

#### 10 Central services

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

- 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.

The Academy Trust charges for the services provided was a flat 5% of GAG and LA income received, excluding targeted grants.

The amounts charged during the year were as follows:

|                            | 2018<br>£      | 2017<br>£      |
|----------------------------|----------------|----------------|
| Thorpepark Academy         | 105,330        | 125,785        |
| Bridgeview Special School  | 50,331         | 45,043         |
| The Sullivan Centre        | 25,470         | 23,822         |
| Whitehouse PRU             | 40,845         | 46,703         |
| Mountbatten Primary School | 60,589         | -              |
| The Boulevard Centre       | 25,847         | 30,000         |
| Griffin Primary School     | 91,809         | -              |
|                            | <b>400,221</b> | <b>271,353</b> |



# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 11 Trustees' remuneration and expenses

During the period no non-staff 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 by the Academy Trust.

Mr S Witham, the CEO, received remuneration of £100,589 (2017: £88,306) during the year and pension contributions paid by the Academy Trust in the period of £16,577 (2017: £14,553).

Mrs C Patton, Executive Head, received remuneration of £73,550 (2017: £77,538) during the year and pension contributions paid by the Academy Trust in the period of £12,127 (2017: £12,778).

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

During the year ended 31 August 2018, no expenses were reimbursed to Trustees or Directors.

#### 12 Trustees' remuneration and expenses

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was £25,800. During the current year, the cost of this insurance cannot be calculated as it is combined in the risk protection insurance which is calculated on a cost per pupil basis.

#### 13 Tangible fixed assets

|                        | Land and<br>Buildings | Computer<br>equipment | Fixtures,<br>fittings and<br>equipment | Motor<br>vehicles | Total             |
|------------------------|-----------------------|-----------------------|--|-------------------|-------------------|
|                        | £                     | £                     | £                                      | £                 | £                 |
| <b>Cost</b>            |                       |                       |  |                   |                   |
| At 1 September 2017    | 22,871,668            | 449,049               | 511,387                                | 36,895            | 23,868,999        |
| Additions              | 166,062               | 41,334                | 129,476                                | -                 | 336,872           |
| Disposals              | -                     | -                     | -                                      | -                 | -                 |
| At 31 August 2018      | 23,037,730            | 490,383               | 640,863                                | 36,895            | 24,205,871        |
| <b>Depreciation</b>    |                       |                       |  |                   |                   |
| At 1 September 2017    | 465,900               | 182,869               | 121,317                                | 18,448            | 788,534           |
| Charge for the year    | 376,434               | 158,984               | 114,730                                | 9,224             | 659,372           |
| At 31 August 2018      | 842,334               | 341,853               | 236,047                                | 27,672            | 1,447,906         |
| <b>Carrying amount</b> |                       |                       |  |                   |                   |
| At 31 August 2018      | 22,195,396            | 148,530               | 404,816                                | 9,223             | 22,757,965        |
| At 31 August 2017      | <u>22,405,768</u>     | <u>266,180</u>        | <u>390,070</u>                         | <u>18,447</u>     | <u>23,080,465</u> |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 13 Tangible fixed assets (Continued)

Included within land and buildings of £22,195,396 is long leasehold land and buildings of £16,301,846 and freehold land and buildings of £5,893,550.

Where the land and buildings at Venn Academy Trust are operated from is owned by the local authority, the occupancy is made available to use under the terms of supplemental agreements. The substance of these arrangements is such that Venn Academy Trust is able to obtain future economic benefit from use of the assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion.

Included within land and buildings are the following items stated at revalued amounts:

| Description                          | Effective date   | Value of<br>land | Value of<br>buildings | Carrying<br>value if held<br>under the<br>cost model |
|--------------------------------------|------------------|------------------|-----------------------|--|
|                                      |                  | £                | £                     | £  |
| Thorpepark Academy                   | 1 September 2015 | 115,000          | 3,625,000             | nil  |
| Bridgeview and Whitehouse            | 1 September 2015 | 740,000          | 5,000,000             | nil  |
| Boulevard Centre and Sullivan Centre | 1 September 2016 | 240,000          | 1,680,000             | nil  |
| Griffin Primary School               | 1 June 2016      | 1,845,000        | 4,120,000             | nil  |
| Mountbatten Primary School           | 1 July 2017      | 1,480,000        | 2,885,000             | nil  |

Each of the above items have been independently valued by FHP Property Specialists using the depreciated replacement cost method.

