
THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 14
Governance Statement	15 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditors' Report on the Financial Statements	22 - 25
Independent Reporting Accountant's Report on Regularity	26 - 27
Statement of Financial Activities Incorporating Income and Expenditure Account	28
Balance Sheet	29 - 30
Statement of Cash Flows	31
Notes to the Financial Statements	32 - 62

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Rea
M Bunn
D Cooksey
K Dallow
V Lee (resigned 31 August 2021)

Trustees

M Rea, Chairman, Chair
K Bailey
P Jackson, Executive Officer
M Hayward
S Salisbury
J Price (resigned 31 August 2021)
V Lee
J Tilley
S Turner
G Scott
L Westwood (resigned 2 December 2020)

Company registered number

10765135

Company name

The Villages Multi-Academy Trust

Principal and registered office

Ankerage Green
Worcester
WR4 0DZ

Company secretary

A Thomas

Chief executive officer

P Jackson

Senior management team

P Jackson, Lyppard Grange Primary Principal
R Thorp, Lyppard Grange Primary Deputy Principal
R Higgins, Nunnery Wood Primary Principal
R Bidwell, Nunnery Wood Primary Deputy Principal

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors

Randall & Payne LLP
Chartered Accountants & Statutory Auditors
Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank
4 The Cross
The Avenue
Worcester
WR1 3PY

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for year 1st September 2020 to 31st August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

This is the Trustees' fourth annual report; the company was incorporated in May 2017. The Lyppard Grange Primary School converted and opened as an academy on 1st September 2017 with Nunnery Wood Primary School joining the Trust as an academy on 1st July 2018.

Both academy schools are within the city of Worcester, serving diverse communities. At the January 2021 census, a total of 828 pupils aged 4 years to 11 years were on roll.

The reporting period was significantly impacted by the Coronavirus pandemic, which resulted in schools across the UK being affected in the following ways:

- Reduced curriculum and extra-curricular enrichment
- Periods of remote learning
- Reduced specialist SEND support
- Ceasing of educational visits
- Periods of self-isolation for pupils and staff
- Adaptations being made to the delivery of the full curriculum (in accordance with the DfE guidance on return to school)
- Additional costs supporting staff mental health and wellbeing
- Reduced external visitors for continuous professional development (CPD - replaced by online courses to some extent)
- Increased cleaning costs
- Ceasing of fundraising opportunities and income streams such as lettings, and the loss of community engagement that events such as fireworks evening provide.

Structure, governance and management

a. Constitution

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

The Trustees of The Villages' Multi-Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Villages' Multi-Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

c. Trustees' indemnities

The Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.

d. Method of recruitment and appointment or election of Trustees

The members are entitled to appoint 11 Trustees. Trustees are selected according to the expertise and skills required by the Trust. The Board completes an annual skills audit of its trustees and uses this as a basis to identify any shortfalls in expertise in the Board's composition. Existing trustees draw on their wide network of professional contacts to source new trustees with the appropriate skills and expertise. For example, the two most recent appointees to the Board have been recruited because of their experience in risk management and quality assurance, and business development. All trustees are appointed rather than elected. The Chief Executive Officer (CEO) is a Trustee and is currently Head Teacher at one of the academies within the Trust.

e. Policies adopted for the induction and training of Trustees

Training and induction for Trustees will depend on their prior experience and/or knowledge. Most induction is carried out 'in-house' but external trainers may be brought in and Trustees may attend external training provision where this is appropriate. All trustees take responsibility for keeping themselves up to date with developments in the sector.

f. Organisational structure

The full board of the Trust (the Board) meets at least six times per year. There are four main committees of the Board which meet at least four times per year: Business; Audit and Risk; Performance, Pay and Personnel; and School Improvement. These committees provide for detailed discussions and policy development. The scope and remit of each committee is set out in the Trust's Scheme of Delegation.

Although some interim decisions are made within these committees, with full ratification being required by the Board, each committee has a range of delegated decision-making powers. Governance of each academy is delegated to Local Governing Bodies (LGBs). It is for each LGB to determine the most effective governance structure for their academy. The day-to-day operation of each academy is delegated to the Senior Leadership Team which reports back to their LGB as appropriate. The day-to-day operation of the Trust is delegated to the CEO, who reports directly to the Board. The CEO is the accounting officer.

The pandemic and subsequent risk assessment has led to the meetings being conducted remotely during this reporting period, although a return to face to face is planned for early in 2022. During 2020-2021 there were times where meetings were postponed due to schools focussing on logistical operations (for example School Improvement Committee) but where this was the case the chairs and headteachers/CEO communicated any updates. The headteacher of Nunnery Wood gave regular verbal feedback on important issues to the CEO.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Board has set a Pay Policy for schools within the Trust. This includes information relating to the setting of pay and remuneration for the Senior Leaders within both schools as well as the CEO. No other Trustees are remunerated for their work. The Pay Policy is closely linked to the Trust's Performance Management (Teachers) policy and Non-Teaching Staff Appraisal Policy. Pay progression for teachers, including senior leaders, is directly linked to performance and pupil outcomes. Performance management and associated pay progression for the CEO and Head Teachers is completed by a committee of Trustees (with input from LGBs and an appropriately experienced external advisor). The performance management and pay progression of deputy head teachers and all other staff is delegated to the LGBs.

h. Related Parties and Other Connected Charities and Organisations

The Trust had two related party relationships; spouses of two of the Trusts' directors are employed by the Trust. They were employed prior to conversion as an Academy and are remunerated in accordance with the normal pay scales for their roles.

Additionally, one of the Trust directors is a school improvement advisor who provides some services to the schools either for free or at cost depending on the nature of the work. There were no charges for the reporting period.

These relationships are acknowledged in the Trustees' declarations of interest forms annually. Any financial transactions are disclosed in the notes to the accounts.

Objectives and activities

a. Objectives and aims

The principal activity of the Company is the operation of two academies, The Lyppard Grange Primary School and Nunnery Wood Primary School, to provide education for pupils aged four years to eleven years.

The Trust has a central over-riding aspiration: to provide children with the very best possible start by 'empowering children to be secure, engaged and equipped for life.'

Objectives, Strategies and Activities

In empowering children to be secure, the Trust seeks to ensure they are:

- Self-aware; knowing their own strengths and weaknesses
- Self-disciplined and hard working
- Content in themselves with high self-esteem and a good sense of self-worth
- Confident in their own abilities
- Able to recognise right and wrong, with a sound moral compass
- Fit, healthy and active

In empowering children to be engaged, the Trust seeks to ensure they:

- Have a sense of responsibility
- Show awareness of their community – locally, nationally & globally
- Are a participator in those communities
- Have awareness of and empathy with others
- Are willing and able to learn
- Develop strong social skills

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

In empowering children to be equipped for life, the Trust seeks to ensure they are:

- Numerate & Literate
- Ready for the changing technological world
- Positive in their outlook
- Prepared to broaden their horizons
- Committed, tenacious and resilient
- Adaptable, independent and good team players
- Effective communicators
- Polite, respectful and courteous

Implicit in the vision of the Trust are core principles which govern the way in which each school operates and underpins decision making against which each school's performance and outcomes are measured:

- The needs of children are the highest priority – excellent outcomes for children is the *raison d'être* of our schools
- Each school is best placed to make the right decisions for the children in that school
- Effective collaboration between schools can have a significantly positive impact on raising standards
- Honest, open and transparent relationships between all stakeholders in schools – Members, Trustees, Governors, senior leaders, staff, children and parents – underpin effective collaboration. Positive, active partnerships are fundamental to sustained success.

b. Activity

During the period, the Trust has developed structures and mechanisms for the two schools within the Trust to work collaboratively to the benefit of all pupils in the Trust. The academies' leadership teams planned opportunities for teachers at all levels to work on cross school projects. Senior leaders have led this work, seeking opportunities to develop consistent approaches to a wide range of school activity when and where it is appropriate to do so, for example around setting priorities for school improvement, tracking pupils' progress and target setting, staff performance management, attendance, and budget and resource management.

Similarly, subject leaders have continued to work together on aspects of planning and provision to ensure that best practise is being shared and implemented in both schools. Reciprocal visits by teachers in every year group were planned for the year, however this work was interrupted by the onset of the Coronavirus pandemic.

At Board level, work has continued to focus on consolidating the effective leadership and governance of the Company and its schools, further refining the Trust's business functions, and supporting the work of both schools as academies. The Trust, through the Local Governing Body at Nunnery Wood Primary School, also completed a review of the structure of the senior leadership team at the school with advice taken from Human Resources at Worcestershire Local Authority. Senior Leaders and unions were consulted on their roles and responsibilities and adaptations made in accordance with the aims of the Trust in ensuring equality of duty and pay. The new structure is in place but, with the resignation of the Assistant Headteacher, appointment of a new Assistant Head was suspended and the responsibilities for Safeguarding and SEND were reallocated across the leadership team. Additionally, after negotiations one member of SLT has 3 years protected salary. Furthermore, during the reporting period Lyppard Grange changed from two Key Stage Leaders to an Assistant Headteacher post (with some teaching responsibility).

Trustees, together with the Governors and senior leaders of the academies, have developed a framework for enhancing the quality of teaching and learning within both schools. As well as promoting the sharing of best practice in teaching and learning, Trustees continue to sharpen the focus on pupil outcomes still further. This is underpinned by the continual development of activities which offer every child a broad and balanced curriculum, with a commitment to ensure that all pupils benefit from a range of experiences across humanities, arts and sport as well as within the core areas of English, Mathematics, Science and Computing. Each school determines

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

its own curriculum content and organisation such that it is relevant, meaningful, and engaging for the pupils of each school. In addition, both academies seek to provide broad and dynamic enrichment opportunities for pupils. The Trust is committed to promoting inclusion actively and all staff share the belief that all children can and should make progress whatever their starting points. Understandably, some of the implementation of this work has been affected by the pandemic and the reliance on internal rather than national achievement data, but the focus on measurable outcomes is still at the forefront of evaluation.

The Trust continues to invest in its staff, seeking to recruit the best teaching and support staff, providing high-quality professional development; and establishing effective succession planning to secure excellent outcomes for pupils going forward.

Both academies within the Trust have maintained their strong commitment to promoting the safety and welfare of all pupils within the Trust. The Trust has well-established and effective child protection policies and procedures which ensure robust and rigorous safeguarding, working closely with other agencies to effectively and proactively support children and their families. Local Governing Bodies and the School Improvement Committee have been able to carry out quality assurance during this period by reviewing safeguarding policies, procedures and best practice guidelines. The Audit Committee from the Trust conducted a School Financial Handbook review of internal controls as well as a thorough safeguarding check.

Opportunities for Trust growth have been significantly hampered by the pandemic. Additional challenges have led to a limited amount of time for developing the Villages' Trust Offer and the appetite for engagement amongst potential school partners has also reduced. However, the item has remained on the agenda and the Trustees have been in liaison with the Regional Schools Commissioner office, developed a list of potential partners and gathered views of some schools on what would make the Trust Offer appealing to them. This area remains a Trust priority and directors are focussed on developing the work outlined above further in the coming period.

Operationally, both schools have responded as positively as possible to the challenges presented by the pandemic. Both schools had a Recovery Curriculum and rigorous risk assessments in place throughout the period, putting pupil safety, mental health and academic achievement at the heart of our practice. Despite challenges over staffing capacity and pupil isolation, both schools have maintained a good service to pupils and their families, including increasing investment in specialist roles to support the social, emotional and mental health (SEMH) of the children.

The Trust is proud to have played its part in maintaining provision in school for the children of keyworkers, enabling those parents to undertake their roles. At its peak, there were in excess of 100 children in the two schools each day, enjoying a wide range of activity relating to all areas of the usual school curriculum. In addition to this, the Trust provided a Summer Camp for both schools in which Pupil Premium and Recovery funding was allocated to enable all pupils to attend. This offer was extended to vulnerable pupils from schools outside of the Trust.

Throughout the accounting period the impact of the pandemic has left a greater number of pupils vulnerable to safeguarding and mental health issues. Both schools have evaluated the risk factors for every individual and have supported them through a whole school approach, intervention programmes and additional pastoral care services. All safeguarding training was completed by staff and safeguarding leaders (DSLs) and in addition to this, the headteacher at Nunnery Wood and deputy headteacher at Lyppard Grange have received further accredited training related to SEMH provision and strategies. This work will continue so that all pupils have protective factors applied to keep them physically and mentally healthy.

Both schools also ensured that those who were deemed vulnerable, and hence receiving free school meals, had this aspect of their needs met through the provision of vouchers via the national scheme. For a small minority of children, additional food parcels were sourced and delivered. Home visits and telephone calls were continued throughout the lockdown to ensure the family needs were being met. Given the need, Nunnery Wood also

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

developed a single point of contact email address, enhancing communication lines further.