| 14 Debtors  | 2018<br>£      | 2017<br>£      |
|---|----------------|----------------|
| Trade debtors                                     | 137,715        | 4,570          |
| Other debtors                                     | 114,016        | 55,180         |
| Prepayments and accrued income                    | 347,968        | 205,030        |
|   | <u>599,699</u> | <u>264,780</u> |
| 15 Creditors: amounts falling due within one year | 2018<br>£      | 2017<br>£      |
| Trade creditors                                   | 300,711        | 218,483        |
| Other Taxation and Social Security                | 103,994        | 99,763         |
| Other creditors                                   | 104,595        | 107,696        |
| Accruals and deferred income (see note 16)        | 150,521        | 205,556        |
|   | <u>659,821</u> | <u>631,498</u> |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

| <b>16</b> | <b>Deferred income</b>                   | <b>2018</b>       | <b>2017</b>       |
|-----------|--|-------------------|-------------------|
|           |  | <b>£</b>          | <b>£</b>          |
|           | Deferred income is included within:      |                   |                   |
|           | Creditors due within one year            | 92,185            | 121,238           |
|           |  | <u>          </u> | <u>          </u> |
|           | Deferred income at 1 September 2017      | 121,238           | -                 |
|           | Released from previous year              | (121,238)         | -                 |
|           | Amounts deferred in the year             | 92,185            | 121,238           |
|           |  | <u>          </u> | <u>          </u> |
|           | <b>Deferred income at 31 August 2018</b> | <b>92,185</b>     | <b>121,238</b>    |
|           |  | <u>          </u> | <u>          </u> |

Deferred income held at 31 August 2018 included Universal Free School Meals £72k, Rates relief £1k, and Nursery funds received in advance for the autumn term £19k.

| <b>17</b> | <b>Financial instruments</b>                    | <b>2018</b>       | <b>2017</b>       |
|-----------|---|-------------------|-------------------|
|           |   | <b>£</b>          | <b>£</b>          |
|           | <b>Carrying amount of financial assets</b>      |                   |                   |
|           | Debt instruments measured at amortised cost     | 439,265           | 127,407           |
|           |   | <u>          </u> | <u>          </u> |
|           | <b>Carrying amount of financial liabilities</b> |                   |                   |
|           | Measured at amortised cost                      | 494,522           | 410,497           |
|           |   | <u>          </u> | <u>          </u> |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 18 Funds

|                                     | Balance at<br>1 September<br>2017<br>£ | Income<br>£              | Expenditure<br>£           | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2018<br>£ |
|-------------------------------------|--|--------------------------|----------------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                          |                            |  |                                      |
| General Annual Grant                | 937,307                                | 5,738,533                | (5,986,431)                | (277,014)                              | 412,395                              |
| Start up grants                     | -                                      | 30,000                   | -                          | -                                      | 30,000                               |
| Other DfE / ESFA grants             | 11,430                                 | 1,055,545                | (908,739)                  | -                                      | 158,236                              |
| Other government grants             | -                                      | 2,071,111                | (1,999,857)                | -                                      | 71,254                               |
| Other restricted funds              | 150,187                                | 18,040                   | (18,040)                   | -                                      | 150,187                              |
| Pension reserve                     | (2,944,000)                            | -                        | (520,000)                  | 1,185,000                              | (2,279,000)                          |
|                                     | <u>(1,845,076)</u>                     | <u>8,913,229</u>         | <u>(9,433,067)</u>         | <u>907,986</u>                         | <u>(1,456,928)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                          |                            |  |                                      |
| Transferred on conversion           | 22,923,139                             | -                        | (659,372)                  | -                                      | 22,263,767                           |
| DfE / ESFA capital grants           | 112,772                                | 506,566                  | -                          | -                                      | 619,338                              |
| Capital expenditure from GAG        | 44,554                                 | -                        | -                          | 277,014                                | 321,568                              |
|                                     | <u>23,080,465</u>                      | <u>506,566</u>           | <u>(659,372)</u>           | <u>277,014</u>                         | <u>23,204,673</u>                    |
| <b>Total restricted funds</b>       | <u><b>21,235,389</b></u>               | <u><b>9,419,795</b></u>  | <u><b>(10,092,439)</b></u> | <u><b>1,185,000</b></u>                | <u><b>21,747,745</b></u>             |
| <b>Unrestricted funds</b>           |  |                          |                            |  |                                      |
| General funds                       | <u>1,183,438</u>                       | <u>612,027</u>           | <u>-</u>                   | <u>-</u>                               | <u>1,795,465</u>                     |
| <b>Total funds</b>                  | <u><b>22,418,827</b></u>               | <u><b>10,031,822</b></u> | <u><b>(10,092,439)</b></u> | <u><b>1,185,000</b></u>                | <u><b>23,543,210</b></u>             |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 18 Funds (continued)

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 Academy Trust was not subject to a limit GAG which could be carried forward at 31 August 2018.