For those children unable to come into school, both schools ensured that the home learning provision was appropriate for children and manageable for their parents and carers. Children were provided with a range of tasks, activities, and materials each week, enabling them to continue to apply their academic and creative skills. This year, the online learning platform enabled teachers to identify and deliver key learning objectives in the core subjects that would be taught. Feedback from children and parents across both schools about all aspects of provision during this period was extremely positive. Trustees are happy that the provision afforded during the year and the planning that has already been undertaken for the future should place the two schools in a strong position to minimise as far as possible any further pandemic issues negatively impacting on learning outcomes.

At the beginning of the reporting period, Trustees, local Governors and staff across the Trust turned their attention towards preparing for the full reopening of schools. The use of Catch up and Recovery funding has been implemented during this year and quality first teaching and intervention programmes are centred on closing identified gaps in pupils learning. Teachers are using assessment for learning to enable pupils to reach the expected standard of attainment of their peers prior to the pandemic. This is true of all groups of pupils irrespective of race, gender, disadvantaged and SEND for example. Both schools have been able to return to teaching the full curriculum as per the timelines expected by the DfE and Ofsted and during the latter part of the reporting period have started to monitor and evaluate the implementation of the school's curriculum intent so that strengths and areas for development are included on the 2021-2022 School Evaluation Form, School Development Plan and in staff performance management targets.

The Trust is hugely grateful to the staff of both schools for their positive approach, unstinting support and dedication to providing the pupils with an excellent education during this period.

c. Public benefit

In setting Trust objectives, The Board has considered the Charity Commission's guidance on public benefit carefully. The primary purpose of the Trust is the advancement of effective education of pupils attending the two academies.

Both academies have the aspiration of providing the very best education to all pupils regardless of family background and circumstances, aiming to ensure all fulfil their potential and are fully ready for the next stage of their education.

Strategic report

Achievements and Performance

a. Key performance indicators

Ordinarily, the Trust uses the attainment, progress, attendance, and behaviour of pupils in each academy as KPIs for the delivery of its primary objective. Given the interruption to operations caused by the pandemic, it is not possible to provide reliable, meaningful, or comparable full year data. However, internal data available to the point of closure, suggests that both schools were on track to meet the objectives set by the Trustees of closing the gaps in learning and improving academic and personal development outcomes.

Other methods of monitoring standards and pupil progress have been applied as per usual such as book scrutiny, learning walks, lesson observations, standardised internal assessments and pupil voice. The regularity of these was affected during the lockdown period and upon return to school, particularly with bubbles and staff isolation and shielding still in place. The full picture is due to be gathered in the Summer 2022 with the opportunity for more in-depth external moderation of pupils work with other schools and the planned return of

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and Performance (continued)

national tests, so that we can compare performance in relation to all schools nationally.

Financial impact of the Coronavirus pandemic

Government funding for education continued as normal during Covid lockdown as did the Trust's main area of expenditure: staffing costs. Additional funding in the form of Catch-Up Premium enabled the schools to respond to pupil needs both academically and in terms of personal development. This involved increasing staffing capacity to facilitate tuition, classroom support, Summer Camp and pastoral and safeguarding provision. Both schools normally have extensive extra-curricular activities supported by parental contributions but in the main the costs and the contributions ceased in equal measure.

The Trust has once again lost income from lettings. The biggest loss in this regard is still the loss of engagement with our community. The Trust's largest source of self-generated income comes from our wraparound care services in both schools. The government's Job Retention Scheme (JRS) was invaluable in allowing us to furlough Wraparound Care staff and reduce quite large losses to manageable levels, and then restart the service as soon as circumstances allowed.

On expenditure there were some areas such as staff training where it simply wasn't possible to spend the budget. Online learning generally meant that we made more use of existing licence commitments and spent less on day-to-day resources. We honoured normal commitments to staff intensive suppliers such as caterers but whilst we covered operational costs, we did not cover profits.

Teaching supply costs have increased upon the return to school mainly due to self-isolation, shielding or illness as the Trustees and senior leaders are focussed on maintaining an excellent service and ensuring minimum disruption for the pupils. Cleaning costs had initially doubled as part of keeping the school safe as per the detailed risk assessments in both schools and deep and extra cleaning is still in place to the end of the reporting period. During the height of the pandemic, Nunnery Wood had to redeploy some teaching assistants and the site manager to be able to fulfil public health guidance.

Counterintuitively possibly, savings exceeded extra costs so both schools ended up with a slightly better financial outcome than planned this time last year. Some of the savings were used by both schools to accelerate pupil progress and achievement across all aspects of the curriculum and some of the Catch-up funding has been ringfenced to enable this to continue next year.

b. Going concern

The Board has a reasonable expectation that the Trust has adequate resources to continue its operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies notes to the financial statements.

Financial review

The accounting period runs from 1 September 2020 to 31 August 2021. The majority of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities. All expenditure supports the activities of both academies within the Trust and is monitored carefully by both the local governing bodies and the Board, specifically through its Business Committee.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

The Board will continue to monitor the financial performance of the academies within the Trust. In the medium to long term, further economies can be found through collaborative planning and purchasing arrangements, particularly for the provision of core services such as HR, payroll and other financial services. The Board considers opportunities for making use of central government's National Deals for Schools.

- In the year there was a deficit of £184,415 (2020: £335,395) and after movements in the pension fund the net movement in funds totalled a deficit of £349,220 (2019: £865,395).
- Closing reserves at 31 August 2021 totalled £6,354,009 (2020: £6,698,422). the closing LGPS pension deficit was £3,547,000 (2020: £3,261,000) and the
- Restricted fixed asset reserve was £9,362,933 (2020: £9,524,096).

a. Reserves policy

The Trust's policy is to maintain an adequate level of reserves to provide a stable basis for the continued operation of the Trust and the academies within it, whilst ensuring that excessive funds are not accumulated. Notionally this equates to reserves of at least one month's average salary costs.

b. Investment policy

It is anticipated that the Trust will have surplus cash available, both as a result of cash flow planning and the implementation of the reserves policy. Such surplus cash should be invested to ensure that the Trust receives an acceptable income stream without putting the funds at risk.

The Board judges that risk-free bank deposit accounts are the most appropriate place to invest surplus cash at the current time. Advice should be taken from the Trust's bankers and funds invested as follows:

- Working capital to be held in a Lloyds bank current account or equivalent. A balance of at least 1 month's salary costs should be maintained. It is recognised that a small amount of interest is payable on this balance but that Lloyds also offer academies free banking which results in this lower interest rate.
- Surplus cash should be invested in a mixture of 30-day, 90-day and 12 months' notice accounts with Lloyds bank or a similar provider. The goal being to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cash flow requirements. Investment in any single institution will be limited to the value of the indemnity provided by the Financial Authority overseeing that institution.
- Any interest earned should be paid into the Trust's central budget to benefit all schools proportionally to their contribution.