(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 Academy Trust and from self-generated income by the Academy Trust's academies.

(iv) The Pension Reserve is in deficit to the value of £2,944,000 at the year end which is in excess of the unrestricted funds. The trustees will continue to monitor this situation closely.

A total of £277,014 (2017: £7,589) has been transferred from Restricted General Fund to Restricted Fixed Asset Funds in respect of capital expenditure incurred in excess of capital grants received.

A total of £446,708 (2017: £0) is included in the Fixed Asset Reserves relating to CIF grant income that remained unspent on Assets at the year end. This amount will be spent within the next Academic year.

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 18 Funds (Continued)

##### Funds prior year

|                                     | Balance at<br>1 September<br>2017<br>£ | Income<br>£              | Expenditure<br>£          | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2018<br>£ |
|-------------------------------------|--|--------------------------|---------------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                          |                           |  |                                      |
| General Annual Grant                | 554,787                                | 4,720,036                | (4,329,927)               | (7,589)                                | 937,307                              |
| Start up grants                     | -                                      | 50,000                   | (50,000)                  | -                                      | -                                    |
| Other DfE / ESFA grants             | -                                      | 657,926                  | (646,496)                 | -                                      | 11,430                               |
| Other government grants             | -                                      | 1,271,217                | (1,271,217)               | -                                      | -                                    |
| Other restricted funds              | -                                      | 59,428                   | 90,759                    | -                                      | 150,187                              |
| Pension reserve                     | (1,765,000)                            | (1,206,000)              | (270,000)                 | 297,000                                | (2,944,000)                          |
|                                     | <u>(1,210,213)</u>                     | <u>5,552,607</u>         | <u>(6,476,881)</u>        | <u>289,411</u>                         | <u>(1,845,076)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                          |                           |  |                                      |
| Transferred on conversion           | 10,684,001                             | 12,704,602               | (465,464)                 | -                                      | 22,923,139                           |
| DfE / ESFA capital grants           | 38,715                                 | 76,346                   | (2,289)                   | -                                      | 112,772                              |
| Capital expenditure from            | 37,716                                 | -                        | (751)                     | 7,589                                  | 44,554                               |
|                                     | <u>10,760,432</u>                      | <u>12,780,948</u>        | <u>(468,504)</u>          | <u>7,589</u>                           | <u>23,080,465</u>                    |
| <b>Total restricted funds</b>       | <u><b>9,550,219</b></u>                | <u><b>18,333,555</b></u> | <u><b>(6,945,385)</b></u> | <u><b>297,000</b></u>                  | <u><b>21,235,389</b></u>             |
| <b>Unrestricted funds</b>           |  |                          |                           |  |                                      |
| General funds                       | <u>601,243</u>                         | <u>582,195</u>           | <u>-</u>                  | <u>-</u>                               | <u>1,183,438</u>                     |
| <b>Total funds</b>                  | <u><b>10,151,462</b></u>               | <u><b>18,915,750</b></u> | <u><b>(6,945,385)</b></u> | <u><b>297,000</b></u>                  | <u><b>22,418,827</b></u>             |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 18 Funds (Continued)

##### Total funds analysis by academy

|   | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---|--------------------|--------------------|
| Fund balances at 31 August were allocated as follows:     |                    |                    |
| Thorpepark Academy  | 483,772            | 393,457            |
| Bridgeview Special School                                 | 528,484            | 450,808            |
| Sullivan Centre   | 471,642            | 319,779            |
| Whitehouse  | 261,436            | 257,993            |
| Mountbatten Primary School                                | 3,638              | 16,185             |
| Boulevard Centre  | 80,369             | 67,069             |
| Griffin Primary School                                    | 563,316            | 601,114            |
| Central services  | 224,881            | 175,957            |
| <b>Total before fixed assets fund and pension reserve</b> | <b>2,617,537</b>   | <b>2,282,362</b>   |
| Restricted fixed asset fund                               | 23,204,673         | 23,080,465         |
| Pension reserve   | (2,279,000)        | (2,944,000)        |
| <b>Total funds</b>  | <b>23,543,210</b>  | <b>22,418,827</b>  |