Balances invested should be reported to the Board on a termly basis.

The Board has agreed not to invest reserves in stocks and shares or other volatile investments as these are deemed to represent an unacceptable level of risk to the Trust. Should the Board consider investing funds in anything other than risk-free bank deposit accounts, then it must seek appropriate professional financial advice..

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

The Board maintains an effective up-to-date risk register which is additionally reviewed by the Audit Committee as a standing item on every agenda. The principal risks are related to accurate financial management and reporting, as well as future funding developments, not least because of a shifting political and economic landscape, particularly as a result of the financial costs of the pandemic. Furthermore, with the increase in staffing absence related to the pandemic and other illness risks, these have been considered as potential risks. The Board maintains a watchful eye on individual academy performance in terms of pupil outcomes together with future funding indicators, forecast pupil numbers and the costs of building maintenance and improvement. The forecast pupil numbers has already had an impact within Nunnery Wood due to a lower birth rate within their own and surrounding catchment areas.

The Board is acutely aware that poor outcomes for pupils could lead to a decline in pupil numbers and this would have an adverse impact on future funding. The Trust's School Improvement committee, Local Governing Bodies and senior leaders are focused clearly on securing good outcomes for all pupils.

Fundraising

Both schools participate in low-level fundraising activities, largely attracting funds from its parent body through traditional means, ranging from fireworks events to summer fayres and bingo nights. Occasional sponsorship for sports kit has been secured but beyond this there are no formal commercial fundraising relationships. Much of this activity was curtailed by the pandemic and is still an area that will need a focussed strategy when reintroducing.

Neither school has received any complaints in relation to fundraising activity. None of the fundraising ventures of either school could be seen to intrude or place undue pressure on vulnerable people.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising (continued)

Streamlined Energy and Carbon Reporting

	Lyppard	Nunnery
Pupil Numbers	420	408
Energy consumption used to calculate emissions (kwh)	241,617	211,338
Energy consumption break down (kwh) (optional)		
• gas	160,185	154,023
• electricity	81,432	57,315
• transport fuel	-	-
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	33	31
Owned transport – mini-buses		
<u>Total scope 1</u>	33	31
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	17	12
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee owned vehicles	0.0	
Total gross emissions in metric tonnes CO ₂ e	50	43
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.12	0.11

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising (continued)

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The need to maintain good ventilation to minimise the spread of Covid has seen energy usage increase this year.

We have:

- installed sensors for internal lighting
- installed sensors/timers for external lighting
- installed sensors/timers for heating across both sites
- replaced roof lights at Lyppard Grange
- Maintained solar (PVs) panels at Nunnery Wood Primary School

Plans for future periods

There are four strands to the Board's plans for the future:

- Responding to the needs of children as the country continues to deal with the negative impact of the pandemic. This itself has two elements. Firstly, supporting and securing the positive emotional wellbeing and good mental health of all pupils in our schools. Secondly, ensuring that all pupils are supported to make progress in their learning, and are not permanently disadvantaged by prolonged absence from school, but are supported to close gaps in learning.
- Strengthening collaborations in teaching and learning between the two existing academies within the Trust further, in the belief that school-to-school support leads to improved outcomes for pupils
- Looking for opportunities to grow the number of academies within the Trust to bolster expertise and capacity to improve.
- Evaluating and implementing potential use of capital funds to develop income streams for both schools. For example, catering facilities at Nunnery Wood and nursery provision at Lyppard Grange.

Furthermore, Trustees continue to work with the Local Governing Bodies and senior leaders to ensure that the Trust provides an effective structure and framework to enable the academies to flourish in their work with children across the Trust.

Funds held as custodian on behalf of others

No funds are held by the Trust as custodian trustees on behalf of others.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

Randall and Payne LLP, Cheltenham have acted as auditors for the reporting period 1st September 2020 to 31st August 2021.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 17 December 2021 and signed on its behalf by:



M Rea
Chair of Trustees

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Villages' Multi-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. We have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees (the Board) has delegated the day-to-day responsibility to the 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 The Villages' Multi-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.

The composition of the board of trustees was stable during the year with just two resignations, one right at the end of the year. The Board had planned for this by recruiting two new trustees to join the Board in the previous reporting period. Expertise has been added in terms of business growth and development and within risk management and quality assurance. The Board continues to seek a trustee with legal expertise. In the absence of successfully appointing a trustee with such expertise, the chief executive has identified a suitable source for sector specific legal advice to support the Board and wider company as necessary.

After the period end, Mr P Jackson (the Trust's CEO and principal of Lyppard Grange Primary School) has unfortunately had an extended period of absence. The Trustees have taken measures to ensure that both the Trust and school have continued to be appropriately led in his absence. As part of that process, Mrs R Higgins (the principal of Nunnery Wood Primary School) has been appointed as Acting Accounting Officer for the Trust.

The Board has continued its work through its established committee structure: Business; Performance, Pay and Personnel; School Improvement; and Audit and Risk. To aid their work, directors have received internal reports on the Trust's finances both at individual academy level and in consolidated format. The Trust has completed the School Resource Management Self-Assessment Tool and is compliant in all areas. The Board has received detailed information on pupil outcomes for both academies via internal monitoring by senior leaders, governors and directors. Where available, this information is supplemented by external data sets provided by DfE/Ofsted and through a service level agreement with the Data Analysis team at Worcestershire County Council. Both academies and the Board also make use of an external education consultant. The Board is confident that the quality of information is accurate and reliable and has aided effective decision making.

The full Board and individual committees have reviewed their overall effectiveness at the end of the academic year; this process was overseen by the Audit and Risk Committee. Trustees consider that the Board and its committees have been effective in discharging their responsibilities and point to the following evidence in support of this assertion:

- All meetings were above the agreed threshold for quoracy
- Full Board Attendance is good, achieving on average 82% attendance at every meeting.
- The Business Committee had attendance average of 89% which is 10% higher than the previous period.
- The Audit Committee had an attendance average of 95% which is slightly above the 92% of the previous reporting period.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Actions are in the overwhelming majority of cases completed. No committee stands out as performing less well than others.
- All meetings show evidence of discussion, challenge, and support.

During a period of unprecedented change and disruption, the governance arrangements appear to be agile and responsive, convening extraordinary meetings where needed, and providing briefing notes rather than holding meetings or deferring actions, where this was appropriate, during the acute period of crisis management.

The review process identified the following areas for further minor improvement:

- That the update on actions at all committees includes a clear statement of the current status to identify completed or ongoing actions.
- Higher priority and attention be given to actions relating to a statutory reporting requirements or other external deadline, with agreed deadlines to ensure these are covered off effectively and to time.
- That the purpose of each agenda item is clear to committee members to clarify if an item is for approval, discussion, or information only.

Attendance during the period at meetings of the full Board was as follows:

M Rea, Chairman, Chair	5	5
K Bailey	3	5
P Jackson, Executive Officer	5	5
M Hayward	3	5
S Salisbury	4	5
J Price	5	5
V Lee	5	5
J Tilley	4	5
S Turner	5	5
G Scott	3	5
L Westwood	0	1

The **Business Committee** is a sub-committee of the main Board; it is chaired by a senior qualified accountant. Its purpose is to provide scrutiny and oversight of the Trust's financial position and activity, with lead responsibility for considering funding, budgeting, and expenditure. The committee also sets the Trust's financial procedures as well as having responsibility for the trust's estate and asset management. There are five directors on the Business Committee. The committee met on six occasions during the period.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Hayward	5	6
P Jackson	6	6
M Rea (Chair of Committee)	6	6
G Scott	5	6
L Westwood	1	2

The **Audit and Risk Committee** is also a sub-committee of the main board of trustees; it is chaired by a quality assurance professional. Its purpose is to set and review the internal audit programme, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Trust. It reviews reports and recommendations of the internal audit, together with the appropriateness of management's response and

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

monitors the implementation of action agreed by management in response to reports from the auditor including the annual management letter. The Audit and Risk Committee also keeps under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports.

In addition, the Audit and Risk Committee also keeps under review, the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts and statements.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Salisbury	4	4
V Lee	4	4
J Tilley	3	4
P Jackson	4	4
S Turner (Chair of Committee)	4	4

Review of value for money

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

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

- keeping the staffing structure in both academies under review and deploying staff efficiently to support the curriculum and reflecting the intake of both schools within the Trust
- continuing to ensure expenditure is closely aligned to securing good outcomes for pupils
- continuing to engage with other academies and maintained schools to share good practice
- having strong Local Governing Bodies with relevant skill sets able to both support and challenge
- ensuring services and contracts are appraised and renegotiated to ensure they are fit for purpose
- benchmarking costs against similar organisations to identify areas for making savings
- ensuring the Trust has robust internal controls to monitor all financial processes
- having suitably qualified and experienced staff working within the financial departments of the schools
- seeking advice and support from other professionals to ensure regulations within the Academies Financial Handbook are adhered to and outcomes for students maximised

Three specific examples will help to show how Trust activity is maximising value for pupils, parents, and the wider community:

- Wraparound care is firmly established in both schools, provided at a reasonable rate, and supporting children who attend to have settled starts and ends to each day
- Sports camps during the holidays provide healthy activity in a safe environment where learning and fun go hand in hand.
- Contracting out of cleaning services at Nunnery Wood Primary School.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing significant risks to the Trust, that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed the Audit Committee, a number of suitably qualified Trustees, to carry out a programme of internal checks.

The task includes review of financial matters and performing a range of checks on the Trust's financial systems. Based on the best practice format employed previously by the auditors, checks carried out in the current period included:

- process for setting and approving the annual budget
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

In addition to the financial systems audit, the committee also carried out an internal review of the safeguarding processes to ensure they were sufficiently robust to deal with the additional strain that remote learning and self-isolation due to Covid had added.

On an annual basis, the external auditors report to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

The reviewers have delivered their schedule of work as planned, provided details of any material control issues arising and, if relevant, described what remedial action is being taken to rectify the issues.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

As Accounting Officer, the 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 external auditors;
- the financial management and governance self-assessment process.
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has acted on the above advice, implementing a plan to address weaknesses identified, and continued monitoring helps to ensure continuous improvement of the system.

Approved by order of the members of the Board of Trustees on 17 December 2021 and signed on their behalf by:



M Rea, Chairman
Chair of Trustees



R Higgins
Acting Accounting Officer

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Villages' Multi-Academy Trust, I have considered my responsibility to notify the academy trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that the Board and I are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that the following instance of material irregularity, discovered to date has been notified to the Board and ESFA. This is a breach of the Academies Financial Handbook and therefore constitutes a qualified regularity opinion. If any further instances are identified after the date of this statement, these will be notified to the Board and ESFA:

- The audited report and accounts for the year ended 31 August 2020 were not published on the Trust's website in line with point 4.4 of the Academies Financial Handbook. These have now been published and are readily available on the website in line with the Handbook.



R Higgins
Acting Accounting Officer
Date: 17 December 2021

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The 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 December 2021 and signed on its behalf by:



M Rea
Chair of Trustees

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
VILLAGES' MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of The Villages' Multi-Academy Trust (the 'trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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

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

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
VILLAGES' MULTI-ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
VILLAGES' MULTI-ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

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

we obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy. These include but are not limited to compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;

- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
VILLAGES' MULTI-ACADEMY TRUST (CONTINUED)**

Use of our report

This report is made solely to the charitable Trust'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 Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ryan Moore CA (Senior Statutory Auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House

Shurdington Road

Shurdington

Cheltenham

Gloucestershire

GL51 4GA

17 December 2021

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
VILLAGES' MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Villages' Multi-Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Villages' Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Villages' Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

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

The following instances are considered to be breaches of the Academies Financial Handbook or Academy Accounts Direction and therefore constitute a qualified regularity opinion:

- The audited report and accounts for the year ended 31 August 2020 were not published on the Trust's website in line with point 4.4 of the Academies Financial Handbook. These have now been published and are readily available on the website in line with the Handbook.