##### Total cost analysis by academy

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

|                  | Teaching<br>and support<br>educational<br>support staff<br>costs | Other<br>staff<br>costs | Educational<br>supplies | Other costs<br>excluding<br>depreciation | Total<br>2018    | Total<br>2017    |
|------------------|--|-------------------------|-------------------------|--|------------------|------------------|
|                  | £  | £                       | £                       | £  | £                | £                |
| Thorpepark       | 1,544,536  | 286,920                 | 160,770                 | 435,659                                  | 2,427,886        | 2,359,305        |
| Bridgeview       | 682,703  | 83,323                  | 96,365                  | 345,288                                  | 1,207,679        | 876,131          |
| Sullivan Centre  | 273,418  | 14,710                  | 8,146                   | 157,979                                  | 454,253          | 303,763          |
| Whitehouse       | 562,025  | 29,365                  | 6,566                   | 216,395                                  | 814,350          | 807,027          |
| Mountbatten      | 840,997  | 182,968                 | 108,558                 | 300,083                                  | 1,432,606        | 157,210          |
| Boulevard Centre | 309,749  | 92,613                  | 47,260                  | 92,344                                   | 541,966          | 806,710          |
| Griffin          | 1,392,534  | 223,607                 | 117,706                 | 427,429                                  | 2,161,276        | 479,341          |
| Central services | 154,211  | 157,286                 | 46,220                  | 236,011                                  | 593,728          | 545,849          |
|                  | <b>5,760,173</b>   | <b>1,070,792</b>        | <b>591,590</b>          | <b>2,211,188</b>                         | <b>9,633,743</b> | <b>6,335,336</b> |

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 19 Analysis of net assets between funds

|  | Unrestricted<br>Funds | Restricted<br>General<br>Funds | Restricted<br>Fixed Asset<br>Funds | Total<br>Funds    |
|--|-----------------------|--------------------------------|------------------------------------|-------------------|
|  | £                     | £                              | £                                  | £                 |
| <b>Fund balances at 31 August 2018 are represented by:</b> |                       |                                |                                    |                   |
| Tangible fixed assets                                      | -                     | -                              | 22,757,965                         | 22,757,965        |
| Current assets   | 2,455,286             | 822,072                        | 446,708                            | 3,724,066         |
| Creditors falling due within one year                      | (659,821)             | -                              | -                                  | (659,821)         |
| Defined benefit pension scheme liability                   | -                     | (2,279,000)                    | -                                  | (2,279,000)       |
| <b>Total net assets</b>                                    | <b>1,795,465</b>      | <b>(1,456,928)</b>             | <b>23,204,673</b>                  | <b>23,543,210</b> |

|  | Unrestricted<br>Funds | Restricted<br>General<br>Funds | Restricted<br>Fixed Asset<br>Funds | Total<br>Funds    |
|--|-----------------------|--------------------------------|------------------------------------|-------------------|
|  | £                     | £                              | £                                  | £                 |
| <b>Fund balances at 31 August 2017 are represented by:</b> |                       |                                |                                    |                   |
| Tangible fixed assets                                      | -                     | -                              | 23,080,465                         | 23,080,465        |
| Current assets   | 1,814,936             | 1,098,924                      | -                                  | 2,913,860         |
| Creditors falling due within one year                      | (631,498)             | -                              | -                                  | (631,498)         |
| Defined benefit pension scheme liability                   | -                     | (2,944,000)                    | -                                  | (2,944,000)       |
| <b>Total net assets</b>                                    | <b>1,183,438</b>      | <b>(1,845,076)</b>             | <b>23,080,465</b>                  | <b>22,418,827</b> |

#### 20 Capital Commitments

|  | 2018<br>£ | 2017<br>£ |
|--|-----------|-----------|
| Contracted for, but not provided in the financial statements | 446,708   | -         |

#### 21 Commitments under operating leases

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

|  | 2018<br>£     | 2017<br>£     |
|--|---------------|---------------|
| Amounts due within one year            | 22,717        | 24,121        |
| Amounts due between one and five years | 32,908        | 27,450        |
|  | <b>55,625</b> | <b>51,571</b> |



# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 22 Reconciliation of net income to net cash flow from operating activities

|  | 2018<br>£      | 2017<br>£      |
|--|----------------|----------------|
| Net income for the reporting period (as per the statement of financial activities) | (60,617)       | 11,970,365     |
| <b>Adjusted for:</b>   |                |                |
| Net surplus on conversion to academy   | -              | (12,015,214)   |
| Capital grants from DfE/ESFA and other capital income                              | (506,566)      | (76,346)       |
| Interest receivable  | (1,596)        | (1,660)        |
| Defined benefit pension scheme cost less contributions payable                     | 441,000        | 220,000        |
| Defined benefit pension scheme finance cost  | 79,000         | 50,000         |
| Depreciation of tangible fixed assets  | 659,372        | 468,504        |
| <b>Movements in working capital:</b>   |                |                |
| (Increase) in debtors  | (334,919)      | (177,489)      |
| Increase in creditors  | 28,323         | 205,564        |
| <b>Net cash provided by operating activities</b>                                   | <b>303,997</b> | <b>643,724</b> |