Randall & Payne LLP

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date: 17 December 2021

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	2,677	-	34,351	37,028	19,029
Investments	5	129	-	-	129	851
Charitable activities		-	3,972,502	-	3,972,502	3,732,046
Total income		2,806	3,972,502	34,351	4,009,659	3,751,926
Expenditure on:						
Charitable activities	7	-	3,964,022	230,052	4,194,074	4,087,320
Total expenditure		-	3,964,022	230,052	4,194,074	4,087,320
Net income/(expenditure)		2,806	8,480	(195,701)	(184,415)	(335,394)
Transfers between funds	19	-	(34,538)	34,538	-	-
Net movement in funds before other recognised gains/(losses)		2,806	(26,058)	(161,163)	(184,415)	(335,394)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(160,000)	-	(160,000)	(530,000)
Net movement in funds		2,806	(186,058)	(161,163)	(344,415)	(865,394)
Reconciliation of funds:						
Total funds brought forward		214,993	(3,040,666)	9,524,096	6,698,423	7,563,817
Net movement in funds		2,806	(186,058)	(161,163)	(344,415)	(865,394)
Total funds carried forward		217,799	(3,226,724)	9,362,933	6,354,008	6,698,423

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 62 form part of these financial statements.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10765135

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	9,362,933	9,524,096
		<u>9,362,933</u>	<u>9,524,096</u>
Current assets			
Debtors	15	211,797	249,612
Cash at bank and in hand		603,142	520,337
		<u>814,939</u>	<u>769,949</u>
Creditors: amounts falling due within one year	16	(272,704)	(329,707)
Net current assets		<u>542,235</u>	<u>440,242</u>
Total assets less current liabilities		<u>9,905,168</u>	<u>9,964,338</u>
Creditors: amounts falling due after more than one year	17	(4,159)	(4,915)
Net assets excluding pension liability		<u>9,901,009</u>	<u>9,959,423</u>
Defined benefit pension scheme liability	25	(3,547,000)	(3,261,000)
Total net assets		<u><u>6,354,009</u></u>	<u><u>6,698,423</u></u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10765135

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	9,362,933	9,524,096
Restricted income funds	19	320,276	220,334
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	9,683,209	9,744,430
Pension reserve	19	(3,547,000)	(3,261,000)
		<hr/>	<hr/>
Total restricted funds	19	6,136,209	6,483,430
Unrestricted income funds	19	217,800	214,993
		<hr/>	<hr/>
Total funds		6,354,009	6,698,423
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 28 to 62 were approved by the Trustees, and authorised for issue on 17 December 2021 and are signed on their behalf, by:



M Rea
Chair of Trustees



R Higgins
Acting Accounting Officer

The notes on pages 32 to 62 form part of these financial statements.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	131,160	164,896
Cash flows from investing activities	22	(48,355)	(44,617)
Change in cash and cash equivalents in the year		82,805	120,279
Cash and cash equivalents at the beginning of the year		520,337	400,058
Cash and cash equivalents at the end of the year	23, 24	<u>603,142</u>	<u>520,337</u>

The notes on pages 32 to 62 form part of these financial statements

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Villages' Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All resources expended are inclusive of VAT and reclaimed from HMRC where appropriate..

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 Years
Furniture and equipment	- 20% Straight line
Plant and machinery	- 20% Straight line
Computer equipment	- 33% Straight line

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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Liabilities

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	2,677	13,946	16,623
Capital Grants	-	20,405	20,405
	<u>2,677</u>	<u>34,351</u>	<u>37,028</u>
	<u><u>2,677</u></u>	<u><u>34,351</u></u>	<u><u>37,028</u></u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	1,792	-	1,792
Capital Grants	-	17,236	17,236
	<u>1,792</u>	<u>17,236</u>	<u>19,028</u>
	<u><u>1,792</u></u>	<u><u>17,236</u></u>	<u><u>19,028</u></u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant	3,124,811	3,124,811
Other DfE/ESFA grants		
Rates Reclaim	13,722	13,722
Pupil Premium	163,067	163,067
Universal Infant Free School Meals	145,649	145,649
Year 7 Catch Up Grant	82,200	82,200
Other DfE and ESFA	190,079	190,079
Local Authority - Special Needs	84,734	84,734
Other Local Authority Revenue Grants	6,076	6,076
Other Government Revenue*	3,428	3,428
Other Income	158,736	158,736
	<u>3,972,502</u>	<u>3,972,502</u>
	<u>-</u>	<u>-</u>
	<u><u>3,972,502</u></u>	<u><u>3,972,502</u></u>

* Included within the other government revenue above is:
£3,428 (2020: £20,740) claimed and received in relation to the Coronavirus Job Retention Scheme

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants		
General Annual Grant	2,937,171	2,937,171
Other DfE/ESFA grants		
Rates Reclaim	13,181	13,181
Pupil Premium	152,819	152,819
Pupil Number Adjustment	41,205	41,205
Universal Infant Free School Meals	143,449	143,449
Other DfE and ESFA	188,098	188,098
Local Authority - Special Needs	70,260	70,260
Other Local Authority Revenue Grants	5,350	5,350
Other Government Revenue*	22,490	22,490
Other Income	158,023	158,023
	<u>3,732,046</u>	<u>3,732,046</u>
	-	-
	<u>3,732,046</u>	<u>3,732,046</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - local cash	<u>129</u>	<u>129</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - local cash	<u>851</u>	<u>851</u>

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Charitable activities				
Direct costs	2,717,273	-	175,321	2,892,594
Allocated support costs	656,363	29,190	615,927	1,301,480
	<u>3,373,636</u>	<u>29,190</u>	<u>791,248</u>	<u>4,194,074</u>

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Charitable activities				
Direct costs	2,682,794	-	71,181	2,753,975
Allocated support costs	616,439	49,795	667,111	1,333,345
	<u>3,299,233</u>	<u>49,795</u>	<u>738,292</u>	<u>4,087,320</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £
Direct costs - Activities	4,194,074	4,194,074

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Activities	4,087,320	4,087,320

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs - Activities	2,892,594	1,301,480	4,194,074

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Activities	2,753,975	1,333,345	4,087,320

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £
Staff costs	2,718,597	2,718,597
Depreciation	42,762	42,762
Educational Supplies	66,558	66,558
Educational Consultancy	13,486	13,486
Technology Costs	9,822	9,822
Trip Costs	4,094	4,094
Office Costs	411	411
Operating Lease Rentals	7,065	7,065
SEN Educational Consultancy	29,799	29,799
	<u>2,892,594</u>	<u>2,892,594</u>
	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	2,590,146	2,590,146
Depreciation	26,519	26,519
Educational Supplies	34,864	34,864
Educational Consultancy	13,351	13,351
Technology Costs	8,016	8,016
Trip Costs	43,683	43,683
Office Costs	526	526
Operating Lease Rentals	6,497	6,497
SEN Educational Consultancy	30,373	30,373
	<u>2,753,975</u>	<u>2,753,975</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Pension finance costs	56,000	56,000
Staff costs	640,228	640,228
Depreciation	187,291	187,291
Subscriptions and Licences	14,403	14,403
Other Staff Costs	16,378	16,378
Insurance	14,994	14,994
Technology Costs	49,186	49,186
Maintenance of Premises	29,915	29,915
Office Costs	9,967	9,967
Cleaning and Caretaking	39,176	39,176
Rates	18,347	18,347
Energy	30,385	30,385
Security	2,816	2,816
Catering	109,093	109,093
Legal & Professional	83,301	83,301
	<u>1,301,480</u>	<u>1,301,480</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Pension finance costs	44,000	44,000
Staff costs	683,078	683,078
Depreciation	183,261	183,261
Subscriptions and Licences	12,716	12,716
Other Staff Costs	15,070	15,070
Insurance	14,760	14,760
Technology Costs	48,051	48,051
Maintenance of Premises	32,002	32,002
Office Costs	14,249	14,249
Cleaning and Caretaking	38,879	38,879
Rates	19,164	19,164
Energy	30,004	30,004
Security	3,132	3,132
Catering	104,409	104,409
Other Premises Costs	17,415	17,415
Legal & Professional	73,155	73,155
	<u>1,333,345</u>	<u>1,333,345</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	7,065	6,497
Depreciation of tangible fixed assets	230,052	209,779
Fees paid to auditors for:		
- audit	8,500	8,500
- other services	3,500	3,500
	<u>240,067</u>	<u>227,776</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,429,238	2,269,162
Social security costs	199,404	189,750
Pension costs	702,551	779,492
	<u>3,331,193</u>	<u>3,238,404</u>
Agency staff costs	27,632	34,820
	<u>3,358,825</u>	<u>3,273,224</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	40	37
Education Support (TAs, LTS)	84	81
Administration (Admin, Premi)	8	9
Management	4	4
	<u>136</u>	<u>131</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	35	33
Education Support (TAs, LTS)	44	38
Administration (Admin, Premi)	5	5
Management	4	4
	<u>88</u>	<u>80</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

Pension contributions for the above staff totalled £37,166 (2020: £35,418).

d. Key management personnel

Total remuneration earned by key management personnel in the year (including employer's pension contributions and national insurance contributions) was £362,312 (2020: £346,570). Key management personnel was made up of the CEO, Head of School and Deputy Head Teachers.

11. Central services

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
P Jackson, Executive Officer	Remuneration	80,000 - 85,000	80,000 - 85,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2021, expenses totalling £35 were reimbursed or paid directly to 1 Trustee (2020 - £681 to 2 Trustees). The expenses reimbursed were in relation to expenditure for the fireworks night held at the School and the charcoal for the BBQ.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £500 (2020 - £500). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	9,847,055	49,813	6,027	79,557	9,982,452
Additions	-	20,159	-	48,730	68,889
At 31 August 2021	9,847,055	69,972	6,027	128,287	10,051,341
Depreciation					
At 1 September 2020	404,327	10,063	1,205	42,760	458,355
Charge for the year	172,091	13,994	1,205	42,762	230,052
At 31 August 2021	576,418	24,057	2,410	85,522	688,407
Net book value					
At 31 August 2021	9,270,637	45,915	3,617	42,765	9,362,934
At 31 August 2020	9,442,728	39,750	4,821	36,797	9,524,096

Included in land and buildings is leasehold land at valuation of £1,242,498 (2020: £1,242,498) which is not depreciated.

The leasehold property is granted on a 125 year lease for nil rental with the Local Authority. In accordance with the SORP, the assets have been recognised in the Academy Trust's accounts, representing the 'right to use' the property.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	174,807	217,653
Prepayments and accrued income	36,990	31,959
	<u>211,797</u>	<u>249,612</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	756	756
Trade creditors	6,798	20,597
Other taxation and social security	48,360	41,989
Pension payable	62,937	56,119
Other creditors	67,603	107,312
Accruals and deferred income	86,250	102,934
	<u>272,704</u>	<u>329,707</u>

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>4,159</u>	<u>4,915</u>

Other loans comprise an interest-free Salix loan repayable over 7 years.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Accruals and deferred income

	2021	2020
	£	£
Deferred income at 1 September 2020	102,934	85,759
Resources deferred during the year	86,250	102,934
Amounts released from previous periods	(102,934)	(85,759)
Deferred income at 31 August 2021	86,250	102,934

Deferred income includes UIFSM, rates relief and trip income in 2021/22 where funds have been received in 2020/21.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	214,993	2,807	-	-	-	217,800
Restricted general funds						
General Annual Grant (GAG)	219,734	3,124,811	(2,995,312)	(34,538)	-	314,695
Rates Reclaim	-	13,722	(13,722)	-	-	-
Pupil Premium	-	163,067	(163,067)	-	-	-
Universal Infant Free School Meals	-	145,649	(145,649)	-	-	-
Other DfE and ESFA Grants	600	272,279	(267,298)	-	-	5,581
Other Local Authority Grants	-	90,810	(90,810)	-	-	-
Other Government Income	-	3,428	(3,428)	-	-	-
Other Income	-	158,736	(158,736)	-	-	-
Pension reserve	(3,261,000)	-	(126,000)	-	(160,000)	(3,547,000)
	(3,040,666)	3,972,502	(3,964,022)	(34,538)	(160,000)	(3,226,724)
Restricted fixed asset funds						
Fixed Assets	9,524,096	-	(230,052)	68,889	-	9,362,933
Capital grants	-	20,405	-	(20,405)	-	-
Donated assets from DfE	-	13,946	-	(13,946)	-	-
	9,524,096	34,351	(230,052)	34,538	-	9,362,933
Total Restricted funds	6,483,430	4,006,853	(4,194,074)	-	(160,000)	6,136,209

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total funds	6,698,423	4,009,660	(4,194,074)	-	(160,000)	6,354,009
--------------------	------------------	------------------	--------------------	----------	------------------	------------------

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

The restricted general fund includes grants receivable from the ESFA, LA and other government grants towards operating activities of the Academy administered by the charitable company.

The restricted fixed asset fund includes amounts receivable from the ESFA and other contributors in respect of tangible fixed assets held for Academy use.