#### 23 Members' liability

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

#### 24 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £104,595 were payable to the schemes at 31 August 2018 and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 24 Pension and similar obligations

##### **Valuation of the Teacher's Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 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 as 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 TPS valuation of 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £427,113 (2017: 298,889).

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

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

##### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.3% for employers and 5.5 to 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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 24 Pension and similar obligations (Continued)

| Total contributions made   | 2018<br>£      | 2017<br>£      |
|----------------------------|----------------|----------------|
| Employer's contributions   | 446,000        | 387,000        |
| Employees' contributions   | 123,000        | 92,000         |
| <b>Total contributions</b> | <b>569,000</b> | <b>479,000</b> |

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

|  | 2018<br>% | 2017<br>% |
|--|-----------|-----------|
| Rate of increases in salaries                      | 2.5       | 2.5       |
| Rate of increase for pensions in payment/inflation | 2.1       | 2.4       |
| Discount rate for scheme liabilities               | 2.9       | 2.5       |

Scheme liabilities would have been affected by changes in assumptions as follows:

The assumed life expectations on retirement age 65 are:

|                      | 2018<br>Years | 2017<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 22            | 22            |
| - Females            | 24            | 24            |
| Retiring in 20 years |               |               |
| - Males              | 24            | 24            |
| - Females            | 26            | 26            |

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

|                                   | 2018<br>Fair value<br>£ | 2017<br>Fair value<br>£ |
|-----------------------------------|-------------------------|-------------------------|
| Equities                          | 2,084,000               | 1,540,000               |
| Bonds                             | 376,000                 | 281,000                 |
| Property                          | 347,000                 | 238,000                 |
| Other assets                      | 87,000                  | 109,000                 |
| <b>Total fair value of assets</b> | <b>2,894,000</b>        | <b>2,168,000</b>        |

The actual return on scheme assets was £165,000 (2017: £83,000).

# VENN ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 24 Pension and similar obligations (Continued)

| Amount recognised in the statement of financial activities | 2018<br>£      | 2017<br>£      |
|--|----------------|----------------|
| Current service cost                                       | 887,000        | 607,000        |
| Net interest cost  | 79,000         | 50,000         |
| <b>Total operating charge</b>                              | <b>966,000</b> | <b>657,000</b> |

| Changes in the present value of defined benefit obligations | 2018<br>£   |
|---|-------------|
| At 1 September 2017   | 5,112,000   |
| Obligations acquired on conversion                          | -           |
| Current service cost  | 887,000     |
| Interest cost   | 140,000     |
| Employee contributions                                      | 123,000     |
| Actuarial gain  | (1,081,000) |
| Benefits paid   | (8,000)     |
| At 31 August 2018   | 5,173,000   |

| Changes in the fair value of the Academy Trust's share of scheme assets             | 2018<br>£ |
|---|-----------|
| At 1 September 2017   | 2,168,000 |
| Assets acquired on conversion   | -         |
| Interest income   | 61,000    |
| Return on plan assets (excluding net interest on the net defined pension liability) | 104,000   |
| Employer contributions  | 446,000   |
| Employee contributions  | 123,000   |
| Benefits paid   | (8,000)   |
| At 31 August 2018   | 2,894,000 |

#### 25 Related party transactions

Mrs N Witham spouse of Mr S Witham, a trustee, is employed by the academy trust as a Head of School. The appointment was made in open competition and the trustee was not involved in the decision making process regarding appointment. The teaching post is paid within the normal pay scale for the role and the individual receives no special treatment as a result of their relationship to a trustee.

Trustees' remuneration and expenses are disclosed in note 11.

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

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 13 November 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Venn Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of Venn Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of Venn Academy Trust's accounting officer and trustees**

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Venn Academy Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO VENN ACADEMY TRUST AND THE EDUCATION AND SKILLS  
FUNDING AGENCY (CONTINUED)**

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This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

**Use of our report**

This report is made solely to Venn Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 13 November 2017. Our work has been undertaken so that we might state to the Venn Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Venn Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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

Date –

18/12/2018

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