Pension reserve - This fund relates solely to the Local Government Pension Scheme pension reserve.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds - all funds	212,348	2,645	-	-	-	214,993
Restricted general funds						
General Annual Grant (GAG)	174,095	2,937,171	(2,828,418)	(63,114)	-	219,734
Rates Reclaim	-	13,181	(13,181)	-	-	-
Pupil Premium	-	152,819	(152,819)	-	-	-
Universal Infant Free School Meals	-	143,449	(143,449)	-	-	-
Other DfE and ESFA Grants	-	188,097	(187,497)	-	-	600
Other Local Authority Grants	-	70,260	(70,260)	-	-	-
Other Government Income	-	22,490	(22,490)	-	-	-
Other Income	(4,567)	204,579	(200,012)	-	-	-
Pension reserve	(2,489,000)	-	(242,000)	-	(530,000)	(3,261,000)
	<u>(2,319,472)</u>	<u>3,732,046</u>	<u>(3,860,126)</u>	<u>(63,114)</u>	<u>(530,000)</u>	<u>(3,040,666)</u>
Restricted fixed asset funds						
Fixed Assets	9,665,121	-	(227,195)	86,170	-	9,524,096
Capital grants	5,820	17,236	-	(23,056)	-	-
	<u>9,670,941</u>	<u>17,236</u>	<u>(227,195)</u>	<u>63,114</u>	<u>-</u>	<u>9,524,096</u>
Total Restricted funds	<u>7,351,469</u>	<u>3,749,282</u>	<u>(4,087,321)</u>	<u>-</u>	<u>(530,000)</u>	<u>6,483,430</u>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

Total funds	<u>7,563,817</u>	<u>3,751,927</u>	<u>(4,087,321)</u>	<u>-</u>	<u>(530,000)</u>	<u>6,698,423</u>
--------------------	------------------	------------------	--------------------	----------	------------------	------------------

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	<i>2020</i> £
Lyppard Grange Primary School	208,481	<i>104,890</i>
Nunnery Wood Primary School	329,595	<i>330,437</i>
Total before fixed asset funds and pension reserve	538,076	<i>435,327</i>
Restricted fixed asset fund	9,362,933	<i>9,524,096</i>
Pension reserve	(3,547,000)	<i>(3,261,000)</i>
Total	<u>6,354,009</u>	<i><u>6,698,423</u></i>

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Lyppard Grange Primary School	1,274,578	476,445	35,134	242,294	2,028,451
Nunnery Wood Primary School	1,444,019	219,783	31,424	240,345	1,935,571
Trust	2,718,597	696,228	66,558	482,639	3,964,022

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Lyppard Grange Primary School	1,242,543	551,901	19,406	279,918	2,093,768
Nunnery Wood Primary School	1,347,602	175,177	15,458	245,536	1,783,773
Trust	2,590,145	727,078	34,864	525,454	3,877,541

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	9,362,933	9,362,933
Current assets	217,798	597,141	-	814,939
Creditors due within one year	-	(272,706)	-	(272,706)
Creditors due in more than one year	-	(4,159)	-	(4,159)
Provisions for liabilities and charges	-	(3,547,000)	-	(3,547,000)
Other allocations	2	-	-	(2)
Total	217,800	(3,226,724)	9,362,933	6,354,009

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	9,524,096	9,524,096
Current assets	214,992	554,957	-	769,949
Creditors due within one year	-	(329,708)	-	(329,708)
Creditors due in more than one year	-	(4,915)	-	(4,915)
Provisions for liabilities and charges	-	(3,261,000)	-	(3,261,000)
Other allocations	-	1	-	1
Total	214,992	(3,040,665)	9,524,096	6,698,423

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(184,415)	(335,394)
Adjustments for:		
Depreciation	230,052	209,779
Dividends, interest, and rents from investments	(129)	(851)
Decrease/(increase) in debtors	37,816	(15,752)
(Decrease)/increase in creditors	(57,759)	88,399
Capital grants from DfE and other capital income	(20,405)	(23,285)
Defined benefit pension scheme finance cost	126,000	242,000
Net cash provided by operating activities	131,160	164,896

22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	129	851
Purchase of tangible fixed assets	(68,889)	(86,170)
Proceeds from the sale of tangible fixed assets	-	17,417
Capital grants from DfE Group	20,405	23,285
Net cash used in investing activities	(48,355)	(44,617)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	603,142	520,337
Total cash and cash equivalents	603,142	520,337

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	520,337	82,805	603,142
Debt due within 1 year	(56,876)	(6,817)	(63,693)
Debt due after 1 year	(4,915)	756	(4,159)
	<u>458,546</u>	<u>76,744</u>	<u>535,290</u>

25. Pension commitments

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

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

Contributions amounting to £62,950 were payable to the schemes at 31 August 2021 (2020 - £55,638) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £346,745 (2020 - £337,328).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £380,000 (2020 - £244,000), of which employer's contributions totalled £328,000 (2020 - £197,000) and employees' contributions totalled £ 52,000 (2020 - £47,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 8.5 per cent for employees.

The LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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 VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.7	2.4

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.1	25.0
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	27.1	27.0

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	(100)	(83)
Mortality assumption - 1 year increase	152	114
CPI rate +0.1%	102	85

Share of scheme assets

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. Pension commitments (continued)

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

	2021 £	2020 £
Equities	1,050,000	487,000
Government bonds	-	50,000
Corporate bonds	1,000	39,000
Property	56,000	40,000
Cash and other liquid assets	32,000	31,000
Other	124,000	92,000
Total market value of assets	1,263,000	739,000

The actual return on scheme assets was £169,000 (2020 - £12,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(394,000)	(345,000)
Past service cost	-	(47,000)
Interest income	17,000	13,000
Interest cost	(73,000)	(57,000)
Administrative expenses	(4,000)	-
Total amount recognised in the Statement of Financial Activities	(454,000)	(436,000)

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

	2021 £	2020 £
At 1 September	4,000,000	3,101,000
Interest cost	73,000	57,000
Employee contributions	52,000	47,000
Actuarial losses	313,000	402,000
Benefits paid	(22,000)	1,000
Past service costs	-	47,000
Current service cost	394,000	345,000
At 31 August	4,810,000	4,000,000

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. Pension commitments (continued)

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	739,000	612,000
Interest income	17,000	13,000
Actuarial gains/(losses)	153,000	(128,000)
Employer contributions	328,000	197,000
Employee contributions	52,000	47,000
Benefits paid	(22,000)	1,000
Administration expenses	(4,000)	(3,000)
At 31 August	1,263,000	739,000

26. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Within 1 year	9,498	6,006
Between 1 and 5 years	15,225	8,128
	24,723	14,134

27. Members' liability

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

THE VILLAGES' MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

28. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The spouse of P Jackson, Accounting Officer & Trustee, and the spouse of M Rea, Trustee, are employed by the Trust as teachers. The appointments were made prior to conversion from LA to an academy in open competition and the related Trustee was not involved in the decision making process regarding appointment. Remuneration is paid within the normal pay scale for their roles and they receive no special treatment as a result of their relationship with a Trustee.